



**WASHINGTON STATE
GAMBLING COMMISSION PUBLIC
MEETING - July 2020**

Gambling Commission Headquarters
Lacey, Washington

COMMISSIONERS



Bud Sizemore
Chair



Julia Patterson
Vice Chair



Ed Troyer



Alicia Levy



Lauren King

EX OFFICIOS



Senator
Steve Conway



Senator
Jeff Holy



Representative
Shelley Kloba



Representative
Brandon Vick



David Trujillo
Director

STAFF



Washington State Gambling Commission

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

(360) 486-3469 | (800) 345-2529 | www.wsgc.wa.gov



WAGamblingCommission



WAGambling



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STATE OF WASHINGTON

GAMBLING COMMISSION

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

July Gambling Commission Meeting Agenda

Join Microsoft Teams Meeting Friday, July 17, 2020 1:00 PM

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

10:00 AM - 12:30 PM	Executive Session – Closed to the Public Discuss potential agency litigation with legal counsel, including tribal negotiations.	<i>Bud Sizemore, Chair</i>
12:30-1:00	Break	
Tab 1 1:00	Call to Order *Consent Agenda <ul style="list-style-type: none"> June 23, 2020 Commission Meeting Minutes New Licenses and Class III Employees Licenses Director’s Report	<i>Bud Sizemore, Chair</i> (Action)
Tab 2	Petitions for Review <ul style="list-style-type: none"> Jason Doo; CR 2019-00917 Michael Mazeckin; CR 2019-01489 	<i>Doug Van de Brake, Washington Assistant Attorney General</i> <i>Terence Wong, Attorney for Petitioners</i>
Tab 3	*RULE PETITION FOR FINAL ACTION <ul style="list-style-type: none"> Cost of Providing Public Records 	(Action) <i>Ashlie Laydon, Rules Coordinator</i>
Tab 4	*RULE PETITION FOR DISCUSSION AND POSSIBLE FILING <ul style="list-style-type: none"> Updating Rules Regarding Card Games 	(Action) <i>Ashlie Laydon, Rules Coordinator</i>
Tab 5	*RULE PETITION FOR DISCUSSION AND POSSIBLE FILING <ul style="list-style-type: none"> Sports Wagering 	(Action) <i>Brian Considine, Legal and Legislative Manager</i>
Tab 6	Gambling Commission Financial Update	<i>Christopher Stanley, Chief Financial Officer</i>
Tab 7	2021 Agency Request Legislation	<i>Brian Considine, Legal and Legislative Manager</i>
	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"

June Gambling Commission Meeting Minutes

Gambling Commission Headquarters

Virtual Meeting

***June 23, 2020**

Commissioners Present:

Bud Sizemore, Chair (Via Teams)

Julia Patterson (Via Teams)

Ed Troyer (Via Teams)

Alicia Levy (Via Teams)

Lauren King (Via Teams)

Ex Officio Members Present:

Senator Steve Conway (Via Teams)

Senator Jeff Holy (Via Teams)

Representative Shelley Kloba (Via Teams)

Staff Present:

Tina Griffin, Assistant Director; Julie Anderson, Executive Assistant; Jason Huggett, Information Technology Specialist.

Staff Present-Virtual:

Brian Considine, Legal and Legislative Manager; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Ashlie Laydon, Rules Coordinator; Adam Teal, Staff Attorney; and Suzanne Becker, Assistant Attorney General.

Public Meeting Call to Order

Chair Sizemore called the virtual meeting to order at 10:01 AM. He introduced the Commission's newest commissioner, Ms. Lauren King. Commissioner King is originally from Oklahoma and is a citizen of the Muscogee (Creek) Nation. She is a partner in the law firm Foster Garvey PC, where she chairs the Native American law practice group. She earned her law degree from the University of Virginia School of Law, where she served as editor in chief of the Virginia Journal of Law and Technology. Commissioner King earned her undergraduate degree in business administration from the University of Washington. She also teaches Federal Indian Law as an adjunct professor at Seattle University School of Law.

"I am honored that Governor Inslee appointed me to the Commission. It is a true privilege to serve the people of Washington State in this role," said Commissioner King.

Chair Sizemore asked Julie Anderson to call roll to ensure a quorum. All commissioners were present.

There were 68 people who attended the virtual meeting.

Tab 1

Commissioner Patterson moved to approve the May 14, 2020 minutes as presented in the packet.

* 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.

*Commissioner Levy seconded the motion.
Julie Anderson called the roll.
The motion passed 4:0
Commissioner King abstained.*

*Commissioner Levy moved to approve the New Licenses and Class III Employees Report as listed in the packet.
Commissioner Patterson seconded the motion.
Julie Anderson called the roll.
The motion passed 5:0*

Election of Officers

Chair Nomination:

*Commissioner Troyer nominated Commissioner Sizemore for Chair of the Gambling Commission for the term July 2020 through June 2021.
Commissioner Patterson seconded the motion.
Julie Anderson called the roll.
The motion passed 5:0*

Vice Chair Nomination:

*Commissioner Levy nominated Commissioner Patterson as Vice Chair of the Gambling Commission for the term July 2020 through June 2021.
Commissioner Troyer seconded the motion.
Julie Anderson called the roll.
The motion passed 5:0.*

Director's Report

Director Trujillo was not able to attend the meeting so **Assistant Director Tina Griffin** read the director's report for the record.

Tab 2

Pull-Tab Prize Limit Rule Petition

Ashlie Laydon, Rules Coordinator, presented the materials for this tab. Katie Doyle (Washington Hospitality Association) Mark Sivanish (Spokane Pull Tabs & Bingo Supply), and John Schoffler, manager of Swinging Door, were available for questions. Ms. Doyle, the petitioner, is proposing to increase single cash prizes and merchandise prizes from \$2,500 to \$5,000 each in WAC 230-14-080, Prize limits and percentage of winners required; and WAC 230-14-085, Calculating markup for merchandise prizes; and to increase the carry-over jackpot prize limits from \$5,000 to \$10,000 in WAC 230-14-220, Prize limits for carry-over jackpot pull-tab series.

The petitioner requests the prize limit changes because the prize limits in rule have not been increased in many years and an increase would benefit pull-tab operators.

Commission staff requested consideration of payout and cash reserve requirements if the commissioners accept the petition.

Chair Sizemore inquired about the pull-tab industry and asked if it was stronger today than it was years ago. Mr. Schoffer replied that he has seen an increase in sales in the last three years.

There was no public comment.

Commissioner Patterson moved to approve the petition and initiate rule-making as recommended by staff.

Commissioner Troyer seconded the motion.

Julie Anderson called the roll.

The motion passed. 5:0.

Tab 3

Presentation- Budget Review and Financial Update

Christopher Stanley, Chief Financial Officer (CFO), presented the materials for this tab. CFO Stanley reported on the Gambling Commission's current status regarding the pandemic. CFO Stanley will continue to present to the Commission on a regular basis.

There was no public comment.

Tab 4

Presentation – Agency Request Legislation

Brian Considine, Legal and Legislative Manager (LLM), presented the material for this tab. **LLM Considine** provided a legislative update. He informed the Commission that there would be a stakeholders meeting on June 24, 2020 to hear from stakeholders about what they think the Commission's priorities for the 2021 session should be and discuss possible topics identified by staff. At the July meeting, LLM Considine will report on the outcome of the stakeholders meeting and provide a list of possible legislative topics for the commissioners' consideration. He will also ask the commissioners for any additions to the list of topics and then work with them to prioritize the list and identify one to three items for consideration as agency request legislation.

Commissioner Patterson gave a brief summary of the Problem Gambling Task Force (PGTF). The PGTF has held two meetings: one in person and one online. Both meetings were well-attended (approx. 30 attendees both times). The next all-member meeting will be on July 28 and is scheduled to be online.

Public Comment

There was no public comment.

Chair Sizemore announced that the July 17 commission meeting would be virtual and to continue to watch the agency website for up-to-date information. The public meeting adjourned at 12:01 PM. After a 30-minute break, the Commission reconvened for executive session for the purpose of discussing potential agency litigation with legal counsel, including tribal negotiations. Executives session adjourned at 2:40 PM.

Chair Sizemore adjourned the June Commission meeting at 2:41 PM.



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
July 2020

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PAGES: 7

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 7.

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

RAFFLE

LAW ENFORCEMENT ASSOCIATION OF SW WASHINGTON
00-23711 02-09683

117 W MAGNOLIA
CENTRALIA WA 98531

VASHON-MAURY ISLAND HERITAGE ASSOCIATION
00-24206 02-20902

20260 77TH PL SW
VASHON WA 98070

VETERANS MEMORIAL MUSEUM
00-24636 02-21123

100 SW VETERANS WAY
CHEHALIS WA 98532

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

MT SI PUB
00-24641 05-21669

45530 SE NORTH BEND WAY
NORTH BEND WA 98045

R PLACE
00-24523 05-21637

610 MAIN ST SW
MATTAWA WA 99349

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

BERNDT, STEVEN
23-03099

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

CRAUN, STEPHEN H IV
23-03107

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

IGNATOVICH, VITALI A
23-03098

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

LEVY, EILAT
23-03108

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

LIMON, CHRISTOPHER A
23-03109

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

NAGADAPALLY, SRIKANTH REDDY
23-03105

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

NON-PROFIT GAMBLING MANAGER

BREWER-HILL, CHERYL L
61-04730

FOE 03602
OCEAN PARK WA 98640

SERVICE SUPPLIER REPRESENTATIVE

CERVANTES, NATHAN
63-00934

RELIABLE SECURITY SOUND & DATA
EVERETT WA 98206-1295

CARD ROOM EMPLOYEE

ALBERS, AARON R
68-35701

B

CRAZY MOOSE CASINO/PASCO
PASCO WA 99301

CROMEENES, ALICIA M
68-06572

B

CLEARWATER SALOON & CASINO
EAST WENATCHEE WA 98802

GALLARDO, ROSALIA
68-35721

B

CASINO CARIBBEAN
KIRKLAND WA 98034

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COLVILLE CONFEDERATED TRIBES

ADOLPH, MISTY R
69-35324

CAMPOS VIRRUETA, IDALIA
69-34729

CAWSTON, DARREN L JR
69-31526

CLY, PATRICK C
69-25999

CONNORS, URIAH I
69-35002

DUARTE RODRIGUEZ, ZITLALY V
69-48568

ECHEVARRIA, ANITA R
69-48502

EDWARDS, CHARLES W
69-48581

ESCALERA, JONATHAN R
69-26163

FLETCHER, TERRI L
69-24049

GARCIA MARTINEZ, JUAN D
69-48509

GONZALEZ, DANIEL W
69-22846

HAYS, LIVIA S
69-48510

HOWARD, JENNIFER L
69-48501

HUBER, REGGIE G
69-48505

HUERTA, MARCOS
69-42374

LAVALLE, DARREN A
69-48625

MENDOZA TORRES, ORLANDO
69-48507

MEZA DE LA CRUZ, EDGAR I
69-48508

MORALES MALDONADO, JONATHAN
69-48503

PIERRE, MARCELLA L
69-29939

RUNNINGBEAR, NAKONA M
69-28553

SCHNELLE, TODD B
69-32630

SEPULVEDA ANGULO, JOSE R
69-38651

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COLVILLE CONFEDERATED TRIBES

STANGER, JAMIE J
69-29088

SUTHERLAND, KAREN M
69-48506

TREVINO, JACQUELINE C
69-48504

VIRRUETA, FIDEL M
69-23491

WALKER, CHRISTOPHER D
69-39157

COWLITZ INDIAN TRIBE

LEWIS, COLBY D
69-48601

PAX, PAUL O
69-48600

SHIRLEY, MATTHEW R
69-48609

SKONDIN, LEA A
69-48579

WAITE, JACK V
69-48576

KALISPEL TRIBE

FORTUNE, CHRISTIAN E
69-48614

FRITTS, TERRENCE T
69-48635

WAITE, ROBERT T
69-48603

NISQUALLY INDIAN TRIBE

MABRY, DENISE K
69-48621

WELLS-DAVIS, KYRA M
69-48622

PORT GAMBLE S'KLALLAM TRIBE

WHITE, BROOKE A
69-48638

WILLIAMS, JON D
69-48637

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

BOHEMAN, ROBERT R
69-48590

BRITTO, DYLAN D
69-48588

CORNWELL, AUSTIN E
69-48587

DACANAY, ELIJAH M
69-48582

DE LA RAINZA-ARELLANO, MARGARITA
69-48620

DOMENDEN, RICHARD P
69-19655

DOOLIN, ALEXANDER D
69-48584

FINLEY, BYRDY R
69-48578

FORD, ANDRE E
69-48629

FRANKS, CHANDLER S
69-48616

FUCHS, KEENAN R
69-48630

HANDY-JACKSON, WILLIAM F
69-40366

HOUSLEY, TYLER J
69-48593

JACKSON, VANESSA S
69-48592

LEE, JOSIAH T
69-48618

LOGOVA, JENNYCA J
69-48617

MAIAVA, TUI M
69-48586

MILTON, DOMINIC A
69-48583

MWANG, KABACHO
69-48613

NORTHRUP, RYAN P
69-48597

PHILLIPS, SOLOMONA
69-48598

PRICE, MARQUITA C
69-48591

REGAN-REED, JENNIFER R
69-48595

SAR, CHANICA
69-48585

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

SAYRES, ANTHONY J
69-48589

SMITH, DEVIN L
69-48619

TEP, RICHMAN
69-25537

TILEI, MAATANE R
69-48615

WARD, SHINOLA D
69-48612

WOODY, KARLENA A
69-48596

QUINAULT NATION

MARSHALL-WARD, JAMES J
69-48602

SNOQUALMIE TRIBE

AGUIAR, ARTHUR S
69-48657

BAKHUTA, VLADYSLAV V
69-48561

HAMMOND, TIMOTHY W
69-48658

JIMENEZ LOPEZ, RAFAEL
69-48560

LAFONTAINE, JARED T
69-48594

SNYDER, AMBER A
69-48562

SQUAXIN ISLAND TRIBE

CARLSON, DERRIK M
69-48623

MILBOURN, ZACHARY C
69-48599

MILLER, DEVIN J
69-48627

SALAS, MAURISIO I
69-48608

SANDHU, GURPAUL S
69-48575

THOMAS, ANDREW A
69-48628

TIPPETT, BRYCEN L
69-38422

WARD, JACOB A
69-48604

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

STILLAGUAMISH TRIBE

CHAMBERLAIN, DANIEL D
69-48606

D'AVIS, TREVOR B
69-48577

PATRICK, TRAVIS M
69-48632

TANZEY, IMAN E
69-48580

WOOD, BAYLEY B
69-48605

SUQUAMISH TRIBE

KING, CASSANDRA M
69-48636

PEARSON, PETER J
69-48607

SWINOMISH INDIAN TRIBAL COMMUNITY

CROSSLEY, ANGELA C
69-48611

THE TULALIP TRIBES

DEONOSO, DIOSDADO A
69-48404



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Current House- Banked Locations Operating			44		
	City	Commission Approval Date	License Expiration Date	Org #	License #
ACES CASINO ENTERTAINMENT	SPOKANE VALLEY	Mar 13, 2014	Dec 31, 2020	00-23112	67-00325
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, 2020	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2020	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2020	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2020	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2020	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2020	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2020	00-24296	67-00339
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2021	00-22132	67-00303
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2021	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2021	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2021	00-21847	67-00281
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2021	00-23814	67-00335
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2020	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, 2020	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2020	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, 2020	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, 2020	00-19477	67-00192

Current House- Banked Locations Operating**44**

	City	Commission Approval Date	License Expiration Date	Org #	License #
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2020	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2020	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2020	00-11339	67-00055
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2021	00-21305	67-00267
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2020	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2020	00-24516	67-00345
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2020	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2020	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, 2021	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, 2021	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, 2020	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2020	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2021	00-18777	67-00209

Applications Pending**2**

	City	Commission Approval Date	License Expiration Date	Org #	License #
LUCKY DRAGONZ CASINO	SEATTLE			00-23001	67-00323
SUN PALACE CASINO	DES MOINES			00-24587	67-00346

Veterans Memorial Museum

"They Shall Not Be Forgotten"

June 19, 2020

Museum Director

Charles "Chip" Duncan

Board of Directors

Pat Swanson
President

Ron Edwards
Vice President

Greg Lassila
Secretary

Steve Mack
Treasurer

Roger Elder
Board Member

Brianna Smith
Board Member

Dan Jemelka
Board Member

Director Emeritus
Lee Grimes

Leon Bowman

Dale Ingle

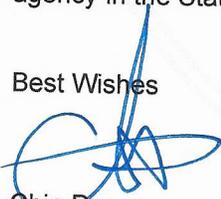
To Whom It May Concern –

Let it be known that I hardly ever write letters concerning the performance of individuals that the Veterans Memorial Museum encounters in its operation. This is one of those rare instances.

In February of 2020 we were contacted by Special Agent Richard Schulte of the Washington State Gambling Commission concerning a raffle that we were holding in July as a fundraiser for the Veterans Memorial Museum. His professional assessment was that we needed a license from the WSGC to legally proceed with this endeavor. His tone and demeanor were outstanding and exceptionally professional as he expressed his desire to help us reach the goal of holding a licensed raffle. He gave us all the pertinent information of where and who to contact to begin this licensing process. In the ten years that I have led the Veterans Memorial Museum I have had many dealings with State and Federal Agencies for various processes. I have found the behavior and professionalism of Agent Schulte all too often to be the exception rather than the standard.

After my conversation with Agent Schulte, we made contact with Elizabeth O'Hara to begin our application process. We had many hurdles on our end that needed to be fulfilled, but all the time Elizabeth led us through this and was so clear and concise on what the WSGC required in order to proceed. She was available to answer every one of our questions and was extremely available on both the phone and through email. On top of all of this, our State was hit with the COVID19 pandemic which required her and her colleagues to work from home. Still, through this adversity, Elizabeth continued to shine by exceeding our expectations. The standard of behavior and professionalism that Elizabeth and Agent Schulte provided for us was, in my opinion, above and beyond the standard. I have no idea what training the WSGC undergoes to provide such great customer service, but it is my humble opinion that this should be the standard set for every agency in the State of Washington.

Best Wishes


Chip Duncan
Director
Veterans Memorial Museum

100 SW Veterans Way
Chehalis, Washington 98532
(360) 740-8875

Web Site: www.veteransmuseum.org
E-mail: info@veteransmuseum.org



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

July 17, 2020

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

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

**SUBJECT: Jason Doo – CR 2019-00917
Michael Mazeckin – CR 2019-01489
Petitions for Review
July 17, 2020 Commission Meeting**

Licenses, Jason Doo and Michael Mazeckin, through their attorney, filed their Petitions for Review in a joint Petition in the above-referenced case. They each challenge the Administrative Law Judge’s Initial Order granting Commission staff’s motion for summary judgment affirming the alleged violations and revocation of the each of their public card room employee 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 meeting packet. For reference, the administrative case record, including any audio recordings and transcripts of administrative hearings, was previously provided to you electronically by e-mail on June 26, 2020.

Initial Order

**WASHINGTON STATE
OFFICE OF ADMINISTRATIVE HEARINGS**

In the matter of:

Michael Mazeckin,

Appellant.

&

Jason S. Doo,

Appellant.

Docket Nos. 10-2019-GMB-00132 &
10-2019-GMB-00133

**INITIAL ORDER GRANTING
GAMBLING COMMISSION'S MOTION
FOR SUMMARY JUDGMENT**

Agency: Gambling Commission
Program: Washington State Gambling
Commission

Agency Nos. 2019-01489 & 2019-00917

1. ISSUES:

Does a genuine dispute of material fact exist as to:

- 1.1. Whether Appellant Jason S. Doo violated WAC 230-06-035(1) & (2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); and WAC 230-15-460 as set out in the 'Notice of Administrative Charges' dated September 25, 2019?
- 1.2. If so, whether these violations occurred at Appellant Jason S. Doo's direction or with his knowing acquiescence, in violation of RCW 9.46.185?
- 1.3. Whether Appellant Jason S. Doo can prove by 'clear and convincing evidence' he is qualified for licensure, as required by RCW 9.46.153(1)?
- 1.4. Whether the Commission is authorized to revoke the Appellant Jason S. Doo's Public Card Room Employee Licenses, pursuant to RCW 9.46.075(1),(2),(7), and (8) and WAC 230-03-085(1),(3),(8), and (9)(a)?
- 1.5. Whether Appellant Michael Mazeckin violated WAC 230-06-035(1) & (2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); and WAC 230-15-460 as set out in the 'Notice of Administrative Charges' dated September 25, 2019?
- 1.6. If so, whether these violations occurred at Appellant Michael Mazeckin's direction or with his knowing acquiescence, in violation of RCW 9.46.185?
- 1.7. Whether Appellant Michael Mazeckin can prove by 'clear and convincing evidence' he is qualified for licensure, as required by RCW 9.46.153(1)?

- 1.8. Whether the Commission is authorized to revoke the Appellant Michael Mazeckin's Public Card Room Employee Licenses, pursuant to RCW 9.46.075(1),(2),(7), and (8) and WAC 230-03-085(1),(3),(8), and (9)(a)?

2. ORDER SUMMARY:

- 2.1. No genuine dispute of material fact exists as to whether Appellants Jason S. Doo and Michael Mazeckin violated WAC 230-06-035(1) & (2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); and WAC 230-15-460. The Gambling Commission's Motion for Summary Judgment is **GRANTED**.
- 2.2. No genuine dispute of material fact exists as to whether Appellants Jason S. Doo and Michael Mazeckin cannot prove by 'clear and convincing evidence' he is qualified for licensure, as required by RCW 9.46.153(1). The Gambling Commission's Motion for Summary Judgment is **GRANTED**.
- 2.3. No genuine dispute of material fact exists as to whether these violations occurred at Appellants Jason S. Doo's and Michael Mazeckin's direction or with his knowing acquiescence and thus violated RCW 9.46.185. The Gambling Commission's Motion for Summary Judgment is **GRANTED**.
- 2.4. The Gambling Commission is authorized to revoke the Appellant Jason S. Doo's and Michael Mazeckin's Public Card Room Employee Licenses, pursuant to RCW 9.46.075(1),(2),(7), and (8) and WAC 230-03-085(1),(3),(8), and (9)(a). The Gambling Commission's revocation of Jason S. Doo's and Michael Mazeckin's Public Card Room Employee Licenses, is **AFFIRMED**.

3. GAMBLING COMMISSION'S MOTION FOR SUMMARY JUDGMENT:

- 3.1. Hearing Date: Matter decided without oral argument.
- 3.2. Administrative Law Judge: Travis Dupree
- 3.3. Appellants: Jason S. Doo and Michael Mazeckin
- 3.3.1. Representative: Terence Wong, Attorney
- 3.4. Agency: Gambling Commission
- 3.4.1. Representative: Doug Van de Brake, Assistant Attorney General
- 3.5. Documents Considered: The following documents were considered for purposes of the Gambling Commission's Motion for Summary Judgment:

Doc. No.	Document Name	Document Date	No. Pages
1	Notice of Administrative Charges: Michael Mazeckin and Jason Doo	09/25/19	13
2	Request for Stay and Administrative Hearings and Interpreter Form	10/10/19	10
3	Gambling Commission Staff's Motion for Summary Judgment	01/17/20	10
4	Declaration of Special Agent Richard Schulte in Support of Commission's Motion for Summary Judgment, with attached Exhibits 1-7	01/16/20	421
5	Licensees' Response to Commission's Motion for Summary Judgment, with attached Exhibits 1-6	02/28/20	28
6	Washington's State Gambling Reply in Support of Motion for Summary Judgment	03/13/20	11

4. FACTS FOR PURPOSE OF SUMMARY JUDGMENT:

On a motion for summary judgment, the decision maker only considers those facts for which the parties establish "no genuine issue as to any material fact".¹ "Summary judgment is appropriate only where the undisputed facts entitle the moving party to judgment as a matter of law."² Only evidence in the record and inferences from that evidence establish facts. If evidence in the record points to more than one possible finding of fact, then summary judgment may not rest on the moving party's version of that fact.³ Admissions, stipulations, procedural history, and uncontested declarations and affidavits establish facts for summary judgment. So, the record here supports the following facts for the purposes of summary judgment:

Jurisdiction

- 4.1. On September 25, 2019, the Washington State Gambling Commission issued the Notice of Administrative Charges regarding Michael Mazeckin and Jason Doo. The Gambling Commission's Notice of Administrative Charges asserted Michael Mazeckin and Jason Doo were not qualified for licensure and failed to prove qualification for licensure.

¹ WAC 10-08-135. In Superior Court matters, CR 56 governs summary judgment. Where the relevant procedural rules do not conflict with CR 56, it and the cases interpreting it serve as persuasive authority in the management of summary judgment under WAC 10-08-135.

² *Verizon NW, Inc. v. Employment Sec. Dep't*, 164 Wn.2d 909, 916 (2008), citing *Alpine Lakes Prot. Soc'y v. Dep't of Natural Res.*, 102 Wn. App. 1, 14 (1999).

³ *Verizon NW*, 164 Wn.2d 916.

- 4.2. On October 10, 2019, the Appellants contested the Gambling Commission's Notice of Administrative Charges and requested an administrative hearing.

Summary Judgment

- 4.3. On January 17, 2020, the Gambling Commission filed a Motion for Summary Judgment, along with the Declaration of Special Agent Richard Schulte in Support of Commission's Motion for Summary Judgment, with attached Exhibits 1-7.
- 4.4. On February 28, 2020, the Appellants filed a Response to Commission's Motion for Summary Judgment, with attached Exhibits 1-6.
- 4.5. On March 13, 2020, the Gambling Commission filed a Reply in Support of Motion for Summary Judgment.

Facts as a Matter of Law

- 4.6. The Appellant, Michael Mazeckin, is Chief Operations Officer and Appellant Jason Doo is General Manager at the Macau Casino, in Lakewood, Washington ("Macau Casino"). Each Appellant is a licensed Public Card Room Employee at Macau Casino. *Declaration of Richard Schulte: Exhibit 3.*
- 4.7. For at least a few years until May 2019, Macau Casino's owner started a player gift giving program. The criteria for giving gifts was established by the owner. Such criteria included the player's activities, losses, casino profits, and whether the staff liked/disliked the player. Mr. Mazeckin and Mr. Doo carried out the gift giving program. *Id.*
- 4.8. At the direction of Mr. Mazeckin and Mr. Doo, the Macau Casino staff gave gifts to players, particularly if they had lost a lot of money at the casino. In May 2019, approximately \$10,000 was given to these players. On June 21, 2019, June 25, 2019, and July 2, 2019, Mr. Doo gave one player gave cash in the form of gift cards in Macau Casino's player points tracking system. *Id.*
- 4.9. Mr. Doo, with the approval of Mr. Mazeckin, gave players hundreds of thousands of unearned points, which the players could immediately redeem for \$500 in cash. *Id.*
- 4.10. On July 2, 2019, Mr. Doo had \$9,000 that they were going to distribute to players while \$8,000 of that amount was going to players who were on the list of people who had written checks to Macau Casino with insufficient funds. *Id.*
- 4.11. Between June 1, 2019 and June 29, 2019, Mr. Mazeckin and Mr. Doo gave some players match play coupons, cigarettes, or other gifts from a generic Macau Casino player points tracking system account rather than the players' own account. On June 26, 2019, Mr. Doo gave one player seven match play coupons, despite the printing on the coupon "Limit 1 per person, per day". These prizes

and gifts were not made equally available to other players. *Declaration of Schulte: Exhibit 3 and 8.*

- 4.12. Macau Casino's internal controls, including an anti-money laundering program, require maintaining Money Transaction Logs, for any player that has cash-ins and/or buyouts for more than \$3,000. Mr. Mazeckin's and Mr. Doo's responsibility is to ensure that the internal controls are followed and that the money is properly tracked. *Declaration of Schulte: Exhibit 3.*
- 4.13. Records of seven players from June 22, 2019 through June 30, 2019 reflected that \$116,400 of cash-ins and/or buyouts were not reported on Money Transaction Logs. When the logs are compared to the Macau Casino player points tracking system, another \$406,100 in cash-ins and/or buyouts was missing from the records. *Id.*
- 4.14. In the Macau Casino's VIP section, a group of three tables are behind six foot high walls, separate from the rest of the casino. Macau Casino's internal control surveillance designated it a separate gaming pit. In the past, it had been staffed with a floor supervisor but by July 2, 2019, the supervisor had been removed. *Id.*

Gambling Commission Investigation

- 4.15. On May 29, 2019, the Gambling Commission received a complaint from a former employee of the Macau Casino regarding the gift giving program. *Id.*
- 4.16. In July 2019, Gambling Commission Agents Richard Schulte and Robert Raimond conducted an investigation regarding Macau Casino's practice of giving money to gamblers and possible extension of credit. *Id.*
- 4.17. On July 2, 2019, Mr. Mazeckin and Mr. Doo confirmed to Agent Schulte that Macau Casino had a gift giving program and that they personally had given gifts to players. *Id.*

5. CONCLUSIONS OF LAW:

Jurisdiction

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

Standards for Summary Judgment

- 5.2. RCW 34.05.437 'Pleadings, briefs, motions, service' allows for the filing of dispositive motions in administrative proceedings, including motions for summary judgment.

- 5.3. WAC 10-08-135 'Summary judgment' provides: A motion for summary judgment may be granted and an order issued if the written record shows that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.

Gambling Commission Rules & Regulations

- 5.4. RCW 9.46.040 authorizes the Gambling Commission to enforce the rules and regulations relating to gambling activities in the State.
- 5.5. WAC 230-06-035 provides that:
- (1) Licensees, employees, or members must not offer or give credit, loans, or gifts to any person playing in an authorized gambling activity or which makes it possible for any person to play in an authorized gambling activity.
 - (2) Gifts are items licensees give to their customers. Licensees must not connect these gifts to gambling activities we regulate unless the gifts are:
 - (a) Gambling promotions; or
 - (b) Transportation services to and from gambling activities; or
 - (c) Free or discounted food, drink, or merchandise which:
 - (i) Costs less than five hundred dollars per individual item; and
 - (ii) Must not be traded back to you for cash; and
 - (iii) Must not give a chance to participate further in an authorized gambling activity.
- 5.6. WAC 230-06-030 provides in part that Licensees may conduct gambling promotions to encourage players to participate in the gambling activity they are licensed to conduct without our review or approval under these restrictions and conditions:
- (1) You must establish rules and restrictions to determine how you will give promotional prizes and items to players; and
 - (2) You must display all rules and restrictions clearly in the gambling area and include them on promotional materials or advertisements; and
 - (3) You must give all players eligible for the promotion an equal opportunity to participate

- 5.7. WAC 230-15-190 provides in part that in preparing card game records:
- (1) Card game licensees must prepare all records in the format we require. Licensees must record the data in ink, on storage media, or in other permanent form.
- 5.8. WAC 230-15-453 provides in part that match play coupons may be offered as gambling promotions with the following restrictions:
- (5) Restrictions on the use of coupons must be disclosed on the coupon.
 - (7) Match play and other similar type coupon promotions such as Lucky Bucks and Free Ace, etc., must be given to all players eligible for the promotion.
- 5.9. WAC 230-15-425 provides in part that for internal controls:
- (1) House-banked card game licensees must:
 - (a) Adopt internal controls in the format we require; and
 - (c) Follow all ICs at all times; and
 - (f) Ensure that card room employees are knowledgeable in all accounting and internal control procedures for their individual functions and ensure that employees follow the ICs.
- 5.10. WAC 230-15-460 requires:
- (1) House-banked card game licensees must have at least one floor supervisor for each gambling area/pit.
 - (2) Gambling area/pit means a self-contained group of card tables, including poker tables, physically separated from other tables. The separation may be due to the layout of the tables or physical barriers, such as walls, chains, or ropes.
 - (3) A card room employee may act as a dealer and a supervisor during the same shift as long as he or she does not sign forms as both the dealer and the supervisor.
- 5.11. RCW 9.46.185 provides that any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any rule or regulation adopted pursuant to this chapter shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

- 5.12. In the present case, Mr. Mazeckin and Mr. Doo gave cash gifts worth more than \$500 to players. These gifts were not part of any gambling promotion, and thus in violation of WAC 230-06-035(1) & (2). Additionally, Mr. Mazeckin and Mr. Doo awarded prizes to certain players that other players were not eligible to receive, in violation of WAC 230-06-030(1), (2), & (3) and WAC 230-15-453(5) & (7). It was also the responsibility of Mr. Mazeckin and Mr. Doo as Chief Operations Officer and General Manager respectively, to ensure that the casino's internal controls were being followed in properly tracking money, which they failed to do. This violated WAC 230-15-190(1) and WAC 230-15-425(1)(a), (c), & (f). Finally, Mr. Mazeckin and Mr. Doo neglected to have the separate gambling pit area staffed by a supervisor, which violated WAC 230-15-460.
- 5.13. The Appellants' arguments against summary judgment are based mostly on the manner and motivation behind the investigation. The Appellants further argue that they inherited the player reward program when they took over management of Macau Casino in 2018. Finally, the Appellants argue that they were unaware that the VIP room was unstaffed. However, the Appellants' arguments and declarations amount to being unaware that their operation of the Macau Casino was in violation of any rules and regulations. Ultimately, Mr. Mazeckin and Mr. Doo as Chief Operations Officer and General Manager respectively, are responsible for these actions, which occurred at their direction or at minimum with their knowing acquiescence, in violation of RCW 9.46.185.
- 5.14. All facts necessary to resolution of this matter are in the Findings of Fact above. Therefore, the Appellants Jason S. Doo and Michael Mazeckin have raised no genuine dispute of material fact as to whether they violated WAC 230-06-035(1) & (2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); WAC 230-15-460; and RCW 9.46.185. Therefore, the Gambling Commission Staff's Motion for Summary Judgment is **GRANTED**.

Clear and Convincing Evidence of Licensure

- 5.15. RCW 9.46.153(1) 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;

- 5.16. In the present case, the Gambling Commission has established Appellants Jason S. Doo and Michael Mazeckin violated WAC 230-06-035(1) &

(2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); and WAC 230-15-460. As a result, Appellants Jason S. Doo and Michael Mazeckin have failed to prove, by 'clear and convincing evidence', they are qualified for licensure, as required by RCW 9.46.153(1). Therefore, the Gambling Commission's Motion for Summary Judgment is **GRANTED**.

Revoking the Appellant's Gaming License

5.17. RCW 9.46.075 provides, in relevant part, the Gambling Commission may deny a license application, revoke or suspend a license if the applicant or licensee does or has done the following:

- (1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW...;
- (2) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the commission;
- (7) Makes a misrepresentation of, or fails to disclose, a material fact to the commission;
- (8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter;...

5.18. WAC 230-03-085 also authorizes the Gambling Commission to deny, suspend or revoke any application, license or permit, for any of the following reasons, in relevant part:

- (1) Committing any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075; or
- (3) Demonstrating willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level; or
- (8) Failing to provide 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) Posing a threat to the effective regulation of gambling, or creating or increasing the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

(a) Prior activities;...

5.19. In the present case, the Gambling Commission has established Appellants Jason S. Doo and Michael Mazeckin violated WAC 230-06-035(1) & (2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); and WAC 230-15-460. The Appellant also failed to establish, by 'clear and convincing evidence', that he is qualified for licensure. Therefore, the Gambling Commission's Motion for Summary Judgment was granted.

5.20. Based the Gambling Commission's Motion for Summary Judgment being granted, in accordance with 9.46.075(1),(2),(7), and (8) and WAC 230-03-085(1),(3),(8), and (9)(a), the revocation of Jason S. Doo's and Michael Mazeckin's Public Card Room Employee Licenses is **AFFIRMED**.

6. INITIAL ORDER:

IT IS HEREBY ORDERED THAT:

- 6.1. No genuine dispute of material fact exists as to whether Appellants Jason S. Doo and Michael Mazeckin violated WAC 230-06-035(1) & (2); WAC 230-06-030(1), (2), & (3); WAC 230-15-190(1); WAC 230-15-453(5) & (7); WAC 230-15-425(1)(a)c, (c), & (f); and WAC 230-15-460. The Gambling Commission's Motion for Summary Judgment is **GRANTED**.
- 6.2. No genuine dispute of material fact exists as to whether Appellants Jason S. Doo and Michael Mazeckin cannot prove by 'clear and convincing evidence' he is qualified for licensure, as required by RCW 9.46.153(1). The Gambling Commission's Motion for Summary Judgment is **GRANTED**.
- 6.3. No genuine dispute of material fact exists as to whether these violations occurred at Appellants Jason S. Doo's and Michael Mazeckin's direction or with his knowing acquiescence and thus violated RCW 9.46.185. The Gambling Commission's Motion for Summary Judgment is **GRANTED**.
- 6.4. The Gambling Commission is authorized to revoke the Appellant Jason S. Doo's and Michael Mazeckin's Public Card Room Employee Licenses, pursuant to RCW 9.46.075(1),(2),(7), and (8) and WAC 230-03-085(1),(3),(8), and (9)(a). The Gambling Commission's revocation of Jason S. Doo's and Michael Mazeckin's Public Card Room Employee Licenses, is **AFFIRMED**.

SIGNED at Tacoma, Washington on the date of mailing.



Travis Dupree
Administrative Law Judge
Office of Administrative Hearings

CERTIFICATE OF SERVICE IS ATTACHED

PETITION FOR REVIEW

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

Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504

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

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

**CERTIFICATE OF SERVICE FOR OAH DOCKET NOS. 10-2019-GMB-00132 &
10-2019-GMB-00133**

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

<p>Michael Mazeckin & Jason S. Doo c/o Terence Wong, Attorney 6947 Coal Creek Parkway SE #387 Newcastle, WA 98059 Appellant</p>	<p><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</p>
<p>Terence Wong Law Office of Terence K. Wong, PLLC 6947 Coal Creek Parkway SE # 387 Newcastle, WA 98059 Appellant Representative</p>	<p><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</p>
<p>Doug Van de Brake, AAG Office of the Attorney General MS: 40100 PO Box 40100 Olympia, WA 98504 Agency Representative</p>	<p><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</p>
<p>Ashlie Laydon Washington State Gambling Commission MS: 42400 PO Box 42400 Olympia, WA 98504 Agency Contact</p>	<p><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</p>

Date: Monday, April 13, 2020

OFFICE OF ADMINISTRATIVE HEARINGS

Hailey Miles

Hailey Miles
Legal Assistant 4

Petitions For Review

1
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4
5
6 WASHINGTON STATE OFFICE OF ADMINISTRATIVE HEARINGS
7 FOR THE WASHINGTON STATE GAMBLING COMMISSION

8 In the Matter of:) OAH No. 10-2019-GMB-00132 &
9 MICHAEL MAZECKIN) 10-2019-GMB-00133
10 and) GMB No. CR 2019-01489 & CR
11 JASON DOO,) 2019-00917
12 Licensees.) PETITION FOR REVIEW
13) OF INITIAL ORDER GRANTING
14) COMMISSION'S MOTION FOR
15) SUMMARY JUDGMENT

14 PETITION FOR REVIEW

15 The Licensees, Michael Mazeckin ("Mazeckin") and Jason Doo ("Doo"), hereby petition
16 the Washington State Gambling Commission for review of Judge Travis Dupree's Initial Order
17 Granting Gambling Commission's Motion for Summary Judgment, signed and mailed out on
18 April 13, 2020.

19 PORTIONS OF INITIAL ORDER IN DISAGREEMENT BY THE LICENSEES

20 1. Paragraphs 4.7 through 4.10: There are genuine factual issues of Judge Dupree's

21 PETITION FOR REVIEW OF INITIAL ORDER
22 GRANTING COMMISSION'S MOTION FOR
23 SUMMARY JUDGMENT - 1

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Newcastle, Washington 98059
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1 findings that there were gift giving violations by the Licensees, as opposed to a legitimate player
2 point system, under the casino's players' reward system, that is allowed under the law, was
3 approved by WSGC and in Macau Casino's internal controls. It was the Licensees'
4 understanding that they were allowed to award points to various players based on the players'
5 amount of play. The casino used the Sonoma player tracking system, which is widely used and
6 accepted by the industry and not prohibited by Washington State Gambling Commission (the
7 "WSGC"). Judge Dupree relied on the *Declaration of Richard Schulte*. Licensees relied on
8 *Declarations of Jason Doo and Michael Mazeckin*, enforcement history by prior WSGC agents
9 and industry standards of practice.

10 2. Paragraph 4.11: When both Doo and Mazeckin were interviewed by investigators, a
11 genuine issue exists as to whether Doo or Mazeckin violated any provisions of the WAC or
12 understood the technical and legal differences between a "gift" and "rewards" that were made
13 through the player rewards' program at Macau Casino. Both Mazeckin and Doo declared that
14 they had followed internal controls as well as what was commonly done in the industry. All
15 player rewards systems and policies were approved by WSGC and the agents in charge knew
16 about these rewards programs for years. Both Mazeckin and Doo declared that they had followed
17 up with WSGC in keeping up with the procedures and followed up with the gaming agent to
18 make sure that any programs were in compliance with the law and that WSGC agent's
19 interpretation of the law. Judge Dupree relied on the *Declaration of Richard Schulte*. Licensees

21 PETITION FOR REVIEW OF INITIAL ORDER
22 GRANTING COMMISSION'S MOTION FOR
23 SUMMARY JUDGMENT - 2

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1 relied on *Declarations of Jason Doo and Michael Mazeckin*, and their years of experience in the
2 gaming industry.

3 3. Paragraphs 4.12 and 4.13: All tax compliance forms needed were maintained in the
4 approved in accounting based on the input to the casino's Sonoma system, which effectively
5 recorded all money in and out (through the gaming tables/pits) for the casino's accounting
6 manager to reflect in filing CTRs to the federal government the next day. There were never
7 missing CTRs while Mazeckin and Doo were running Macau Casino. The Sonoma system
8 recorded more information that is required under an MTL. Transactions under \$3,000.00 were
9 accounted for under the Sonoma system (for \$100 or more buy-ins, pursuant to Macau Casino's
10 internal control procedures). This is a classic case of misunderstanding based upon form over
11 substance. See *Declarations of Jason Doo and Michael Mazeckin* and Macau Casino's internal
12 controls. The Sonoma system assured accurate records for the accounting manager to prepare all
13 WSGC required records, including the Anti Money Laundering tax forms. Agent Mark Harris,
14 who was the Agent in Charge of Macau Casino and former Chief Agent in Charge of Field
15 Operations, never objected to the Sonoma system and how it was used for reporting CTRs.
16 Notably, Agent Harris was out on leave when the investigations against the Licensees began.
17 Judge Dupree relied on the *Declaration of Richard Schulte*. Licensees relied on *Declarations of*
18 *Jason Doo and Michael Mazeckin* and the fact that Agents in Charge for WSGC knew of the
19 Sonoma system in place at Macau Casino.

20 4. Paragraph 4.14: Genuine issues of fact exist as to whether the pit area is a separate

21 PETITION FOR REVIEW OF INITIAL ORDER
22 GRANTING COMMISSION'S MOTION FOR
23 SUMMARY JUDGMENT - 3

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1 pit area or just a contiguous area of one large pit. The Licensees, if given an opportunity at the
2 hearing, were going to testify and describe the area with certainty, that the pit area in question
3 was one contiguous pit, and that separate floor supervisors were not needed and that procedure
4 complied with relevant codes and statutes. The floor plan, which was approved by WSGC,
5 shows one room with all tables and the pit area visible by any single supervisor in the pit area,
6 regardless of barriers established restricting customer movements. Judge Dupree relied on the
7 *Declaration of Richard Schulte*. Licensees relied on *Declarations of Jason Doo and Michael*
8 *Mazeckin*, as well as Macau Casino's internal controls.

9 5. Paragraph 4.17: Genuine issues of fact exist that Mazeckin and Doo violated any
10 codes, statutes or any portions of the casino's internal control related to the "gifts" given to
11 players. Mazeckin and Doo were complying with the existing casino's "player rewards"
12 program, which had been approved by WSGC throughout the Licensees' tenure at Macau
13 Casino. Judge Dupree relied on the *Declaration of Richard Schulte*. Licensees relied on
14 *Declarations of Jason Doo and Michael Mazeckin*.

15 6. Paragraphs 5.12, 5.13, 5.14, 5.16, 5.19 & 5.20: Genuine issues of fact exist that the
16 Licensees violated any of the provisions of WAC, RCW or Macau Casino's internal control.
17 First, there is a genuine issue of fact that Mazeckin or Doo violated WAC 230-06-030 and WAC
18 230-06-035(1) & (2). The Licensees had been using the "players rewards" system that was
19 established by Macau Casino, had established clearly that these rewards programs were properly
20 displayed and offered customers equal opportunities to participate in, based on customer activity

21 PETITION FOR REVIEW OF INITIAL ORDER
22 GRANTING COMMISSION'S MOTION FOR
23 SUMMARY JUDGMENT - 4

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1 levels. See *Declarations of Michael Mazeckin and Jason Doo, and Licensees' Response Brief*
2 (*with exhibits*). Furthermore, the customers were receiving their rewards under an established
3 "players reward" program, using the WSGC approved Sonoma system. That system limits
4 player activity to \$300 per hand (average bet per hour), to be credited to their account. Per the
5 Licensees' declarations, certain players exceeded their \$300/hand bet by playing multiple spots
6 on a table. For example, player "Kim", who received additional points, was a player who would
7 play all nine spots on the mini-baccarat table. Her average bet was \$2,700/hand. Any player,
8 whose average exceeds the \$300 system limit, would qualify for this program, and qualify to
9 have additional points added to their reward account, but only by a supervisor. Thus, these
10 rewards, cited by the Agents as "gifts," were actually legitimate rewards earned under the
11 approved program for player activity. These adjustments were available to any player who
12 exceeded the \$300/hand limit, as allowed in the rewards program that has been approved by
13 WSGC. This rewards program had been approved by WSGC before the Licensees began
14 supervising at Macau Casino. See *Declarations of Michael Mazeckin and Jason Doo, and*
15 *Licensees' Response Brief (with exhibits)*. In addition, the Licensees complied with WAC 230-
16 15-190, in which they prepared and kept all records under the Sonoma tracking system. See
17 *Declarations of Michael Mazeckin and Jason Doo, and Licensees' Response Brief (with*
18 *exhibits)*. The Licensees also complied with WAC 230-15-453, in which the match play coupons
19 had clear restrictions printed on them, and were made available to all players eligible for such
20 promotion. See *Declarations of Michael Mazeckin and Jason Doo, and Licensees' Response*

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1 *Brief (with exhibits)*. Genuine issues of fact exist that the Licensees did in fact comply with
2 Macau Casino's internal controls, pursuant to WAC 230-15-425. See *Declarations of Michael*
3 *Mazeckin and Jason Doo, and Licensees' Response Brief (with exhibits)*. As to the allegations
4 made under WAC 230-15-460, genuine issues of fact exist as to whether the Licensees had in
5 fact violated such code. The gambling area/pit area in this matter is arguably one pit area, and
6 the Licensees can prove in a hearing that it was one pit area. The WSGC's definition of a "pit
7 area" may be subjective, thus causing confusion or difficulty in interpreting what that "area"
8 would be to the Licensees. See *Declarations of Michael Mazeckin and Jason Do*. Finally,
9 genuine issues still remain as to whether the Licensees "knowingly caused, aided, abetted or
10 conspired" with anyone to violate any rule or regulation, pursuant to RCW 9.46.185. See
11 *Declarations of Michael Mazeckin and Jason Doo*. The Licensees have years of experience
12 working in supervisory roles and have never been in any real issues with WSGC, and believed
13 that they were complying with every rule and regulation related to their employment at Macau
14 Casino. See *Declarations of Michael Mazeckin and Jason Doo*. The Licensees had consistently
15 sought the advice of the WSGC agents in charge for guidance and direction if there were any
16 issues related to a rule or regulation. See *Declarations of Michael Mazeckin and Jason Doo, and*
17 *Licensees' Response Brief (with exhibits)*.

18 7. Other Issues: As to remaining portions of the Initial Order, the Licensees disagree with
19 the findings by Judge Dupree based upon Judge Dupree's analysis of the facts he accepted by
20 Agent Richard Schulte. Licensees also disagree with the severity of the penalty, regardless of

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1 the general broad powers of the WSGC to either suspend or revoke the Licensees' gambling
2 licenses. For basically being compliant with all codes, statutes and provisions of any internal
3 controls, Mazeckin and Doo's sudden revocation has hit hard for them. The penalties of
4 revocation have basically taken away their source of incomes, on charges and allegations that
5 they dispute were committed. In many cases here, the statutes and codes were broad enough that
6 a trier of fact could find that Licensees did not violate them, but regardless, the Licensees acted
7 in good faith and made every effort immediately, once they were informed by WSGC, to comply
8 with such statutes and codes. In the past twenty years, the Licensees have had nominal
9 reprimands, warning letters and statement of charges. In fact, they have worked together with
10 WSGC and the constant changing of agents and their interpretations of rules and regulations
11 pertaining to gaming. A trier of fact can listen to the interviews made by WSGC, and can
12 conclude that the Licensees have been nothing but forthright and cooperative, and given that the
13 Licensees' native languages are not English, the English terms "gifts" and "rewards" are
14 synonymous in their perspectives. Neither Licensee gave a "gift" without it being legitimately
15 earned by a customer. Given the standards of summary judgment, the nonmoving party (the
16 Licensees) is supposedly given a "light most favorable" to them when reviewing the facts.
17 However, it is clear that there was no "light most favorable" given to Mazeckin and Doo in this
18 summary judgment matter.

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21 PETITION FOR REVIEW OF INITIAL ORDER
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23 SUMMARY JUDGMENT - 7

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1 CONCLUSION

2 The Licensees, Jason Doo and Michael Mazeckin, respectfully request the Commission
3 to review Judge Dupree's Initial Order Granting Commission's Motion for Summary Judgment
4 and reverse his findings and order. In addition, the Licensees ask the Commission to impose a
5 penalty that is less than a revocation of their gambling licenses, given the fact that they have had
6 a clean history and have been cooperative with the WSGC. The Licensees are model licensees
7 and should be able to retain their licenses.

8 Respectfully submitted this 2nd day of May, 2020.

9 

10 _____
11 Terence K. Wong, Attorney for Licensees
12 Michael Mazeckin and Jason Doo

13 DECLARATION OF SERVICE

14 I hereby certify that I emailed (pursuant to a CR 5(b)(7) stipulation) a copy of the
15 foregoing document(s) on May 2, 2020, to the following parties:

16 Doug Van de Brake - AAG
17 P.O. Box 42400
18 Olympia, WA 98504

19 Email: GCEEF@atg.wa.gov
20 dougvandebrake@atg.wa.gov
21 jordan.nimon@atg.wa.gov

22 

23 _____
Terence K. Wong

24 PETITION FOR REVIEW OF INITIAL ORDER
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26 SUMMARY JUDGMENT - 8

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Response to Petitions for Review

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BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of:

MICHAEL MAZECKIN

&

JASON DOO,

License Nos. 68-10138 & 68-10592.

OAH Nos. 10-2019-GMB-000132 &
10-2019-GMB-00133

GMB Nos. CR 2019-0011489 &
CR 2019-00917

RESPONSE TO LICENSEE’S
PETITION FOR REVIEW

I. INTRODUCTION

Michael Mazeckin and Jason Doo were, respectively, the Chief Operations Officer (COO) and General Manager (GM) of the Macau Casino in Lakewood (Macau). Together, they committed – or allowed to be committed – multiple violations at the Macau. These violations included providing players with gifts, failing to have a myriad of required financial forms properly filled out, and failing to staff the casino as required. These violations are indisputable: indeed, Mr. Mazeckin and Mr. Doo (the Licensees) *admitted* they provided gifts to numerous players – and particularly to “high rollers.”¹ That alone resolves this case.

The Gambling Commission Staff (Staff) issued a Notice of Charges against the Licensees on September 25, 2019. The Licensees appealed the charges. On April 6, 2020, Administrative Law Judge (ALJ) Travis Dupree issued an Initial Order that set out Findings of Fact and

¹ Exhibit 3 (Case Report) to the Declaration of Special Agent Richard Schulte in support of Commission Staff’s motion for summary judgment.

1 Conclusions of Law, determining there is no genuine issue of material fact that the Licensees’
2 committed the violations as stated in the Notice of Administrative Charges, and that neither
3 Licensee satisfied the burden of proof to show continuing qualification for licensure. The ALJ
4 therefore upheld the revocation of Mr. Mazeckin’s and Mr. Doo’s licenses.

5 In their Petition for Review of the Initial Order (Petition), the Licensees make the same
6 assertions as they did on summary judgment - assertions based not on material fact, but on
7 declarations that rely on speculation and conjecture. There is nothing speculative, however,
8 about the objective, documentary evidence that formed the basis for the administrative charges,
9 and which demonstrated to the ALJ that there is no genuine issue of material fact that the
10 Licensees committed the violations. That evidence included the case report of Special Agent
11 Richard Schulte (Ex. 3), which included 22 attachments of Macau Casino business records, such
12 as surveillance logs, customer histories, cash back procedures/rules, cash back records, spread
13 sheet records vis-à-vis surveillance records, daily records, records of coupons and training books
14 and forms, and numerous other records.

15 Based on the facts and reasons which follow, this Commission should adopt the same
16 sound reasoning of the ALJ and affirm the revocation of the Mr. Mazeckin’s and Mr. Doo’s
17 Public Card Room Employee (PCRE) licenses.

18 II. FACTS

19 In May of 2019, the Gambling Commission received a complaint about Jason Doo’s
20 actions as GM of the Macau. Ex. 3. The complainant alleged that Mr. Doo was, among other
21 things, giving money to players who had gambled and lost at the casino. Special Agent (SA)
22 Richard Schulte and Special Agent Robert Raimond (the agents) of the Gambling Commission
23 visited the Macau to look into these allegations.

24 On July 2, 2019, the agents contacted Mr. Mazeckin and Mr. Doo about the Macau’s
25 practice of giving money to gamblers and the possible extension of credit. Ex. 3. Mr. Doo said
26 there was such a program. Ex. 5. He said that Mr. Mazeckin made the final decisions about the

1 gifts given to players, though with his (Mr. Doo's) input. Mr. Mazeckin confirmed that there
2 was such a program, and that it had been going on for years. Ex. 3. He said that the purpose of
3 the program was to give a gift to players, particularly if they had lost a lot of money at the casino.
4 When the agents reviewed the policies for giving gifts to players, they discovered that there was
5 a great deal of subjectivity in the process; players would be given gifts based on "intangibles"
6 and on whether the person giving the gift felt that the player was someone they wanted to keep
7 around.

8 During a conversation with Mr. Mazeckin, Mr. Doo brought in three envelopes filled
9 with thousands of dollars that were to be given to players. Ex. 3. One player was to receive
10 \$1,000; another was going to be given \$3,000; the third player was going to be given \$5,000.
11 The latter two players were on the list of people who had written bad checks to the casino (the
12 NSF list). Mr. Mazeckin claimed that he had realized that the program could violate the
13 Gambling Commission's rules against extending credit, and had stopped the program in May.
14 Mr. Mazeckin said that he did not want to give money to players on the NSF list, as that would
15 be an extension of credit. He then directed Mr. Doo to not distribute the \$8,000 that was going
16 to be given to the two players on the NSF list.

17 The agents reviewed records, and found that players were given \$10,000 in cash between
18 them. Ex. 3. These players had each lost over \$11,000 dollars at the casino. The amounts given
19 to players ranged from \$500 to \$3,000 dollars. At least two of the players that were given money
20 were on the NSF list.

21 The agents also found that cash was not the only thing that players were awarded. The
22 agents found that large gift cards were given to players who gambled significantly. While some
23 of these gift cards were given in the players' own Sonoma accounts, others were given from
24 generic accounts that wouldn't show up on the players' accounts. The agents found that one
25 player's points had been manipulated by Mr. Doo to allow her to receive additional "gift cards"²;

26 _____
² Mr. Doo later confirmed that the "gift cards" were in actuality simply cash. Ex. 3.

1 Mr. Doo (with Mr. Mazeckin’s approval) would add points to her account and then immediately
2 deduct the same amount of points in order to give the player the gift card. These points were
3 unearned, and not part of a promotion available to all players. Mr. Doo said that the points were
4 given because the player “needed the cash.” The same player was issued (and used) seven match
5 play coupons in one day – despite the coupon itself stating that it was limited to one per player
6 per day. Ex. 7.

7 During the review of documents³, the agents found that the Money Instrument Log (or
8 Money Transaction Log) required to be kept by the Macau’s internal controls (which were
9 approved by the Gambling Commission) was inaccurate – and often extremely so. Ex. 3, Ex. 6.
10 The agents found significant discrepancies on each of the days they reviewed. Ex. 3. The agents
11 reviewed just eight players for just eight days on surveillance video, and found over \$116,000 in
12 missing transactions. When Sonoma records were used, approximately \$400,000 in transactions
13 was found to be missing from the logs. Ex. 5. Additionally, while reviewing surveillance footage
14 related to the transactions, the agents noticed that there was no floor supervisor in the “high
15 roller” area, despite being required to have a supervisor in each gaming pit.

16 Based on the results of the agents’ investigation, both Mr. Mazeckin and Mr. Doo were
17 charged with multiple violations. Based on these actions, on September 25, 2019, the Director
18 of the Washington State Gambling Commission summarily suspended the Licensees’ licenses,
19 and issued a Notice of Administrative Charges against each licensee, seeking the revocation of
20 each licensee’s PCRE license pursuant to RCW 9.46.075(1),(2),(7), and (8), and
21 WAC 230-03-085(1),(3),(8), and (9)(a). The Licensees’ appealed these violations, and the cases
22 were consolidated at the Office of Administrative Hearings.

23 Commission Staff filed a motion for summary judgment in support of its request that the
24 Licensees’ licenses be revoked. The Licensees’ filed a response, to which Commission Staff
25 filed a reply. On April 6, 2020, Administrative Law Judge Travis Dupree issued an Initial Order
26

³ The agents also found that some required forms were not date/time stamped as required. Ex. 3.

1 that set out Findings of Fact and Conclusions of Law, determining that there is no genuine issue
2 of material fact that the Licensees' committed the violations as stated in the Notice of
3 Administrative Charges. The ALJ also found and concluded that neither Licensee proved by
4 clear and convincing evidence that either licensee remains qualified for licensure. In reaching
5 his decision, the ALJ considered the declarations and exhibits submitted by the parties. The ALJ
6 granted Commission Staff's motion, and determined that the Licensee's licenses should be
7 revoked. The Licensees' filed a Petition for Review (Petition) of the Initial Order.

8 Two of the ALJ's Conclusions of Law illuminate why the grant of summary judgment to
9 Commission Staff was correct and proper, and why the Commission should affirm the Initial
10 Order and adopt the ALJ's findings and conclusions into a final order. First is Conclusion of
11 Law 5.12:

12
13 In the present case, Mr. Mazeckin and Mr. Doo gave cash gifts
14 worth more than \$500 to players. These gifts were not part of any
15 gambling promotion, and thus in violation of WAC 230-06-035(1)
16 & (2). Additionally, Mr. Mazeckin and Mr. Doo awarded prizes to
17 certain players that other players were not eligible to receive, in
18 violation of WAC 230-06-030(1), (2), & (3) and
19 WAC 230-15-453(5) & (7). It was also the responsibility of
20 Mr. Mazeckin and Mr. Doo as Chief Operations Officer and
21 General Manager respectively, to ensure that the casino's internal
22 controls were being followed in properly tracking money, which
23 they failed to do. This violated WAC 230-15-190(1) and
24 WAC 230-15-425(1)(a), (c), & (f). Finally, Mr. Mazeckin and
25 Mr. Doo neglected to have the separate gambling pit area staffed
26 by a supervisor, which violated WAC 230-15-460.

Initial Order at 8.

Conclusion of Law 5.13 also demonstrates why summary judgment was appropriate and
why the Initial Order should be affirmed:

The Appellants' arguments against summary judgment are based
mostly on the manner and motivation behind the investigation.
The Appellants further argue that they inherited the player reward
program when they took over management of Macau Casino in
2018. Finally, the Appellants argue that they were unaware that
the VIP room was unstaffed. However, the Appellants' arguments

1 and declarations amount to being unaware that their operation of
2 the Macau Casino was in violation of any rules and regulations.
3 Ultimately, Mr. Mazeckin and Mr. Doo as Chief Operations
4 Officer and General Manager respectively, are responsible for
5 these actions, which occurred at their direction or at minimum
6 with their knowing acquiescence, in violation of RCW 9.46.185.

7 Initial Order at 8.

8 Commission Staff respectfully submits this reply to the Licensees' Petition.

9 III. ARGUMENT

10 A. **The Commission Should Affirm the ALJ's Initial Order Because The Licensees' 11 Committed the Violations Spelled Out in the Notice of Administrative Charges, and 12 the Licensees' Actions Fail to Establish by Clear and Convincing Evidence that 13 Neither Remains Qualified for Licensure**

14 All Commission licensees bear a mandatory—and ongoing—burden to establish by clear
15 and convincing evidence that they are qualified for licensure under RCW 9.46.
16 *See* RCW 9.46.153(1). The Commission is legally authorized to revoke licensees' gambling
17 licenses if they fail to meet that mandatory burden. *See* RCW 9.46.075(8). In these cases, the
18 Initial Order correctly found that the Licensees failed to meet the required burden under
19 RCW 9.46.153(1) to prove by clear and convincing evidence that the licensee is qualified for
20 licensure. Initial Order.

21 The Legislature has given the Gambling Commission the authority to suspend or revoke
22 a gambling license “for any reason or reason[s] it deems to be in the public interest.”
23 RCW 9.46.075. The Legislature has identified some grounds for license revocation, including
24 that a licensee has “violated, failed or refused to comply with the provisions, requirements,
25 conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or
26 any rules adopted by the commission pursuant thereto.” RCW 9.46.075(1). Additionally,
causing, aiding, or abetting “any person to violate any of the laws of this state or the rules of the
commission” is a basis for revocation. RCW 9.46.075(2). It is a licensee's responsibility “to
prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the

1 provisions of [Chapter 9.46 RCW].” RCW 9.46.075(8). The failure to do so is yet another ground
2 for revocation. *Id.*

3 The Gambling Commission has also promulgated rules indicating the conduct that can
4 subject a license to revocation. Such conduct includes the commission of “any act that constitutes
5 grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.”
6 WAC 230-03-085(1). Additionally, a licensee who “[f]ails to provide us with any information
7 required under commission rules within the time required” is subject to license revocation.
8 Finally, any licensee who “[p]oses a threat to the effective regulation of gambling, or creates or
9 increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of
10 gambling activities, as demonstrated by . . . [the licensee’s] [p]rior activities” is also subject to
11 license revocation. WAC 230-03-085(9)(a).

12 Here, the Licensees violated all of these provisions. Under WAC 230-06-035(1),
13 “[l]icensees, employees, or members must not offer or give credit, loans, or gifts⁴ to any person
14 playing in an authorized gambling activity or which makes it possible for any person to play in
15 an authorized gambling activity.” As Mr. Mazeckin and Mr. Doo admitted, they provided gifts
16 to numerous players – and particularly to “high rollers.”⁵ Ex. 3. On July 2, 2019, when the agents
17 visited the Macau, Mr. Doo had \$9,000 that was to be distributed to players; \$8,000 was going
18 to go to players who were on the NSF list. *Id.* In May 2019, \$10,000 was given to players. *Id.*
19 Moreover, one player was additionally given cash disguised as gift cards in the Macau’s Sonoma
20 system; Mr. Doo – with Mr. Mazeckin’s approval – would give the players hundreds of
21 thousands of unearned points, and then immediately redeem those points for \$500 in cash. *Id.*

22 ⁴ Under WAC 230-06-035(2), “(2) Gifts are items licensees give to their customers. Licensees must not
23 connect these gifts to gambling activities we regulate unless the gifts are: (a) Gambling promotions; or (b)
24 Transportation services to and from gambling activities; or (c) Free or discounted food, drink, or merchandise
25 which: (i) Costs less than five hundred dollars per individual item; and (ii) Must not be traded back to you for
cash; and (iii) Must not give a chance to participate further in an authorized gambling activity.” The cash given by
Mr. Mazeckin and Mr. Doo violated these requirements, as they were not part of a gambling promotion, were
worth \$500 or more, and could be used for gambling. Ex. 3.

26 ⁵ The agents had found that high rollers also were treated differently in other ways. For example, they
were often permitted to act out or abuse the dealers in the VIP room, and one was allowed to sleep in the room for
hours. Ex. 5.

1 In giving all of these gifts to players, Mr. Doo and Mr. Mazeckin violated WAC 230-06-035.

2 The Licensees also violated WAC 230-06-030. That regulation requires that gambling
3 promotions “must establish rules and restrictions to determine how you will give promotional
4 prizes and items to players,” and that these rules and restrictions must be displayed “clearly in
5 the gambling area and include them on promotional materials or advertisements.”
6 WAC 230-06-030(1), (2). Additionally, “all players eligible for the promotion” must be given
7 “an equal opportunity to participate.” WAC 230-06-030(3). Mr. Mazeckin and Mr. Doo,
8 however, awarded prizes and gifts arbitrarily. *Id.*, Ex. 3. The player who received the “gift cards”
9 had done nothing to earn them, and these gift cards were not made equally available to other
10 players. *Id.* Additionally, some players were given match play coupons, cigarettes, or other gifts
11 from a generic Macau Sonoma account, rather than from the players’ own Sonoma account
12 (which would have deducted points from the player to “pay” for the items). *Id.*

13 One player was given seven match play coupons in one day, despite the coupons being
14 expressly limited to one per player per day. *Id.*, Ex. 8. This not only represented a gift that other
15 players were not eligible for, but also violated WAC 230-15-453(5)’s requirement that
16 “[r]estrictions on the use of coupons must be disclosed on the coupon” and the
17 WAC 230-15-453(7)’s mandate that “[m]atch play and other similar type coupon promotions...
18 must be given to all players eligible for the promotion.” *Id.* By favoring certain players and
19 giving them more match play coupons than could be earned based on the restrictions on the
20 coupons themselves, Mr. Mazeckin and Mr. Doo violated these regulations as well.

21 The Licensees also violated their internal controls in other ways. As part of the Macau’s
22 anti-money laundering program, Money Transaction Logs were required to be maintained for
23 any player that has cash-ins and/or buyouts of more than \$3,000. Ex. 3. As the COO and GM of
24 the Macau, it was ultimately Mr. Mazeckin’s and Mr. Doo’s responsibility to ensure that the
25 internal controls were being followed and that the money was being properly tracked. *Id.*
26 Nevertheless, in reviewing just a week of records, and focusing on only eight players, the agents

1 were able to identify over \$116,000 that had not been reported in the logs as required by the
2 internal controls. *Id.* In comparing the logs to the Sonoma system, the agents found that another
3 \$400,000 was also missing from the records. *Id.*

4 Under WAC 230-15-425(1)(a) and (c), house-banked card game licensees must adopt
5 internal controls (ICs) and “[f]ollow all ICs at all times.” Additionally, they must “[e]nsure that
6 card room employees are knowledgeable in all accounting and internal control procedures for
7 their individual functions and ensure that employees follow the ICs.” WAC 230-15-425(1)(f).
8 The Macau’s internal controls were not followed – indeed, Mr. Mazeckin, Mr. Doo, and their
9 employees did not appear to even meaningfully attempt to follow the internal controls. Ex. 3. As
10 Mr. Doo admitted, it was in large part his responsibility to ensure that the ICs were followed;
11 nevertheless, Mr. Doo told the agents that he would never have noticed the issue if the agents
12 had not brought it to his attention. *Id.* This was a violation.⁶

13 So too was the Licensee’s failure to have the VIP room properly staffed. Pursuant to
14 WAC 230-15-460(1), “[h]ouse-banked card game licensees must have at least one floor
15 supervisor for each gambling area/pit.” A gambling pit is a “self-contained group of card tables,
16 including poker tables, physically separated from other tables.” WAC 230-15-460(2). This
17 separation can be effected by “the layout of the tables or physical barriers, such as walls, chains,
18 or ropes.” *Id.* In the Macau, the VIP section consisted of three tables, walled off with
19 six-foot-high walls from the rest of the casino. Ex. 3. The Macau’s surveillance ICs designated
20 it as a separate gaming pit. *Id.* It had even been separately staffed with a floor supervisor after it
21 opened. *Id.* This supervisor had been removed, however, by the time that the agents visited the
22 Macau, in violation of WAC 230-15-460(1).

23 In doing all of this, the Licensees failed to comply with gambling rules and regulations
24 in violation of RCW 9.46.075(1) and WAC 230-03-085(1); knowingly aided, abetted, or
25 conspired to cause another person to violate gambling commission rules in violation of

26 ⁶ This was not the only violation involving records. The Licensees had also failed to ensure that the
date/time stamp was properly affixed to forms the Macau was retaining, in violation of WAC 230-15-190(1).

1 RCW 9.46.075(2); and demonstrated that they pose a threat to the effective regulation of
2 gambling and increased the threat of illegal practices or conduct in the industry, in violation of
3 WAC 230-03-085(9)(a). Any one of these violations would be sufficient to revoke the Licensees'
4 gambling licenses; here the Licensees committed all of them. For these reasons, the Licensees
5 cannot demonstrate, by clear and convincing evidence, that they remain qualified for a gambling
6 license as required by RCW 9.46.075(8) and RCW 9.46.153(1). Revocation of the Licensees
7 gambling licenses is therefore authorized and appropriate.

8 The ALJ correctly applied the laws and rules to the material facts in concluding that
9 revocation is proper. Two of the ALJ's conclusions of law squarely address the contentions made
10 in the Petition, and those conclusions bear repeating because they demonstrate that the
11 speculation and conjecture on which the Licensees rely does not overcome the specific objective
12 evidence relied on by Commission Staff:

13
14 In the present case, Mr. Mazeckin and Mr. Doo gave cash gifts
15 worth more than \$500 to players. These gifts were not part of any
16 gambling promotion, and thus in violation of WAC 230-06-035(1)
17 & (2). Additionally, Mr. Mazeckin and Mr. Doo awarded prizes to
18 certain players that other players were not eligible to receive, in
19 violation of WAC 230-06-030(1), (2), & (3) and
20 WAC 230-15-453(5) & (7). It was also the responsibility of
21 Mr. Mazeckin and Mr. Doo as Chief Operations Officer and
22 General Manager respectively, to ensure that the casino's internal
23 controls were being followed in properly tracking money, which
24 they failed to do. This violated WAC 230-15-190(1) and
25 WAC 230-15-425(1)(a), (c), & (f). Finally, Mr. Mazeckin and
26 Mr. Doo neglected to have the separate gambling pit area staffed
by a supervisor, which violated WAC 230-15-460.

21 Conclusion of Law 5.12.

22 The Appellants' arguments against summary judgment are based
23 mostly on the manner and motivation behind the investigation.
24 The Appellants further argue that they inherited the player reward
25 program when they took over management of Macau Casino in
26 2018. Finally, the Appellants argue that they were unaware that
the VIP room was unstaffed. However, the Appellants' arguments
and declarations amount to being unaware that their operation of
the Macau Casino was in violation of any rules and regulations.
Ultimately, Mr. Mazeckin and Mr. Doo as Chief Operations
Officer and General Manager respectively, are responsible for

1 these actions, which occurred at their direction or at minimum
2 with their knowing acquiescence, in violation of RCW 9.46.185.

3 Conclusion of Law 5.3.

4 The Commission should adopt the same sound reasoning of the ALJ. The Licensees'
5 version of the facts rely on not only speculation and conjecture, but also provide no factual basis
6 for reversing the charges levelled against them. In light of the Licensees' violations of the rules
7 and regulations of the Gambling Commission, coupled with their failure to meet their burden
8 under RCW 9.46.153(1), the Initial Order's revocation of Mr. Mazeckin's and Mr. Doo's
9 licenses is entirely appropriate.

10 **IV. CONCLUSION**

11 Commission Staff request that the Commission affirm the ALJ's Initial Order and revoke
12 Mr. Mazeckin's CRE License No. 68-10138 and Mr. Doo's CRE License No. 68-10592.

13 DATED this 1st day of June 2020.

14 ROBERT W. FERGUSON
15 Attorney General

16 

17 DOUG VAN DE BRAKE, WSBA #33644
18 Assistant Attorney General
19 Attorney for Washington State
20 Gambling Commission Staff
21
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26

1 **DECLARATION OF SERVICE**

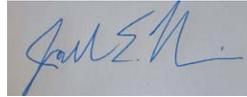
2 I declare that I arranged for service a true and correct copy of this document for delivery
3 on all parties or their counsel of record on the date below as follows:

4
5 TERENCE WONG
6 LAW OFFICE OF TERENCE K. WONG, PLLC
7 6947 COAL CREEK PARKWAY SE #387
8 NEWCASTLE, WA 98059

- 9 U.S. mail via state Consolidated Mail Service via General Services (with proper postage affixed)
- 10 Courtesy copy via facsimile:
- 11 Electronic mail per the parties Electronic Service Agreement:
twongrenton@yahoo.com
- 12 ABC/Legal Messenger

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

15 DATED this 1st day of June 2020 at Olympia, Washington.

16 

17 _____
18 JORDAN NIMON
19 Legal Assistant



Staff Proposed Rule-Making
WAC 230-21-016- Costs of providing public records.

July 2020 – Final Action
May 2020 – Discussion and Possible Filing
January 2020 – Initiate Rule-Making

Tab 3: July 2020 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

BOLD = Updated information since May 2020 Commission meeting.

In January, we introduced the idea of adopting rules to charge the default amounts for processing public records requests. **In May, we provided language for your review and filed that language with the Office of the Code Reviser for further discussion. Today, that language is before you for final action.**

RCW 42.56.120 authorizes agencies to charge for certain costs related to a public records request. This includes the authority to establish a charge for the actual cost for copying records, including per-page rate for copying, labor costs of copying, and shipping costs; providing copies of electronically produced records; actual costs for the electronic production or file transfer of the record; the use of a cloud-based storage or processing service; and the cost of transmitting the records in an electronic format.

This statute allows state agencies to undergo their own cost-analysis determination or choose the default rates established in the statute, which are as follows:

- Up to 15 cents per page;
- 10 cents for each page scanned into an electronic format;
- 5 cents for every 4 attachments uploaded to an electronic delivery system;
- 10 cents per gigabyte transmitting records electronically;
- May require a deposit of up to 10 percent of the estimated actual copy costs for a request; or
- An agency may charge a flat fee of \$2 as an alternative to the default rates listed above.

The Gambling Commission has received over 160 public records requests in 2019 alone and rule-making is needed to address the growing costs associated with requests consistent with the guidelines established by the Legislature.

Attachments:

- WAC 230-21-016

Stakeholder Outreach and Feedback

Notice of initial rule-making was posted on our website and published in the Washington State Register (WSR 20-03-158). **Draft language was posted on our website and published in the Washington State Register (WSR 20-12-047). No public comments have been received thus far.**

Staff Recommendation

31 days after filing with the Office of the Code Reviser – expected on or about August 20, 2020.

NEW SECTION

WAC 230-21-016 Costs of providing public records. (1) There is no fee for the inspection of public records.

(2) Pursuant to RCW 42.56.120(2), we are not calculating all actual costs for copying records because to do so would be unduly burdensome for the following reasons:

(a) We do not have the resources to conduct a study to determine actual copying costs for all of our records; and

(b) To conduct such a study would interfere with other essential agency functions; and

(c) Through the 2017 legislative process, the public and requestors have commented on and been informed of authorized fees and costs, including for electronic records, provided in RCW 42.56.120 (2)(b) and (c), (3), and (4).

(3) We may charge fees for the production of copies of public records consistent with the fee schedule established in RCW 42.56.120. The fee schedule also is published on our website at www.wsgc.wa.gov and a copy of the fee schedule will be made available at agency headquarters listed in WAC 230-01-005.

(4) Before copying requested public records, we may require a deposit of up to ten percent of the estimated costs of copying all of the records. We may also require payment of the remainder of the copying costs before providing all of the records, or the payment of the costs of copying an installment before providing the installment.

(5) We may provide customized electronic access to public records if we estimate that the request would require the use of information technology expertise to prepare data compilations, or provide customized electronic access services when such compilations and customized access services are not used by us for any other agency purposes. We will charge the actual costs, including staff time, necessary to reimburse our agency for providing customized electronic access services.

(6) We will not release any requested copies of public records unless and until the requestor has paid all copying and other charges set forth in this section.

(7) Payment may be made by cash, check, or money order to the Washington state gambling commission. Cash payments must be in the exact amount and delivered to the physical address listed in WAC 230-01-005.

(8) We may waive fees for providing public records at the discretion of the director or director's designee. This determination will be made on a case-by-case basis.



Staff Proposed Rule-Making

Chapter 230-15 WAC- Update Rules Regarding Card Games

July 2020 – Initiate Rule-Making

Tab 4: JULY 2020 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>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.</p> <p>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.</p> <p>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.</p>	
Stakeholder Outreach and Feedback	
<p>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.</p>	
Staff Recommendation	
<p>Staff recommends initiating rule-making to update the card game rules in Chapter 230-15 WAC as outlined above.</p>	



Staff Proposed Rule-Making
Sports Wagering

July 2020 – Initiate Rule-Making

Tab 5: July 2020 Commission Meeting Agenda.	Statutory Authority RCW 9.46.070, RCW 9.46.130, RCW 9.46.210, RCW 9.46.240, and any uncodified provisions in 2020 c 127 (HB 2638)
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>On March 25, 2020, Governor Jay Inslee signed <u>House Bill 2638</u> that authorizes sports wagering for Class III tribal facilities under terms negotiated in tribal-state compacts. It also adds or amends several criminal, regulatory, and licensing statutes in the Gambling Act and gives the Gambling Commission authority to adopt or amend any rules needed for the regulation of sports wagering.</p> <p>Agency staff has begun internal work in preparation for tribal-state compact negotiations and would also like to begin initial work on any rules needed for sports wagering. New rules will need to be implemented before Class III tribal facilities can offer sports wagering at current Class III tribal facilities.</p>	
Staff Recommendation	
Staff recommends initiating rule-making to facilitate the implementation of sports wagering and any rules will be consistent with terms of any new tribal-state sports wagering compact amendment(s).	



Budget Review & Financial Update

July 17, 2020

Christopher Stanley
Chief Financial Officer



FY 2020 is ending better than anticipated

FY 2020 Revenue by Category/Subsource

Total Revenue by Category	2020 Expected Revenue	2020 Actual Revenue	2020 Projected Remaining	2020 Revenue Variance
Activity Licenses - Commercial	\$ 4,630,530	\$ 4,942,439	\$ -	\$ 311,909
Activity Licenses - Non-Profit	\$ 955,285	\$ 1,034,110	\$ -	\$ 78,825
Individual Licenses	\$ 2,692,284	\$ 2,774,704	\$ -	\$ 82,420
Vendor Licenses	\$ 1,423,855	\$ 1,299,810	\$ -	\$ (124,045)
Tribal Reimbursements	\$ 3,658,340	\$ 3,884,891	\$ -	\$ 226,551
Other Sources*	\$ 292,632	\$ 1,587,582	\$ -	\$ 1,294,950
Agency Total	\$ 13,652,926	\$ 15,523,537	\$ -	\$ 1,870,611

**Note: Actual revenue from "other sources" includes a \$1.25M fine paid in September 2019.*

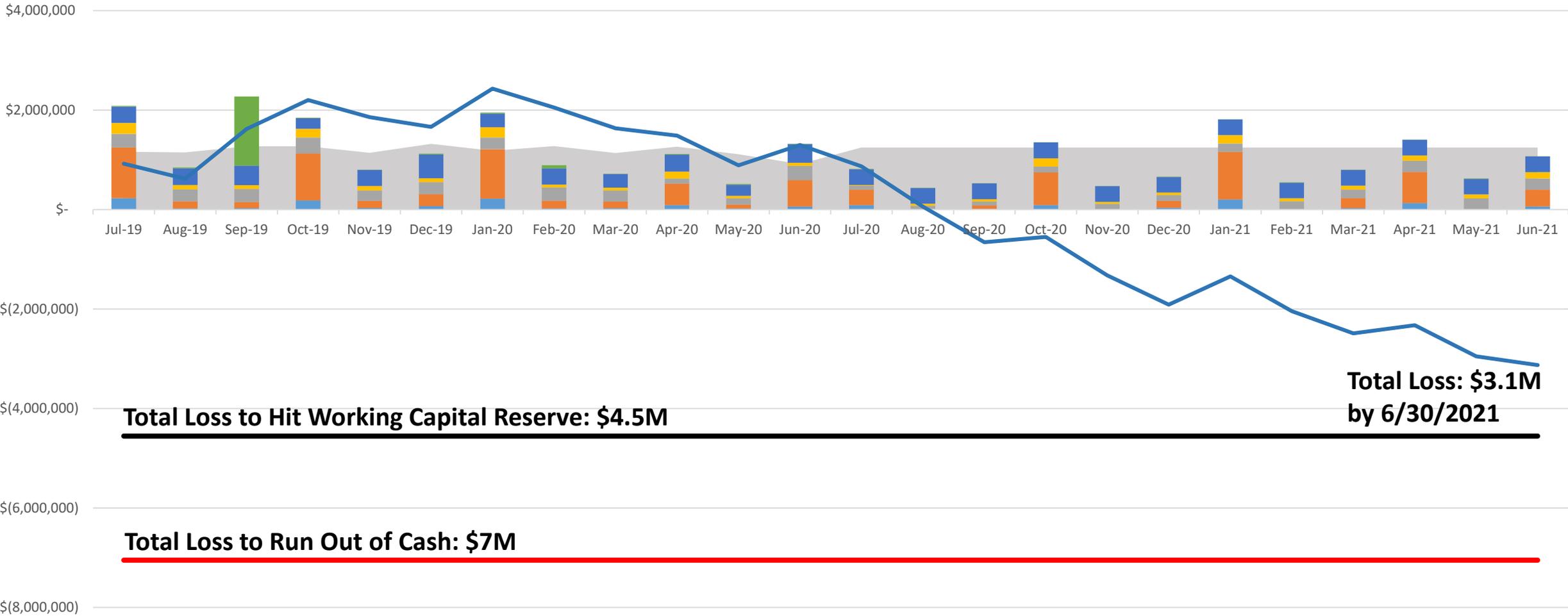
FY 2020 is ending better than anticipated

FY 2020 Sub-Program / Program Index-Level View

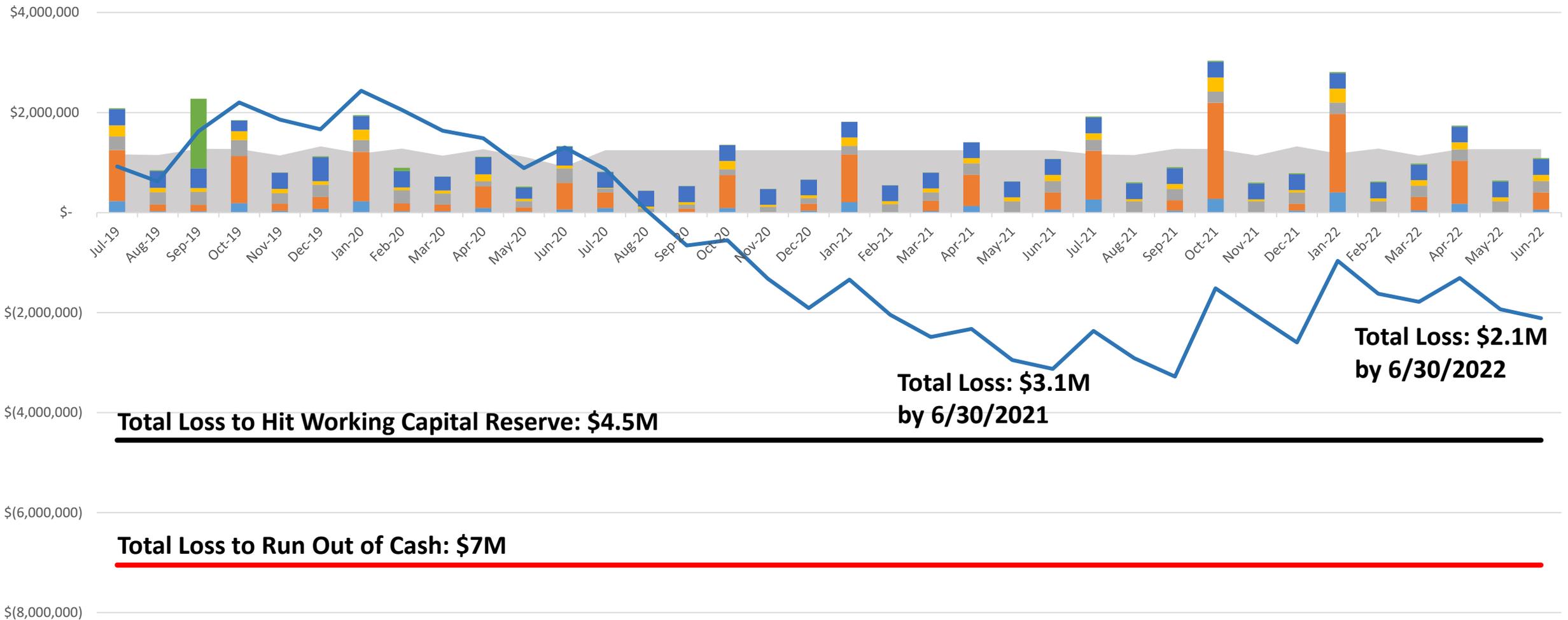
Agency Total by Object	2020 Total Budgeted	2020 Spent To-Date	2020 Projected Remaining	2020 Variance (Bd-Sp-Pr=Var)
FTEs	119.25	106.90		12.35
Salaries	\$ 9,390,636	\$ 7,976,197	\$ -	\$ 1,414,439
Benefits	\$ 3,350,007	\$ 2,896,449	\$ -	\$ 453,558
Contracts	\$ 14,700	\$ 9,255	\$ -	\$ 5,445
Goods & Services	\$ 2,560,038	\$ 2,873,554	\$ -	\$ (313,516)
Travel	\$ 313,560	\$ 228,687	\$ -	\$ 84,873
Capital Expenses	\$ 527,784	\$ 237,113	\$ -	\$ 290,671
Grants & Benefits	\$ 2,712	\$ 2,725	\$ -	\$ (13)
Agency Total	\$ 16,159,437	\$ 14,223,981	\$ -	\$ 1,935,456

The agency has underspent its budget for FY 2020 by 12% due to standard vacancy savings.

Gambling Revolving Fund Forecast



Gambling Revolving Fund Forecast



2021-23 Biennial Budget Initial Ideas

1. Forgive Sports Wagering Loan: Leaves in place the \$6M Transfer from General Fund (rev.) *Delay Repayment of Sports Wagering Loan to end of next fiscal year (June 30, 2022)*
- ~~2. Fully Fund IT Modernization Project with General Fund~~
This was removed after a conversation with Leadership regarding the viability of the ask.
- ~~3. Provide Ongoing Funding for Investigation and Enforcement of Illegal Gambling Crimes~~
This was removed in order to focus the agency's efforts on the sports wagering request.



Questions?

Christopher Stanley
Chief Financial Officer



