



**WASHINGTON STATE  
GAMBLING COMMISSION PUBLIC  
MEETING - November 2018**

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

## COMMISSIONERS



Bud Sizemore  
Chair



Julia Patterson  
Vice Chair



Ed Troyer

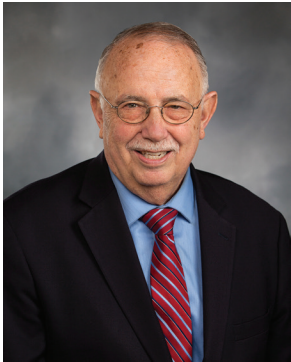


Chris Stearns



Alicia Levy

## EX OFFICIOS



Senator  
Steve Conway



Senator  
Lynda Wilson



Representative  
David Sawyer



Representative  
Brandon Vick

## STAFF



David Trujillo  
Director





STATE OF WASHINGTON

GAMBLING COMMISSION

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

Hampton Inn and Suites

4301 Martin Way E. Olympia, WA 98516

November 15, 2018

Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair.

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

PUBLIC MEETING	
<b>11:00 AM</b>	<b>Executive Session - Closed to the Public</b> Discuss Pending Investigations, Tribal Negotiations, and Litigation <b>The public meeting will reconvene at approximately 1:00 pm</b>
<b>1:00 PM</b>	<b>Call to Order</b> <b>Welcome and Introductions</b> <span style="float: right;"><i>Bud Sizemore, Chair</i></span> <ul style="list-style-type: none"> <li>• <i>Moment of Silence</i></li> </ul> <b>Consent Agenda</b> <ul style="list-style-type: none"> <li>• Minutes September and October 19, 2018 <span style="float: right;"><b>(Action)</b></span></li> <li>• *New Licenses and Class III Employees <span style="float: right;"><b>(Action)</b></span></li> <li>• *Class III Employees/Snoqualmie &amp; Cowlitz Tribes <span style="float: right;"><b>(Action)</b></span></li> </ul> <b>Director's Report</b> <span style="float: right;"><i>David Trujillo, Director</i></span> <ul style="list-style-type: none"> <li>• House-Banked Cardroom Summary Report <span style="float: right;"><i>Assistant Director, Tina Griffin</i></span></li> <li>• Sports Betting Memo <span style="float: right;"><i>Legal and Legislative Manager Brian Considine</i></span></li> </ul>
<b>Tab 1</b>	
<b>Tab 2</b>	<b>Nooksack Indian Tribe Negotiations</b> <span style="float: right;"><b>(Action)</b></span> <span style="float: right;"><i>The Honorable Ross Cline Sr., Chairman, Nooksack Indian Tribe</i></span> <span style="float: right;"><i>David Trujillo, Director</i></span> <span style="float: right;"><i>Julie Lies, Tribal Liaison</i></span>
<b>Tab 3</b>	<b>Presentations</b> <ul style="list-style-type: none"> <li>• NIGA Conference</li> <li>• 4 Directions Conference</li> </ul> <span style="float: right;"><i>Commissioner Chris Stearns</i></span>
<b>Tab 4</b>	<b>*Presentation – Special Olympics of Washington</b> <ul style="list-style-type: none"> <li>• 2018 Western Washington Enhanced Raffle Results</li> <li>• 2019 Western Washington Enhanced Raffle Plan Request <span style="float: right;"><b>(Action)</b></span></li> </ul> <span style="float: right;"><i>Donna Khanhasa, Special Agent</i></span>
<b>Tab 5</b>	<b>*Defaults</b> <span style="float: right;"><b>(Action)</b></span> <ul style="list-style-type: none"> <li>• Joey D. Neal, CR 2018-00475 Public Card Room Employee Revocation</li> <li>• James K. Reese, CR 2018-00845 Class III Certification Revocation</li> </ul> <span style="float: right;"><i>Haylee Mills, Staff Attorney</i></span>
<b>RULE UP FOR FINAL ACTION</b>	
<b>Tab 6</b>	<b>*Petition for Rule Change Soft Count</b> <span style="float: right;"><b>(Action)</b></span> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span>

<b>Tab 7</b>	<p><b>*Rotary Club of Everett</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• Request to Exceed 40k raffle prize</li> </ul> <p style="text-align: right;"><i>Tina Griffin, Assistant Director</i></p>
<b>Tab 8</b>	<p><b>*Petition for Review, Motion for Reconsideration</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• Yen H. Trinh CR 2016-01284, CR2016-01569</li> <li>• Dung N. Huynh CR 2016-01285, CR2016-01570</li> </ul> <p style="text-align: right;"><i>Brian Considine, Legal and Legislative Manager</i></p> <p><b>Potential Closed Session</b></p>
	<b>Meeting Adjourn</b>

*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 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"*

**Gambling Commission Meeting Minutes**

Davenport Grand Hotel 333 W. Spokane Falls Blvd. Spokane, WA 99201

**Public Meeting**

**Thursday, September 13, 2018**

**Commissioners Present:**

Julia Patterson, Vice Chair

Chris Stearns

Ed Troyer

Alicia Levy

**Ex Officio Members Present:**

**Staff Present:**

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

**Thursday, September 13, 2018**

**Public Meeting Call to Order**

**Commissioner Stearns** called the Gambling Commission meeting to order at 1:07 p.m. and welcomed everyone to the Davenport Grand in Spokane. Commissioner Stearns asked for a moment of silence.

There were 27 people in attendance.

**Tab 1**

***Consent Agenda:***

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

***Commissioner Levy seconded the Motion.***

***The Motion passed. 3:0***

**Director's Report**

**Director Dave Trujillo** addressed the Commissioners with a brief report. He recounted that he recently attended the Continuity of Government Operations Tabletop Exercise. One of the topics of the meeting was that in the event of a major earthquake the Cascadia subduction zone which is the fault line from British Columbia to California would seriously damage Western Washington. The State of Washington has been conducting these types of training for years to prepare for a state wide emergency. All state agencies are required to have a Continuity of Operations Plan (COOP) to ensure that they can operate after a disaster, whether man-made or natural.

There were no questions from the Commissioners.

**Tab 3**

**Assistant Director Tina Griffin** presented the materials for this tab. The National Rifle Association (NRA) Foundation is requesting approval to offer raffle prizes to exceed \$300,000 during their license year which will end on September 30<sup>th</sup>, 2018. They are also requesting this for their next license year

which will begin October 1<sup>st</sup>, 2018 and run through September 30<sup>th</sup>, 2019. The Washington State Gambling Commission rules require that licensees get Commissioner approval prior to offering prizes that exceed \$300,000 during the license year. The NRA submitted a plan for the Commissioners to approve. **Brad Kruger, NRA Western Region Director** and **Michael Herrera, NRA Field Representative for Washington** presented their plan.

**Vice Chair Patterson** arrived during this presentation.

After the presentation **Vice Chair Patterson** asked if any of the funds raised by their organization would be used for political purposes, for lobbying or for the purpose of promoting their stated political agenda. **Mr. Kruger** stated no and went on to explain that the NRA is a 501C3 charity and as such they do not have anything to do with politics.

#### **NRA Foundation Raffle Prize Request for License Year 2018**

**Vice Chair Patterson** asked for public comment. There was no public comment.

*Commissioner Troyer moved to approve the NRA foundation to offer raffle prizes in excess of \$300,000 for the remainder of their license year ending September 2018.*

*Commissioner Levy seconded the motion.*

*The motion passed. 4:0*

#### **NRA Foundation Raffle Prize Request for License Year 2019**

**Vice Chair Patterson** asked for public comment. There was no public comment.

*Commissioner Troyer moved to approve the NRA foundation to offer raffle prizes in excess of \$300,000 for the license year beginning October 1st, 2018 ending September 30th 2019.*

*Commissioner Levy seconded the motion.*

*The motion passed. 4:0*

At this time, the Commissioners reviewed the Consent Agenda.

*Commissioner Levy moved to approve the Snoqualmie Tribe and Cowlitz Tribe of Indians Class III Gaming Employees Certifications as presented.*

*Commissioner Troyer seconded the Motion.*

*The Motion passed. 3:0*

*Commissioner Stearns abstained.*

*Commissioner Sizemore was not available for the vote.*

#### **Tab 2**

##### **Defaults**

**Legal and Legislative Manager Brian Considine** presented the default materials.

**David K. Duong**, CR 2017-01131, Public Card Room Licensee & Class III Certification Revocation.

**Commissioner Stearns** asked if this would affect his ability to be employed at all Washington casinos.

**Mr. Considine** said it would. **Commissioner Troyer** asked if he was accused of cheating. **Mr. Considine**

stated that while off duty Mr. Duong allegedly lost a large wager at a table game and became violent and allegedly took a thousand dollars' worth of chips. It was unclear whether or not he tried to give the chips back. Commissioner Troyer asked if Mr. Duong was given a hearing. **Mr. Duong** asked for a hearing and was granted one, but failed to appear. **Director Trujillo** stated that the Tribal Gaming Agency took initial action on this case in January 2018. **Vice Chair Patterson** asked if Mr. Duong was in the audience and he was not. There was no public comment.

*Commissioner Stearns moved to revoke the Public Card Room License and Class III Certification for Mr. David K. Duong.*

*Commissioner Levy seconded the Motion.*

*The Motion passed. 4:0*

**Dung D. Phan**, CR 2018-00006, Public Card Room Licensee Revocation.

**Vice Chair Patterson** asked if Mr. Phan was in the audience and he was not. There was no public comment.

*Commissioner Levy moved to revoke the Public Card Room License for Mr. Dung D. Phan.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 4:0*

**Bank Tavern**, CR 2018-00201, Punchboard/Pull-Tab Applicant Denial.

**Vice Chair Patterson** asked if there was a representative in the audience and there was not. There was no public comment.

**Commissioner Troyer** asked if the Gambling Commission notified the new owners. He also asked if staff offered any education to the new owners as to what their responsibilities were as a license holder.

**Director Trujillo** stated that the agency attempted multiple times to contact the new owners to rectify the situation. **Mr. Considine** reiterated that this is a license denial not a revocation. The applicant would have been provided an opportunity to settle the case while paying back revenues it received during unlicensed activity. Ultimately, the applicant is not contesting the denial because they did not request a hearing.

*Commissioner Troyer moved to deny the Punchboard/Pull-tab application.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 4:0*

**Quinton D. Jordan**, CR 2018-00539, Public Card Room Licensee Revocation.

**Vice Chair Patterson** asked if Mr. Duong was in the audience and he was not. There was no public comment.

*Commissioner Stearns moved to revoke the Public Card Room License for Mr. Quinton D. Jordan.*

*Commissioner Levy seconded the Motion.*

*The Motion passed. 4:0*

#### **Tab 4**

##### **Petition for Rule Change Soft Count**

**Assistant Director Tina Griffin** presented the materials for this tab. Ms. Stacy Hess from Great American Gambling Corporation has requested a rule change to allow a card room to have two people, instead of the currently required three people, conduct a soft count if the licensee uses an automated bill

counter. The Commission accepted the petition for further discussion at the March, 2018 public meeting. **Director Trujillo** stated that it would allow another tool to be utilized by licensees and mirrors what tribes are able to do under National Indian Gaming Commission procedures.

**Vice Chair Patterson** asked for public comment. **Victor Mena**, Owner of Washington Gold Casinos stated that he did not send in any documentation or correspondence in favor of this petition. He said he does not see an issue with the process. His primary concern is surveillance. He mentioned that at his properties, they have surveillance operators document the actual count in real time and verify with vocal communication by the counters and the verifiers. He uses this method as a check and balance for to catch mistakes with strap errors and mishandling of bills. Overall, he says this is positive for the industry especially for the smaller card rooms. By his estimation, this could eliminate one body in the count room, saving a \$1000 per payroll.

*Commissioner Stearns moved to file the rules for further discussion, as presented by staff.*

*Commissioner Levy seconded the motion.*

*The motion passed. 4:0*

#### **Tab 5**

##### **Spokane Youth Sports Qualification and Program Review**

**Special Agent Supervisor, Bill McGregor and Phil Healen, Executive Director of Spokane Youth Sports Association (SYSA)** presented the materials for this tab. A review was conducted of the SYSA financial statements for the calendar year of 2016. SYSA is a nonprofit organization and holds a Bingo and Punchboard/Pull-tab license with the commission. They are currently in the new fee structure, but previously, they were licensed for \$4 million in bingo gross receipts and \$700,000 in Punchboard/Pull-tab gross receipts. In 2016, the organization had 16 active voting members, three officers and 13 trustees. SYSA is an organization that provides sports activities for youth where everyone plays, develop skills, is taught good sportsmanship and learns the value of being a team player. In 2016, the organization spent over \$807,000 serving youth participants in the Spokane area in their programs. During the review of the SYSA, numerous steps were taken to ensure that they are a bona fide nonprofit organization functioning in accordance with their Bylaws and continue to meet the definition of a charitable or nonprofit organization under the RCW. Based on the review agents determined that Spokane Youth Sports Association was in compliance with all applicable WACs and RCWs during their fiscal year ending December 31, 2016 and is suitable for continued licensure.

#### **Tab 6**

##### **Administrative Case Presentation**

**Assistant Director Tina Griffin and Special Agent Tyson Wilson** presented the materials for this tab. In 2017 the Regulation Unit handled 465 administrative cases. The Licensing Unit has three agents and 44 years of combined history with the Washington State Gambling Commission. In 2017-18 they worked 39 Administrative Cases. The Regulation Unit has 24 agents with 375 years of combined service, 10 Certified Fraud Examiners and three Certified Public Accountants. The Regulation Unit worked 465 Administrative Cases in this time period. **Vice Chair Patterson** asked for public comment. There was no public comment.

#### **Tab 7**

##### **Criminal Case Presentation**



**Assistant Director Tina Griffin and Special Agent in Supervisor, Bryce Mack** presented the materials for this tab. In 2017 the Criminal Enforcement Unit worked 286 cases. Supervisor Mack showed footage from several criminal cases including footage from the Cockfighting bust in Port Orchard recently. **Vice Chair Patterson** asked for public comment. There was no public comment.

**Public Comment**

There was no public comment.

Day one adjourned at 3:30 pm.

**Gambling Commission Meeting Minutes**  
Davenport Grand Hotel 333 W. Spokane Falls Blvd. Spokane, WA 99201

**Public Meeting**  
**September 14, 2018**

**Commissioners Present:**

Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Chris Stearns  
Ed Troyer  
Alicia Levy

**Ex Officio Members Present:**

**Chair Sizemore** called day two the September Gambling Commission Meeting to order at 8:00 and announced that the Commissioners would immediately go into executive session to discuss pending investigations, tribal negotiations, and litigation. The public meeting to reconvene at 10:00 AM.

The public meeting reconvened at 10:10 AM, **Chair Sizemore** welcomed everyone to the Davenport Grande and the meeting began with tab 8.

There were 11 people in the audience.

**Tab 8**

**Petition for Review Dung N. Huynh and Yen H. Trinh**

**Assistant Attorney General, Greg Rosen and Attorney for Petitioners, Justin Jensen presented the materials for the tab.** Mr. Jensen announced that he would be presenting both cases for the plaintiff at the same time.

The Commissioner's heard both sides of the case and deliberated in closed session for roughly 20 minutes.

When the Commissioners reconvened, the Commissioners affirmed the initial orders and concluded the hearing; **Chair Sizemore** thanked everyone for their time.

**Tab 9**

**Agency Request Legislation**

**Legal and Legislative Manager, Brian Considine** presented the materials for the tab. The Gambling Commission also supported similar legislation during the 2018 legislative session, testified at Senate and House hearings supporting the creation of a self-exclusion program, and had discussions in its public meetings about creating a self-exclusion program during the 2018 legislation session. The bill would authorize the Gambling Commission to create rules establishing a state-wide self-exclusion program for licensed card rooms and also create a process for Tribal gaming operations to voluntarily opt into the program. The Gambling Commission will develop the process and scope of the program through rule-making and have until June 30, 2021 to finalize the rules for the program.

The Gambling Commission discussed additional elements to be added to the agency request self-exclusion program legislation. Mr. Considine went over each option related to the proposed additional changes.

#### **Agency Request Legislation - OPTION 1**

The effect of this amendment was:

- (1) Change to section (d) that clarifies the legislative intent for the self-exclusion program;
- (2) Change to section (d) that clarifies Commission's authority to enforce provisions of the program;
- (3) Addition of section (e) that provides that individuals registered with the self-exclusion program do not have a civil cause of action against the State, Gambling Commission, or gambling operator if there an error is made in the enforcement or operation of the program; and
- (4) Addition of section (f) that provides that personal information collected, stored, or accessed under the self-exclusion program can only be used for the administration of the program.

*Commissioner Patterson moved to approve Option One as presented by staff.*

*Commissioner Stearns seconded the motion.*

*The motion passed. 4:0*

*Commissioner Troyer was not present for the vote.*

#### **Agency Request Legislation - OPTION 2**

The effect of this amendment is:

- (1) Incorporates all changes in Option 1; and
- (2) Addition of a new section (d) (iii) that states any individuals registered with the self-exclusion program but continue to gamble at locations they are excluded from entering are not entitled to keep any winnings from their gambling activities and all winnings are forfeited to the state problem gambling account or a bona fide charitable or nonprofit organization that provides problem gambling services or helps increase awareness about problem gambling.

*Commissioner Stearns moved to approve Option Two as presented by staff.*

*Commissioner Levy seconded the motion.*

*The motion passed. 4:0*

*Commissioner Troyer was not present for the vote.*

Option three would have added a new section that requires the Commission to submit a report to the Legislature updating it about the operation of the self-exclusion program. There was no vote for option three.

#### **Agency Request Legislation - OPTION 4**

The effect of this amendment is:

- (1) Incorporates all changes in Option 1; and
- (2) Addition of a new section (d)(iii) that directs the Commission to consider the provisions of the statewide self-exclusion program as elements to be negotiated with federally recognized Indian tribes pursuant to the Commission's compact negotiation authority under the Gambling Act.

*Commissioner Levy moved to approve Option Four as presented by staff.*

*Commissioner Patterson seconded the motion.*

*The motion passed. 4:0*

*Commissioner Troyer was not present for the vote.*

The amended bill language incorporating Options 1, 2, and 4 keeps all the original intent of the first draft of the legislation and now provides that individuals registered with the program do not have a civil cause of action against the state, Commission, or gambling operators for any error or omission made in the enforcement or operation of the program. Additionally, Individuals registered with the program will forfeit any winnings they earn or receive while registered with the program and the Commission will define by rule how the forfeited monies are distributed to the state problem gambling account and/or a charitable or nonprofit program gambling organization.

The Commission will also consider the provisions of the program as elements to be negotiated with Tribes. Lastly, personal information collected, stored, or accessed under the program may only be used for the administration of the program and information obtained by the Commission under this program will be exempt from disclosure under the Public Records Act.

### **Public Comment**

**Maureen Greeley, Executive Director of the Evergreen Council on Problem Gambling** addressed the Commission and said she wanted to say that their board of directors has not yet weighed in on this topic, because the window of time was too short. They don't meet that often. And like all of the Commissioners, they are a very diverse group of board members who will bring a lot to the discussion. They are meeting on October 2nd right after the gambling industry summit at the Four Directions Conference. Commissioner Stearns is presenting at the conference as well as Brandy Crow. Ms. Greeley invited the Commissioners to attend the conference. She said she really hoped everyone will attend because she thinks what comes out of this will help inform some of the decisions around what goes into this self-exclusion program. Experts from British Columbia, from GameSense, Massachusetts, and Oklahoma, including Las Vegas, are presenting at this summit on these very topics. That said, she thinks defining what's meant by program is really important because there is very specific language around what the Gambling Commission will do to manage this program the self-exclusion tool is vital. She commended the Commission for moving this forward in a way that it's never been moved forward before from a statewide example. She also said because most people do not self-exclude even after they've gone to see a counselor. They self-exclude when they are in dire straits, and often don't even know that treatment is available. Her hopes are that the Gambling Commission can better define what is meant by a self-exclusion program and who will be involved.

**Dolores Chiechi, Executive Director of the Recreational Gaming Association** appreciated the discussion, and absolutely appreciate Director Trujillo's comments about the consultation processes already occurring with the tribes. She said it's her everybody wants to do the right thing so she is excited about the idea that they're willing to come to the table and have those conversations about how they can participate Referring to yesterday, she spoke about the revocation of a license at a tribal entity, Brian Considine made a comment that the state and the tribes currently have an agreement that if a tribe revokes a license for an employee, the state should also revoke that license So, perhaps there could be something similar to that before it's part of the compact process that perhaps what happens is a player who has been self-excluded at all 46 card rooms, because that's essentially who we're talking about right now, perhaps when they get their ID checked at a tribal casino and it pops up on a list that says they were excluded at these 46 locations, that that player shouldn't be allowed to come into a tribal casino and play. She mentioned that lottery checks ID and when you go to a kiosk in other states, you have to put your ID in to buy a ticket. And if you've spent over a certain threshold, a pop up says, *"Are you sure you want to do this? We have noticed that you've spent \$500 this week, and you put in a threshold that said you didn't want to go above that."* She believes these nuances can be put into the rulemaking process. She is encouraged again that the language will include that consultation with the tribes, and she hopes to

eventually we can get there with other licensees being pull tabs and horse racing and all the other gambling entities across the state. As a board member of the Evergreen Council and the National Council, Ms. Chiechi knows that other states have done this and she thinks the summit Ms. Greeley mentioned this is a great opportunity to really sit down and figure out how to make this work and protect the players that are vulnerable to this issue.

Ms. Chiechi said that the Criminal and Administrative Unit presentations that she heard the day prior were important because they show problem gamblers being preyed upon for bookmaking. She asked if the agents have enough Problem Gambling awareness or are they just guessing that an individual has a problem? She wondered if there were services offered to those people who were preyed upon. Ms. Chiechi says there's a big gap between what we recognize and are aware of and what services are available. As Maureen mentioned, self-exclusion should also include the step of providing information about how someone gets help not just that the problem gambler will be taken off a marketing list. She wondered if that can be put into rule and if not, it should definitely be part of our thought process. She thanked the Commission for the opportunity to speak.

#### **Other Business/General Discussion/Public Comment**

**Chair Sizemore** announced that the next Commission Meeting would be held in Olympia at the Hampton Inn and Suites on October 18, 2018.

#### **Public Comment**

There was no additional public comment.

Day 2 adjourned at 12:30 pm.



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GAMBLING COMMISSION

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**October Gambling Commission Meeting Minutes**  
Hampton Inn & Suites 4301 Martin Way E. Olympia  
**Public Meeting**  
**October 11, 2018**

**Commissioners Present:**

Bud Sizemore, Chair  
Julia Patterson, Vice Chair (via phone)  
Chris Stearns  
Ed Troyer  
Alicia Levy

**Ex Officio Members Present:**

Senator Steve Conway  
Representative Brandon Vick

**Staff Present:**

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

**Public Meeting Call to Order**

**Chair Bud Sizemore** called the Gambling Commission meeting to order at 11:10 a.m. and immediately went into Executive Session where the Commissioners will discuss litigation, pending investigations and tribal negotiations for approximately one hour. Closed session is dedicated to discussing summary suspension and/or the petition for a declaratory order. Estimated time for the public meeting to start will be 1:00 PM.

At 1:00 pm, **Chair Sizemore** welcomed everyone to the Hampton Inn & Suites and introductions were made. He asked for a moment of silence to recognize law enforcement officers across the country that were lost in the line of duty since we last met. Chair Sizemore reordered the agenda to accommodate Commissioner Troyer's schedule.

There were 42 people in attendance.

**Tab 2**

**Muckleshoot Negotiations**

The Honorable Virginia Cross, Director Trujillo, and Tribal Liaison Julie Lies presented the materials for this tab. **Commissioner Stearns** introduced the Honorable Virginia Cross, Chairwoman of the Muckleshoot Tribes.

Commissioner Patterson joined the meeting via phone.

**Chairwoman Cross** thanked the Commissioners for allowing her to present. She explained that the Muckleshoot casino revenue supports an array of important programs and services for their community from education, healthcare, housing assistance, employment opportunities,

behavioral health and mental health programs. Every dollar the casino makes goes towards building a better future for all of the Muckleshoot tribal members. This amendment to the gaming compact will help keep the Muckleshoot casino in a fiscally sound position and enable the tribe to continue funding important programs and services for their tribe.

Chairwoman Cross introduced Claudia Kauffman staff to the Muckleshoot Tribe and a former legislator, and Deryl Brown-Archie tribal attorney that were in the audience. **Julie Lies**, Tribal Liaison continued with the presentation and highlighted the specifics of the compact amendments.

After the presentation was over **Ms. Lies** asked if anyone had any questions that she could answer regarding the amendment. There were no specific questions from the audience, however **Commissioners Stearns** asked if there were any provisions of the amendment that are not part of the Most Favored Nations adoption of the X2 Amendment, and is there anything that the Gambling Commission or Commissioners did outside of what they've done for all the other tribes? Ms. Lies said that the Appendix X2 Amendment portion is basically what other tribes had agreed to and there is also some additional information regarding problem gambling information, which other tribes have also agreed to.

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

**Commissioner Troyer** asked for a show of hands if there were any other Muckleshoot members in the audience. He thanked the Muckleshoot Tribe and said that if everybody could adopt their way of doing charitable contributions, in his opinion everybody would be in a better place.

*Commissioner Stearns moved to forward the proposed compact to the Governor for review and final execution.*

*Commissioner Levy seconded the Motion.*

*The Motion passed. 7:0. This vote included Senator Conway and Representative Vick.*

### **Tab 3**

#### **Petition for Declaratory Order- Big Fish Games, Inc.**

Legal and Legislative Manager, Brian Considine presented the materials for this tab. **Chair Sizemore** explained that the Commissioners heard testimony at the July and August Commission meetings. At the August Commission meeting, it was decided that the Commissioners would close out oral arguments on the issue at that meeting and accept written testimony through 5:00 PM Pacific Time on September 30th. After, Mr. Considine presents the new information to the Commissioners staff will clear the room so Commissioners can hold a closed session and then reconvene to announce the decision after deliberation. **Mr. Considine** presented an additional letter that was not in the packet for the Commissioners to review. Commissioners went into closed session at 1:30 pm and reconvened the meeting at 1:50 pm.

**Commissioners issued an order declining to enter a Declaratory Order signed by Commissioners Sizemore, Patterson, Troyer and Levy. Commissioner Stearns issued a dissent stating he would find that the petitioner's games as presented were not gambling.**

## **Tab 1**

### ***Consent Agenda:***

***Commissioner Levy moved to approve the New Licenses and Class III employee licensees as presented by staff.***

***Commissioner Troyer seconded the Motion.***

***The Motion passed. 4:0***

***Commissioner Patterson was not present for the vote.***

***Commissioner Levy moved to approve the Class III certifications for the Snoqualmie Tribe and Cowlitz Tribe.***

***Commissioner Troyer seconded the Motion.***

***The Motion passed. 3:0***

***Commissioner Stearns abstained.***

***Commissioner Patterson was not present for the vote.***

Commissioner Troyer left the Commission Meeting.

***Commissioner Stearns moved to approve the 2019 Commission Meeting Schedule as presented.***

***Commissioner Levy seconded the motion.***

***The motion passed. 3:0***

***Commissioners Troyer and Patterson were not present for the vote.***

## **Director's Report**

**Director Trujillo** announced that he attended the Four Directions conference that was held at Squaxin Island conference center and that Commissioner Stearns received the Legacy of Commitment award and that Maureen Greely received the Monsignor Joseph Dunne Lifetime Award for Advocacy from the National Council on Problem Gambling. He also said that he met with Washington Association of Prosecuting Attorneys, Executive Director, and Tom McBride at the request of the Commissioners regarding Gambling Commission cases. The meeting went well and Director McBride offered to meet with our staff and Commissioners to explain the process. Director McBride plans to retire at the end of November so Director Trujillo hopes the offer will extend to his successor.

**Tribal Liaison, Julie Lies** spoke about the Centennial Accord that was held on September 25<sup>th</sup>. Chair Sizemore attended the meeting representing the agency. Ms. Lies reported that the Gambling Commission has worked on several efficiencies with tribes related to our electronic gambling lab and their testing process. The agency has offered training to tribal regulators, coordinating with the Puyallup TGA for 60 students to attend a one-week long class that had 13 tribes participate. The Gambling Commission has been meeting with tribes on several topics of interest for both the tribes and the agency. Also, completing the updated or modernized Jamestown S'Klallam Tribe's Class III gaming compact. She stated that this report can be read in its entirety on our website. **Chair Sizemore** asked if there were any questions from the audience. There were none. He reported that he was able to attend the second day of the Accord, which



was the full day with Governor Inslee. Governor Inslee answered a question from Chairman Ron Allen from Jamestown S'Klallam, regarding the revenue source for the criminal enforcement unit. He said Chairman Allen recognizes the critical importance of our criminal enforcement unit and encouraged the Governor to recognize the value to all Washingtonians of our criminal enforcement unit regarding their work in both regulated and unregulated activities, on Indian country or off and made a request to the Governor that this should be state funded. Chair Sizemore reminded the commission that this topic has not been a formal proposal to the legislature. **Commissioner Stearns** asked if problem gambling was mentioned at the meeting with the Governor. **Chair Sizemore** did not hear anything specific to problem gambling.

#### **Tab 4**

##### **Default**

**Staff Attorney, Haylee Mills** presented the default materials.

##### **Cum Inn Bar & Grill, CR 201701455, Punch Board/Pull-Tab Revocation.**

**Chair Sizemore** asked if a representative was present from Cum Inn Bar & Grill. No one was present.

*Commissioner Levy moved to revoke the Punchboard/Pull-Tab application for the Cum Inn Bar & Grill.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

*Commissioners Troyer and Patterson were not present for the vote.*

##### **Sonny R. Noudaranouvong, CR 2018-01511, Public Card Room License Revocation.**

**Chair Sizemore** asked if Mr. Sonny Noudaranouvong was in the audience. He was not present.

*Commissioner Stearns moved to revoke the public card room license of Mr. Sonny Noudaranouvong.*

*Commissioner Levy seconded the Motion.*

*The Motion passed. 3:0*

*Commissioners Troyer and Patterson were not present for the vote.*

##### **Thuan Q. Phan, CR 2018-00555, Public Card Room License Revocation.**

**Chair Sizemore** asked if Mr. Thuan Q. Phan was in the audience. He was not present.

*Commissioner Levy moved to revoke the public card room license of Mr. Thuan Q. Phan.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

*Commissioners Troyer and Patterson were not present for the vote.*

##### **Meisean Teurn, CR 2018-01076, Public Card Room License Revocation.**

**Chair Sizemore** asked if Ms. Meisean Teurn was in the audience. She was not present.

*Commissioner Stearns moved to revoke the public card room license of Ms. Meisean Teurn.*

*Commissioner Levy seconded the Motion.*

*The Motion passed. 3:0*

*Commissioners Troyer and Patterson were not present for the vote.*

## **Tab 5**

### **Petition for Rule Change Soft Count**

**Assistant Director, Tina Griffin** presented the materials for this tab. She stated that this rule is up for discussion only. It should be ready for final action next month at the November meeting. This rule petition was submitted originally by Stacey Hess with Great American Gaming. They operate four house-banked card rooms in Washington. The petitioner did submit the rule earlier in the year. We worked with the petitioner and the language was changed and approved last month, based on some information we found in looking at what other states were doing that have two member soft count teams and use automated currencies, currency counters, with their soft count as well as looking at what our tribal facilities do in the State of Washington. This rule is up for final action at the November Commission Meeting. **Chair Sizemore** asked for public comment. There was no public comment. The rule was up for discussion only so no vote was taken.

**Director Trujillo** introduced the newest member of the Gambling Commission that will be reporting the Brian Considine. Her name is Kat Husted, and was hired as the Public Records Officer. Director Trujillo also mentioned that Deputy Director Amy Hunter has taken a position with the Department of Financial Institutions. Her last day with the agency will be October 26.

## **Tab 6**

### **Petition for Rule Change Marketing Level Restrictions**

**Legal and Legislative Manager, Brian Considine** presented the materials for this tab.

*Commissioner Stearns had an emergency and had to leave the meeting. That left the Gambling Commission without a quorum.*

**Chair Sizemore** asked if the petitioner would be willing to present at the next meeting in November. The petitioner agreed to come back to the November meeting.

**Chair Sizemore** opened the floor to commissioners and ex officio for comment. Senator Conway asked about Agency Request Legislation and confirmed that the Commissioners took action on Self-Exclusion. **Chair Sizemore** agreed. **Director Trujillo** explained to the Senator about the problem gambling study that the University of Washington and the Washington State University is contracted for. The study will be presented to the Commissioners at the January or February meeting.

**Chair Sizemore** asked for public comment.

**Dolores Chiechi**, Executive Director for Recreational Gaming Association, stated that she was pretty blown away to hear about Deputy Director Amy Hunter's departure from the Gambling Commission. She explained that in her capacity over the last 20 years, she has worked closely with Ms. Hunter in the legislative session, and she's been a great asset to the Commission and her presence will be sorely missed, and hopefully, Director Trujillo is on deck to find somebody else to put into that role. Wish her the best in the future. We'll miss her.

*At this time Commissioner Stearns returned to the meeting.*

**Senator Steve Conway** expressed his appreciation of Deputy Director’s hard work and will miss her in this capacity at the Gambling Commission. He thanked her for all her work on the legislative team at the Gambling Commission.

**Commissioner Chris Stearns** also expressed his appreciation of all that Deputy Director Amy Hunter has brought to the Gambling Commission. He said she really has that unique ability to get things across to anyone and, to explain things to you. She's just really, really good at what she does, he said. And, that she is just an incredible individual, and the Gambling Commission is going to miss her so much and I personally will miss her very, very much.

**Chair Sizemore** recognized that Commissioner Stearns returned to the meeting and that we now had a quorum and can go back to Tab 6.

## **Tab 6**

### **Petition for Rule Change Marketing Level Restrictions**

**Legal and Legislative Manager, Brian Considine** presented the materials for this tab. He was joined by Wendy Winsor, owner of W.O.W. Distributing. This petition requests the repeal of WAC 230-03-225, which prohibits licensed manufacturers or distributors of punchboard/pull-tabs from also being licensed gambling service suppliers. Mr. Considine explained the process and said that Ms. Winsor was available to explain further or answer any questions from the commission. **Ms. Winsor** introduced herself and said that her and her husband, and brother-in-law started their distributorship in 1990. They run and operate a pull-tab university, where they train operators and new licensees how to sell pull tabs. Ms. Winsor is requesting the repeal of this rule because WAC 230-03-225 is no longer needed, imposes unreasonable costs and conflicts with another rule. Ms. Winsor further provided this repeal is necessary because:

1. “A distributor of pull-tabs, and its representatives, must inform and educate prospective and established pull-tab licensees in order to perform the activities for which it is licensed; and
2. Unreasonable costs (i.e., photo copying, labor, transportation) are incurred by the distributor in the course of performing these licensed activities; and
3. WAC 230-03-210 requires anyone who performs these activities for compensation must apply for a gambling service supplier license but WAC 230-03-225 does not allow a distributor to hold both licenses.”

Ms. Winsor states, “Repeal of WAC 230-03-225 would allow a distributor to perform its licensed activities and remain compliant.”

**Senator Conway** mentioned that he was an advocate for the three-tiered system. But, he is concerned in removing the language of the three-tiered system from the WAC. **Ms. Winsor** suggested a change in the language and said she would be happy to work with staff and discuss it when this topic comes before the commission in the coming months. **Director Trujillo** interjected and said with the proposed language the three-tiered system stays intact.

**Chair Sizemore** asked for public comment. There was no public comment. **Mr. Considine** said that staff recommends accepting the petition and filing initial rule-making to allow for further review and analysis of our service supplier rules and marketing level restrictions for punchboard/pull-tab operators. He said that with reaching out to stakeholders so we get feedback from everyone involved that this petition will not be before the Commissioner until the January Commission Meeting.

*Commissioner Levy moved to accept the petition for filing and enter into rule-making as recommended by staff.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

*Commissioners Troyer and Patterson were not present for the vote.*

**Chair Sizemore** mentioned that he represented the Gambling Commission at the Tribal Consultation meeting yesterday and one of the topics discussed was our self-exclusion bill that was approved at last month's September commission meeting. When sitting down with tribal leaders and their designees yesterday, it was determined that there was a real problem with a legislative mandate to make self-exclusion a portion of their Compact negotiations. And it felt to the tribes that, and I'll ask Commissioner Stearns to maybe go into any more detail if I miss this, it felt like a strain on the sovereignty of the 29 tribes if they were required by the legislature to enter into Compacts on this issue. So, it has happened before, the tribes agreed to it at that point and if they had it to do over, it appears that they would not. **Commissioner Stearns** replied with the commission must consider a supervision of state-wide self-exclusion, participation as elements to be negotiated with federally recognized Indian tribes as provided in RCW. It does seem to tread upon the sovereignty of the tribes. So, I would fully support or recommend that we remove subsection (g).

*Commissioner Stearns recommended the removal of Subsection (g) for the Agency Request Legislation.*

*Commissioner Levy seconded the motion.*

*The motion passed 3:0*

*Commissioners Troyer and Patterson were not present for the vote.*

#### **Other Business/General Discussion/Public Comment**

**Chair Sizemore** reminded the audience that the next Commission Meeting will be held at the Hampton Inn and Suites in Olympia.

#### **Additional Public Comment**

There was no public comment.

The Commission meeting adjourned at 4:15 pm.



COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)  
November 2018

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PAGES: 16

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 16.

u

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**BINGO**

FOE 02218  
00-00050 01-01114

209 E WOODIN AVE  
CHELAN WA 98816

KNIGHTS OF COLUMBUS 04782  
00-24256 01-02768

6600 HIGHLAND DR  
VANCOUVER WA 98661

**RAFFLE**

AMERICAN LEGION 00116  
00-00221 02-09219

108 N GRANT ST  
GOLDENDALE WA 98620

CASCADE HORSE CLUB  
00-21923 02-08961

4630 144TH DR SE  
SNOHOMISH WA 98290

GIRL SCOUTS OF WESTERN WASHINGTON  
00-22042 02-08996

601 VALLEY ST  
SEATTLE WA 98109-4230

ISSAQUAH MIDDLE PTSA  
00-24013 02-20786

10203 ISSAQUAH HOBART RD  
ISSAQUAH WA 98027

KENT GUILD  
00-24264 02-20934

26616 161ST AVE SE  
COVINGTON WA 98042

KIWANIS CLUB WALLA WALLA  
00-24260 02-20932

784 WELLINGTON  
WALLA WALLA WA 99362

QUEEN ANNE HELPLINE  
00-23044 02-09316

101 W LEE ST  
SEATTLE WA 98119

ROTARY CLUB/COLUMBIA CENTER  
00-11933 02-02160

6222 W JOHN DAY AVE  
KENNEWICK WA 99336

TRI-CITIES AMATEUR HOCKEY ASSOC  
00-12691 02-02292

1315 COUNTRY RIDGE DR  
RICHLAND WA 99352

**AMUSEMENT GAMES NONPROFIT**

SETH WOODARD PTO  
00-23059 03-20721

7401 E MISSION AVE  
SPOKANE WA 99212

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

BOOMBOX PIZZA COMPANY  
00-24263 05-21568

221 N DIVISION ST  
SPOKANE WA 99202

BRUNO'S PIZZARIA  
00-24258 05-21565

430 91ST AVE NE 10-11  
LAKE STEVENS WA 98258

BULLDOG SALOON  
00-24250 05-21562

19920 HWY 99 E  
LYNNWOOD WA 98036

MARKET STREET PUB & GRILL  
00-24261 05-21566

1523 N MARKET BLVD  
CHEHALIS WA 98532

SPIKES  
00-24218 05-21556

718 E FRANCIS AVE  
SPOKANE WA 99208

**COMBINATION LICENSE**

GREGORY HEIGHTS PTSA  
00-24268 08-00305

16201 16th AVE SW  
BURIEN WA 98166

**COMMERCIAL AMUSEMENT GAMES OPERATOR**

ACME BOWL  
00-24241 53-21529

100 ANDOVER PARK W  
TUKWILA WA 98188

EVERGREEN LANES & RESTAURANT  
00-23818 53-21486

5111 CLAREMONT WY  
EVERETT WA 98203

PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

### NEW APPLICATIONS

#### DISTRIBUTOR REPRESENTATIVE

HARRIS, DONALD L  
 22-00883

MAGIC DISTRIBUTING INC  
 ARLINGTON WA 98223

#### MANUFACTURER REPRESENTATIVE

ALLMARAS, BRIAN S  
 23-02827

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

BALLINGER, THOMAS B  
 23-02842

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

BEAUREGARD, SHAKOR  
 23-02833

EVERI PAYMENTS INC  
 LAS VEGAS NV 89113-2175

BORSELLA, SETH K  
 23-02834

VGT  
 FRANKLIN TN 37067

BURKYBILE, TERA N  
 23-02839

VGT  
 FRANKLIN TN 37067

CASEY, MICHAEL P  
 23-02835

VGT  
 FRANKLIN TN 37067

DONOFRIO, RICHARD B  
 23-02844

IGT  
 LAS VEGAS NV 89113

FOSTER, STEPHANIE A  
 23-02838

VGT  
 FRANKLIN TN 37067

GALLEGOS, BARRY C  
 23-02851

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

GORE, MARY E  
 23-02840

VGT  
 FRANKLIN TN 37067

HARRIS, MELISSA G  
 23-02848

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

HEILMAN, KEEGAN K  
 23-02832

IGT  
 LAS VEGAS NV 89113

HOLLEY, BRANDON J  
 23-02828

EVERI PAYMENTS INC  
 LAS VEGAS NV 89113-2175

JOHNSON, CHRISTOPHER N  
 23-02836

VGT  
 FRANKLIN TN 37067



PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

LINDBERG, KEITH  
 23-02830

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

LYDEN, RAVEN A  
 23-02831

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

MADISON, BUD W JR  
 23-02825

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

MARTIN, JOSEPH MICHAEL PRASATH  
 23-02846

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

MARX, BRANDON M  
 23-02850

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

MCPEAK, ROBERT A  
 23-02845

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

SELVAM, SUDHAKAR  
 23-02847

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

SHIPTON, RYAN A  
 23-02824

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

SWANSON, BRUCE J  
 23-02843

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

THORP, DAVID E  
 23-02849

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

TOSTON, ROSHAUN A JR  
 23-02826

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

TROESCHER, KYLE D  
 23-02822

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

UBERUAGA, JOSE A  
 23-02841

VGT  
 FRANKLIN TN 37067

VAZE, AMOL  
 23-02817

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

VENCES- BALVAS, JANETH A  
 23-02823

EVERI PAYMENTS INC  
 LAS VEGAS NV 89113-2175

WELLS, JESSE L  
 23-02837

VGT  
 FRANKLIN TN 37067

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

### NEW APPLICATIONS

#### MANUFACTURER REPRESENTATIVE

WILSON, STEVEN D  
23-02829

VGT  
FRANKLIN TN 37067

#### NON-PROFIT GAMBLING MANAGER

FOX, TONJA L  
61-04681

FOE 00068/REPUBLIC  
REPUBLIC WA 99166

#### CARD ROOM EMPLOYEE

AYE, HSANN Y 68-35031	B	MACAU CASINO TUKWILA WA 98188-2437
BABAYAN, SERGEY E 68-30781	B	WIZARDS CASINO BURIEN WA 98166-2524
BECKER, AIMEE L 68-35004	B	EMERALD DOWNS AUBURN WA 98001
BEST, RYAN M 68-34989	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
BROWN, JOEL M 68-34991	B	CRAZY MOOSE CASINO II/MOUNTLAK MOUNTLAKE TERRACE WA 9804
BRYANT, MICHAEL N 68-35017	B	ZEPPOZ PULLMAN WA 99163
BUZA, MELANIE A 68-21498	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
CHEN, CUINA 68-35019	B	GREAT AMERICAN CASINO/DES MOIN DES MOINES WA 98198
CHEN, LI Z 68-25770	B	ROMAN CASINO SEATTLE WA 98178
CHEN, QING 68-35012	B	RIVERSIDE CASINO TUKWILA WA 98168
CHEN, YUELING 68-35033	B	ROMAN CASINO SEATTLE WA 98178
CHRISTIANSEN, JAMES A 68-35014	B	LILAC LANES & CASINO SPOKANE WA 99208-7393

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

DELAROSA, HEATHER L 68-34987	B	THE GETAWAY CASINO WALLA WALLA WA 99362
DELEON, AUSTIN R 68-35003	B	NOB HILL CASINO YAKIMA WA 98902
HEFLEY, PAULA R 68-35032	B	CRAZY MOOSE CASINO II/MOUNTLAK MOUNTLAKE TERRACE WA 9804
HOLADAY, JAMES C 68-35009	B	THE PALACE LA CENTER WA 98629
HOWE, JEROME A 68-01908	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
HULL, VUTHY 68-31860	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
JONES, KAL'EL C 68-34994	B	ALL STAR CASINO SILVERDALE WA 98383
KAEA, DANIEL K JR 68-34149	B	CRAZY MOOSE CASINO II/MOUNTLAK MOUNTLAKE TERRACE WA 9804
KIM, NARATH 68-04360	B	MACAU CASINO TUKWILA WA 98188-2437
KREGER, ERICK D 68-07403	B	RIVERSIDE CASINO TUKWILA WA 98168
LAKIN, HUDSON M 68-34993	B	WIZARDS CASINO BURIEN WA 98166-2524
LANDON, CAROLYN S 68-35006	B	EMERALD DOWNS AUBURN WA 98001
LANTRY, NATHAN J 68-34998	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
MABBATT, JOSEPH S 68-34992	B	THE HIDEAWAY SHORELINE WA 98133-6524
MARTIN, MARCUS A 68-35013	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
MONSON, MARIA L 68-35024	B	THE HIDEAWAY SHORELINE WA 98133-6524

PERSON'S NAME

EMPLOYER'S NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****CARD ROOM EMPLOYEE**

NELSON, CHRISTINE M 68-30280	B	FORTUNE POKER RENTON WA 98057
NGUYEN, NAM H 68-35000	B	MACAU CASINO TUKWILA WA 98188-2437
OUM, CHANNDARA 68-35008	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
OUN, VERONICA H 68-35005	B	ROXY'S BAR & GRILL SEATTLE WA 98126
RANSIER, DAVID M 68-35030	B	LAST FRONTIER LA CENTER WA 98629-0000
REED, CONNER G 68-34444	B	WILD GOOSE CASINO ELLENSBURG WA 98926
ROJAS, CHRISTINA A 68-20251	B	CASINO CARIBBEAN YAKIMA WA 98901
ROMAS, JESSE M 68-34996	B	WIZARDS CASINO BURIEN WA 98166-2524
SANFORD, CASEY A 68-35007	B	NOB HILL CASINO YAKIMA WA 98902
SUTTER, RONALD J 68-25936	B	LAST FRONTIER LA CENTER WA 98629-0000
TAPASA, JOSHUA A 68-33593	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
TERRY, ROBERT A 68-35015	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
TON, THUNG L 68-08180	B	MACAU CASINO TUKWILA WA 98188-2437
TRAN-CAO, PHI T 68-18133	B	CRAZY MOOSE CASINO II/MOUNTLAK MOUNTLAKE TERRACE WA 9804
ZAMUDIO, KORINA K 68-19281	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

CORCORAN, DARREN G  
69-45507

JOHNSON, CHERYL A  
69-45623

MCMAHAN, JAMES T  
69-45508

MICKELSON, STUART A  
69-45510

NADEAU, JAMES R  
69-45674

RANDALL, CHRISTOPHER W  
69-45509

ROWLAND, DEVYN K  
69-45532

**COLVILLE CONFEDERATED TRIBES**

CAMPBELL, PETE J  
69-45581

CERVANTES, JULIO C  
69-34748

EDWARDS, LISA M  
69-33273

HARTMAN, SAMUEL L  
69-45582

HILDRETH, TIANNA H  
69-45669

HOWARD, JARED C  
69-45579

HUEY, BRANDEE L  
69-36298

ISENHART, THOMAS B  
69-45584

MARTIN, MERCEDES N  
69-45586

MILLER, JOSEPH D  
69-29169

PALMER, RYNE S  
69-45580

PEONE, KIMBERLY A  
69-42935

RAMIREZ AMEZCUA, BRENDA D  
69-38699

REYNOLDS, STEPHENE A  
69-45575

SARGENT, TIMOTHY J JR  
69-45587

TILBURY, NICOLE M  
69-24885

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COLVILLE CONFEDERATED TRIBES**

WEBB, SOPHIE B  
69-45583

**KALISPEL TRIBE**

BAKER, BREANNE C  
69-45624

BOETTCHER, SUSAN D  
69-45502

BUSH, LIN SU  
69-45664

CONA, SUSAN M  
69-45658

FINLEY, HANNAH  
69-45611

HOLT, LORI N  
69-45559

HUNT, CHRISTOPHER M  
69-33729

LEE, JUNGWHA  
69-45673

MASON, SAMANTHA M  
69-45659

RIDLEY, JASON L  
69-45458

SMITH, KATRINA M  
69-45503

TIPPETT, AIMEE K  
69-45628

TSUBOTA-PREBULA, AMANDA M  
69-45573

WHITE, SPIRIT L  
69-45627

WILLIAMS, LYNETTE D  
69-45629

WILSON, SHEILA C  
69-45613

**LUMMI NATION**

FRESCAS, RALPH J JR  
69-45491

HOLT, STEVEN W  
69-45661

LAMB, WARREN C  
69-45565

LERNER, MARGARET A  
69-23551

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

LUMMI NATION

ROUNTREE, KENT M  
69-45615

MUCKLESHOOT INDIAN TRIBE

ANDERSON, BYRON R  
69-14398

BULLOCK, DIONTE L  
69-45501

BUN, SOKSREYNIN  
69-45635

DO, NHU Q  
69-45670

EVINGER, DAMIEN H  
69-45646

FAAUI, LYDIA T  
69-45682

HAK, CHENDA  
69-45605

JERRY, ASHLEY M  
69-45644

KHAMSOKSAVATH, BRENDA  
69-31325

LAMA, RAJAN  
69-45631

LE, DAT T  
69-45603

LI, ZHONG Y  
69-45666

LOMAS, MARIA C  
69-37008

MAI, THANH T  
69-45634

MER, PONCHAKRIYA  
69-38352

PHAN, ANH TUAN V  
69-45668

SAHOEUT, KEVIN V  
69-45671

SARAPHY, ANTHONY V  
69-45667

SCHOLZ, JASON L  
69-45643

SOEUN, THAMADY D  
69-45645

UTH, MOLYKA  
69-45633

VAN CAMP, EUGENE R  
69-45517

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**MUCKLESHOOT INDIAN TRIBE**

VANHORN, KORY E  
69-45498

WONG, DAMIEN D  
69-45672

**NISQUALLY INDIAN TRIBE**

BURTEN, SHANNON D  
69-45606

CASSIDY, JASON A  
69-42475

DAVIDSON, JESSICA R  
69-25785

DEAN, CHRISTIAN P  
69-45608

ERPELDING, GABRIELLA S  
69-45607

FERNANDEZ, RODNEY P  
69-45530

HORNER, ANDREW M  
69-28071

LEWIS, MICHAEL J  
69-45680

NEWBERRY, TRISTAN A  
69-45609

PI, SHAR L  
69-30406

REEVES, VICTORIA A  
69-45683

ROHR, FRANCES L  
69-45604

SABLAN, VIRGINIA A  
69-00091

SANZO, ROBERT J  
69-35456

STONE, JOHNATHAN S  
69-45531

WILSON, HEATHER N  
69-45529

WRIGHT, EVAN J  
69-24812

**PORT GAMBLE S'KLALLAM TRIBE**

BAJROVSKI, EDVIN  
69-45588

BROWN, ALYSHA A  
69-45590



PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PORT GAMBLE S'KLALLAM TRIBE**

CONROY, KATIE L  
69-45589

KELEMEN, JAMES E  
69-45591

SMITH, TANYA  
69-45665

**PUYALLUP TRIBE OF INDIANS**

ALMEIDA, GIRARD W  
69-41201

ANDERSON, HEATHER A  
69-45506

BALINGIT, PAOLINE GALE  
69-45648

CASANOVA, DEBRA P  
69-45649

EARL, GLORIA M  
69-08250

EVANS, JAMES D  
69-16991

FISHER, WAYNE D  
69-45512

FLORES, JAMES P  
69-45230

HARVEY, ERIN M  
69-45561

HAYES, DAVID J  
69-45602

HENRY, JOSETTE M  
69-45654

HIWATASHI, CHAD K  
69-45574

JUNIOUS, JOSHUA C  
69-45568

MATSON, JACOB J  
69-45505

MCPHEE, DAVID M  
69-45612

MUSTO, KEVIN M  
69-06876

ROBINSON, JONATHAN-MICHAEL L  
69-45647

RODRIGUEZ, JAVIER JR  
69-45655

SAPRITO, RICHARD M  
69-45487

SATICUM, DELORES E  
69-30896

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

SHALE, JAMES E  
69-15002

**QUINAULT NATION**

DEMPSEY, PATRICK S  
69-45694

JUDD, ANDREW K  
69-45600

**SPOKANE TRIBE**

BACA, RONIJO M  
69-45599

FARIS, JESSICA E  
69-45662

GARLAND, JUDITH K  
69-45663

JONES, JACY M  
69-45597

ORTIZ TRIANA, GUILLERMO  
69-39591

ROBERTS, LIA K  
69-45616

TREADAWAY, KATHRYN A  
69-45567

WALDEN, JACOB L  
69-45598

**SQUAXIN ISLAND TRIBE**

COLLINS, ROBERT L  
69-45653

CRONIN, DAVID T  
69-28193

FEUGATE, JAMIE D  
69-45652

JOHNSON, PAISLEY A  
69-34615

KIMBALL, SEAN R  
69-45528

MEACHAM, ROBERT D  
69-45554

NAVARRO, PATRICIA G  
69-45478

ODELL, TARA M  
69-45585

ROGERS, WILLIAM W  
69-45504

SMITH, JEFFERY W  
69-45622

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SQUAXIN ISLAND TRIBE**

VIZZARE, DANIEL M  
69-13766

WESTON, JEANNE M  
69-45553

**STILLAGUAMISH TRIBE**

ESTOY, RYAN P  
69-45492

JACOBSON, JOHN V  
69-45514

LANG, RANDALL G  
69-45576

MAURICIO, ANALYN O  
69-45614

RUISLA, MARCO A JR  
69-45630

STEENBERG, QUENNA Y  
69-17292

WASHINGTON, JESSICA T  
69-45513

**SUQUAMISH TRIBE**

HENRY, NAKARI A  
69-45560

JACOBS, LEAH M  
69-23389

MCINTYRE, HOWARD L JR  
69-45681

MILLER, SAMANTHA R  
69-45642

**SWINOMISH INDIAN TRIBAL COMMUNITY**

COUTEE, JONATHAN J  
69-45496

JACOBS, HAILEY M  
69-45495

MAGSAYO, NICOLAS M  
69-45493

REDDING, MATTHEW G  
69-45494

SUMMERS, RICHARD M  
69-45632

TAYLOR, AARON M  
69-32280

WOLF-JOHN, JESSE L  
69-30693

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**THE TULALIP TRIBES**

ALSETH, KYLIE R  
69-45518

BEKELE, MAKDA T  
69-45678

CABACUNGAN, TYRONE A  
69-45527

CLARK, ALESHIA N  
69-45578

JAMES, NICHOLAS B  
69-45577

JEFFERYS, TYLER M  
69-45480

JONES-CHARLES, STACEY R  
69-37819

KARVEL, PATRICIA E  
69-45650

KORIMA-ROBINSON, EON S  
69-45410

OSCAR, SAMANTHA P  
69-32436

PARIS, MIKHAIL K  
69-45610

SAUCEDO, SEFORA N  
69-45651

**UPPER SKAGIT INDIAN TRIBE**

HAWKINS, NOAH S  
69-45516

YUN, HYO J  
69-45515

**YAKAMA NATION**

ABRAHAM, ANDREA I  
69-25486

ALBERT, RACHEL I  
69-45160

BILL, SHAWNIAH F  
69-45558

CRAWFORD, JOVHANNA M  
69-45572

DOUBLERUNNER, ANDREA L  
69-31045

DOVE, JULIE M  
69-45571

GEORGE, ARLEEN S  
69-35147

GUERRA, JOSE H  
69-45497

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

YAKAMA NATION

HEATH, CAROL S  
69-08029

HEATH, TASHINA L  
69-45657

MENINICK, MONTY R  
69-30242

SIMMONS, BROOK  
69-45660

WHITE, ANTHONY J  
69-40223



COMMISSION APPROVAL LIST  
(Class III Gaming Employees)  
November 2018

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Based upon the licensing investigations, staff recommends approving all new Class III employees listed on pages 3.

PERSON'S NAME

CERTIFICATION NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEES**

COWLITZ INDIAN TRIBE

ADAMS, HERBERT L IV  
69-45544

BERGERON, STEVEN B  
69-45488

BIN, CHANNA M  
69-45618

BLEDSOE, MORGAN J  
69-45489

BOCKSTADTER, CINDI B  
69-45638

BRUCE-BROWN, COLLIN S  
69-45468

CHAN, LINDA S  
69-45539

COONROD, MICHAEL A  
69-45676

DARANOUVONG, LEIA  
69-45640

DODD, HALEY S  
69-45595

FRANCOM, DANIELLE K  
69-45533

GILMORE, MEGAN E  
69-45536

GONZALES, STEVEN L  
69-45543

GOURLEY, GERALD W  
69-45656

HADDELAND, CHRISTOPHER J  
69-45555

HOUGHTON, AMANDA C  
69-45546

JONES, KATHERINE E  
69-45619

LAMPHIER, REBECCA E  
69-45620

LI, FANG  
69-45537

LOFTON, COURTNEY R  
69-45550

LOPEZ, AUSTIN A  
69-45538

MADDY, JAIME L  
69-45534

MADDY, RUSSELL P  
69-45535

MAGNONI, JONAH L  
69-45552

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PERSON'S NAME

CERTIFICATION NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEES**

**COWLITZ INDIAN TRIBE**

MONSON, ANGELA E  
69-45542

MORGAN, CHARLES W  
69-45639

MUASAU, ALYSSA M  
69-45545

NGO, THUY T  
69-41571

PENA, YASMIN S  
69-45594

PETROVSKI O'KEEFE, THOMAS B  
69-45540

PHELPS, DANIEL G  
69-45557

REDFIELD, NETHANIEL W  
69-45541

REICHLIN, MIKE A  
69-45547

SIMONSEN, BRANDON J  
69-41422

STEVENS, DALLAS C  
69-45549

SUMMERS, LORETTA A  
69-31095

TAYLOR, LOGAN R  
69-45621

TIMM, JOSHUA W  
69-41849

VERMILLION, STEFANIE R  
69-45593

WHITE, NATALIE R  
69-45548

WISE, AARON S  
69-45617

**SNOQUALMIE TRIBE**

BURKS, TROY M  
69-45523

CARLSEN, LISA M  
69-45562

GOLENKOVA, EKATERINA Y  
69-45564

HUANG, ZHENNI  
69-45526

KELLY, STEPHEN A  
69-45641

LAI, WENLEI  
69-45524



PERSON'S NAME

CERTIFICATION NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEES**

SNOQUALMIE TRIBE

MCMULLIN, CHRISTIAN L  
69-45685

PENRY, BYRON D  
69-45563

RA, DANIEL  
69-45519

SMIGUN, TARAH M  
69-45522

TON, OUANG T  
69-45520



## HOUSE-BANKED PUBLIC CARD ROOM REPORT

<b>Current House- Banked Locations Operating</b>					<b>46</b>
	City	Commission Approval Date	License Expiration Date	Org #	License #
ACES CASINO ENTERTAINMENT	SPOKANE	Mar 13, 2014	Dec 31, 2018	00-23112	67-00325
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2019	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2019	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2018	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Aug 13, 2009	Mar 31, 2019	00-21882	67-00285
CASINO CARIBBEAN	YAKIMA	Mar 14, 2002	Dec 31, 2018	00-17603	67-00093
CASINO CARIBBEAN	KIRKLAND	Nov 15, 2005	Sep 30, 2019	00-20427	67-00238
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2018	00-17414	67-00020
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2019	00-22132	67-00303
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2019	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2019	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2019	00-21847	67-00281
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2019	00-23814	67-00335
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2019	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2019	00-23465	67-00329
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2018	00-17610	67-00016
GREAT AMERICAN CASINO/DES MOINES	DES MOINES	Jul 13, 2017	Mar 31, 2019	00-23795	67-00334
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2018	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2019	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2019	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2019	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2018	00-19477	67-00192

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Current House- Banked Locations Operating				46	
	City	Commission Approval Date	License Expiration Date	Org #	License #
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2018	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2019	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2019	00-11339	67-00055
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2019	00-21305	67-00267
LUCKY 21 CASINO	WOODLAND	Oct 8, 2013	Jun 30, 2019	00-22918	67-00322
MACAU CASINO	LAKEWOOD	Jul 12, 2007	Mar 31, 2019	00-20428	67-00239
MACAU CASINO	TUKWILA	Jan 12, 2012	Sep 30, 2019	00-22573	67-00319
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2018	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2018	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2019	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2019	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2019	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2019	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2019	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2019	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2019	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2019	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2019	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2019	00-16759	67-00038
THE GETAWAY CASINO	WALLA WALLA	Mar 11, 2016	Jun 30, 2019	00-23485	67-00332
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2019	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2018	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2018	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2019	00-18777	67-00209

<b>Licensed, But Not Operating</b>					<b>1</b>
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Apr 9, 2015	Dec 31, 2018	00-23386	67-00328

<b>Applications Pending</b>					<b>1</b>
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
REGINA'S ON THE WATER	LONGVIEW			00-23997	67-00337



Range of Net Income	\$19,988 --- \$4,567,332	\$78,800 --- \$4,343,870
Range of Net Loss	(\$21,234) --- (\$2,087,676)	(\$69) --- (\$1,078,769)
# of Case Reports Written	2	4

The Licensing Unit has reviewed all of the financial statements that were submitted. This year the Unit has initiated two case reports. These case reports were for failure to report financial contributions.

Nineteen licensees reported leasing their premise from a party with like ownership. Twenty- three reported leasing their premise from an entity without any like ownership. Six house-banked card room licensees own their premise. Due to submitting consolidated financial statements, premise information was not obtained from two licensees.

Premise Ownership Status	Number	Annual Lease		
		Low	High	Average
Related Party Premise Ownership	19	\$15,160*	\$936,000	\$398,441
No related Party Premise Ownership	23	\$57,300	\$363,057	\$201,195
Own Their Premise	6	NA	NA	NA

\*Licensee only in business for part of 2017

For 2017, we had 50 house-banked card rooms submit financial statements compared to 49 reporting for 2016. To date in 2018, the following changes have occurred with the house-banked card room licensees that reported in 2017:

- No new house-banked card rooms have been added in 2018;
- Three house-banked card rooms operating in 2017 are no longer operating (Ubet, New Phoenix, Palace – Tukwila);
  - One is still licensed, but not operating and may operate again in the future;
- One house-banked card room operating in 2017 is now operating as a nonhouse-banked card room;
- There is currently one application pending for a house-banked card room.

As a point of reference, the number of house-banked cards rooms peaked at 97 in 2005 and 2006, see the attached chart.

**Background**

According to WAC 230-15-740, all house-banked card game licensees must submit financial statements within 120 days following the end of their business year.<sup>1</sup> Licensees are allowed a one-time, 60-day extension if needed, and the majority of the financial statements are received on or about June 30<sup>th</sup> of each year.

The type of financial statement licensees must submit is dependent upon the gross receipts from the card room:

<u>Card Room Gross Receipts for the Fiscal Year End 2015</u>	<u>Type of Financial Statement Required</u>
Over \$6 million	Audit
Less than \$6 million but more than \$1 million	Review
Less than \$1 million	Compilation

Licensees are required to have the financial statements prepared by an independent, certified public accountant licensed by the Washington State Board of Accountancy and they must be prepared in accordance with generally accepted accounting principles, including all required footnotes or disclosures. The licensee is also required to report gross revenues for each licensed activity separately and present comparative statements.

In 2002, we began summarizing and posting on our website the financial statement information we collected from the house-banked card rooms. The financial statement summary provides users with the gross card room revenue as well as the overall net income or loss of the business.

The type of legal entity a licensee is, for example a sole proprietor, corporation, or LLC, will impact how some costs are recorded to determine the overall businesses net income or loss. This means that you cannot necessarily compare the licensees in terms of their net income or loss reported based on similar gross receipt levels. For example, some licensees record an owner's salary as expenses while some owners take owner draws, which does not impact the net income or loss.

Attachments (2)

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<sup>1</sup> Some licensees do not have a business year-end date of December 31.

Summary of House-Banked Card Room Financial Statements  
For the Fiscal Years Ending in 2017  
(Sorted by Licensee Net Income or (Loss))

Licensee	City	----- 2017 REVENUES -----		Total Revenue	Total Expenses	Net Income or (Loss)
		Card Room Revenue	Other Revenue			
		(1)	(2)		(3)	[4]
ROMAN CASINO	Seattle	\$19,612,760	484,131	\$20,096,891	\$15,529,559	\$4,567,332
GREAT AMERICAN CASINO/EVERETT	Everett	\$10,742,944	1,988,622	\$12,731,566	\$8,528,267	\$4,203,299
CASINO CARIBBEAN/KIRKLAND	Kirkland	\$8,950,914	1,828,702	\$10,779,616	\$7,536,681	\$3,242,935
MACAU CASINO/TUKWILA	Tukwila	\$10,333,792	1,947,504	\$12,281,296	\$9,191,811	\$3,089,485
CRAZY MOOSE CASINO/PASCO	Pasco	\$7,787,053	2,335,445	\$10,122,498	\$7,644,358	\$2,478,140
SILVER DOLLAR CASINO/SEATAC	SeaTac	\$6,181,941	1,579,253	\$7,761,194	\$5,818,502	\$1,942,692
FREDDIE'S CLUB	Renton	\$8,641,133	1,834,069	\$10,475,202	\$8,541,478	\$1,933,724
GREAT AMERICAN CASINO/TUKWILA	Tukwila	\$10,426,107	3,266,113	\$13,692,220	\$11,778,066	\$1,914,154
CASINO CARIBBEAN/YAKIMA	Yakima	\$5,727,946	2,055,848	\$7,783,794	\$5,995,143	\$1,788,651
SILVER DOLLAR CASINO/RENTON	Renton	\$6,926,180	1,619,402	\$8,545,582	\$7,104,216	\$1,441,366
COYOTE BOB'S	Kennewick	\$4,432,807	888,209	\$5,321,016	\$4,017,105	\$1,303,911
GOLDIE'S SHORELINE CASINO	Shoreline	\$7,596,364	2,143,132	\$9,739,496	\$8,537,363	\$1,202,133
SLO PITCH PUB & EATERY	Bellingham	\$3,007,151	2,331,315	\$5,338,466	\$4,183,323	\$1,155,143
RIVERSIDE CASINO	Tukwila	\$11,976,018	3,402,083	\$15,378,101	\$14,309,870	\$1,068,231
SILVER DOLLAR CASINO/MILL CREEK	Mill Creek	\$4,608,258	1,015,984	\$5,624,242	\$4,577,980	\$1,046,262
BUZZ INN STEAKHOUSE/EAST WENATCHE	East Wenatchee	\$2,863,203	2,564,434	\$5,427,637	\$4,397,120	\$1,030,517
THE PALACE/LACENTER	LaCenter	\$11,609,439	2,907,595	\$14,517,034	\$13,645,690	\$871,344
ROYAL CASINO	Everett	\$5,409,853	1,309,626	\$6,719,479	\$6,086,295	\$633,184
JOKER'S CASINO SPORTS BAR & FIESTA	Richland	\$2,260,523	3,126,035	\$5,386,558	\$4,830,062	\$556,496
PALACE CASINO/LAKEWOOD	Lakewood	\$6,528,898	1,775,262	\$8,304,160	\$7,804,379	\$499,781
MACAU CASINO/LAKEWOOD	Lakewood	\$6,597,176	1,747,114	\$8,344,290	\$7,909,348	\$434,942
ALL STAR CASINO	Silverdale	\$3,619,560	4,884,571	\$8,504,131	\$8,096,056	\$408,075
HAWKS PRAIRIE CASINO	Lacey	\$4,138,328	957,490	\$5,095,818	\$4,697,523	\$398,295
CARIBBEAN CARDROOM	Kirkland	\$1,999,224	782,787	\$2,782,011	\$2,406,459	\$375,552
BLACK PEARL RESTAURANT & CARD RO	Spokane	\$4,658,792	944,011	\$5,602,803	\$5,405,761	\$197,042
LILAC LANES & CASINO	Spokane	\$1,738,489	1,767,666	\$3,506,155	\$3,347,271	\$158,884
LANCER LANES RESTAURANT AND CASI	Clarkston	\$829,655	924,306	\$1,753,961	\$1,608,837	\$145,124
ZS RESTAURANT AT ZEPPOZ	Pullman	\$855,906	2,132,140	\$2,988,046	\$2,849,778	\$138,268
WIZARDS CASINO	Burien	\$4,530,138	2,792,361	\$7,322,499	\$7,200,028	\$122,471
ACES CASINO ENTERTAINMENT	Spokane	\$1,392,279	\$304,916	\$1,697,195	\$1,606,968	\$90,227
CLUB HOLLYWOOD CASINO	Shoreline	\$5,319,034	1,419,667	\$6,738,701	\$6,671,193	\$67,508
RC'S AT VALLEY LANES	Sunnyside	\$769,128	717,623	\$1,486,751	\$1,430,167	\$56,584
RED DRAGON CASINO	Mountlake Terrace	\$3,061,688	612,310	\$3,673,998	\$3,624,786	\$49,212
CHIPS CASINO/LAKEWOOD	Lakewood	\$5,591,455	1,544,998	\$7,136,453	\$7,087,585	\$48,868
NOB HILL CASINO	Yakima	\$2,746,083	1,382,698	\$4,128,781	\$4,081,722	\$47,059
CRAZY MOOSE CASINO/MOUNTLAKE TEI	Mountlake Terrace	\$3,476,914	\$790,415	\$4,267,329	\$4,227,853	\$39,476
ROXY'S BAR & GRILL	Seattle	\$2,626,815	2,357,534	\$4,984,349	\$4,964,361	\$19,988
CLEARWATER	Wenatchee	\$1,857,833	686,212	\$2,544,045	\$2,565,279	(\$21,234)
UBET	Longview	\$2,000,511	403,696	\$2,404,207	\$2,432,029	(\$27,822)
FORTUNE CASINO	Tukwila	\$5,582,642	1,781,461	\$7,364,103	\$7,399,879	(\$35,776)
PAPAS CASINO RESTAURANT & LOUNGE	Moses Lake	\$2,218,982	4,107,311	\$6,326,293	\$6,368,292	(\$41,999)
WILD GOOSE CASINO	Ellensburg	\$710,716	235,056	\$945,772	\$989,831	(\$44,059)
THE GETAWAY CASINO	Walla Walla	\$919,917	845,121	\$1,765,038	\$1,884,795	(\$119,757)
PALACE TUKWILA	Tukwila	\$29,195	52,975	\$82,170	\$290,487	(\$208,317)
IRON HORSE CASINO/AUBURN	Auburn	\$5,173,957	2,051,524	\$7,225,481	\$7,513,764	(\$288,283)
LUCKY 21	Woodland	\$4,309,655	2,771,921	\$7,081,576	\$7,447,103	(\$365,527)
GREAT AMERICAN CASINO/LAKEWOOD	Lakewood	\$5,384,360	1,769,375	\$7,153,735	\$7,738,619	(\$584,884)
EMERALD DOWNS	Auburn	\$843,211	533,520	\$1,376,731	\$2,344,694	(\$967,963)
LAST FRONTIER	LaCenter	\$11,357,641	1,948,728	\$13,306,369	\$15,266,014	(\$1,959,645)
GREAT AMERICAN CASINO/DES MOINES	Des Moines	\$1,037,318	446,283	\$1,483,601	\$3,571,277	(\$2,087,676)



**NOTE:** House-banked card room licensees must submit financial statements to the commission within 120 days after the end of their fiscal year. The financial statements include all gambling and non-gambling revenues and expenses of the licensee.

(1) Card Room Revenue is the gross revenue from the card room activity only. No other gambling activity revenues are included.

(2) Other Revenue is all revenues earned by the licensee other than from the card room, as defined above. This may include revenues from pull tabs, amusement games, food, beverage, and any other services/activities provided by the licensee.

(3) Total Expenses are all the expenses incurred by the licensee to operate their business during the fiscal year. Expenses may include such items as cost of sales, advertising, wages, utilities, depreciation, interest expenses, taxes, and Federal Income Tax Provisions.

(4) Net loss may include impairment of goodwill and loss on disposal of discontinued operations; net income may include debt forgiveness and gain on deconsolidation.

(5) Average -Net Income (Net Loss) of those reporting:	<u>Average</u>	<u>#</u>	<u>%</u>
Net Income	\$1,047,739	37	74%
Net Loss	(\$519,457)	13	26%
Combined	\$640,268	50	100%

(6) This report is merely a summary of the financial information reported to us. The actual financial statements, footnotes, and auditor's report are an integral part of this information.



# House-Banked Card Room Report

November 15, 2018



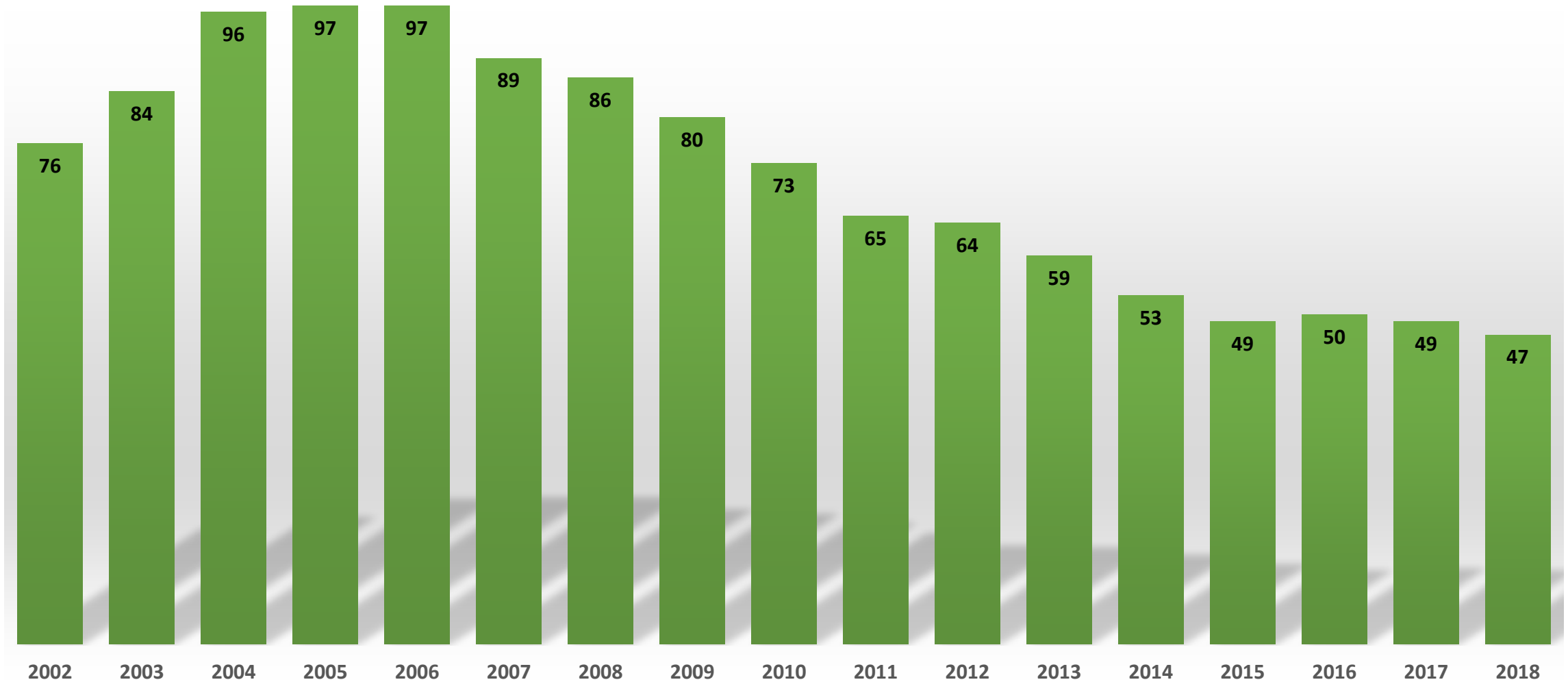
# House-Banked Card Room Summary of Activity

	<b>2017</b>		<b>2016</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Licensees Reporting Net Income</b>	<b>37</b>	<b>74%</b>	<b>40</b>	<b>82%</b>
<b>Licensees Reporting Net Loss</b>	<b>13</b>	<b>26%</b>	<b>9</b>	<b>18%</b>
<b>Total</b>	<b>50</b>	<b>100%</b>	<b>49</b>	<b>100%</b>

# House-Banked Card Room Summary of Activity

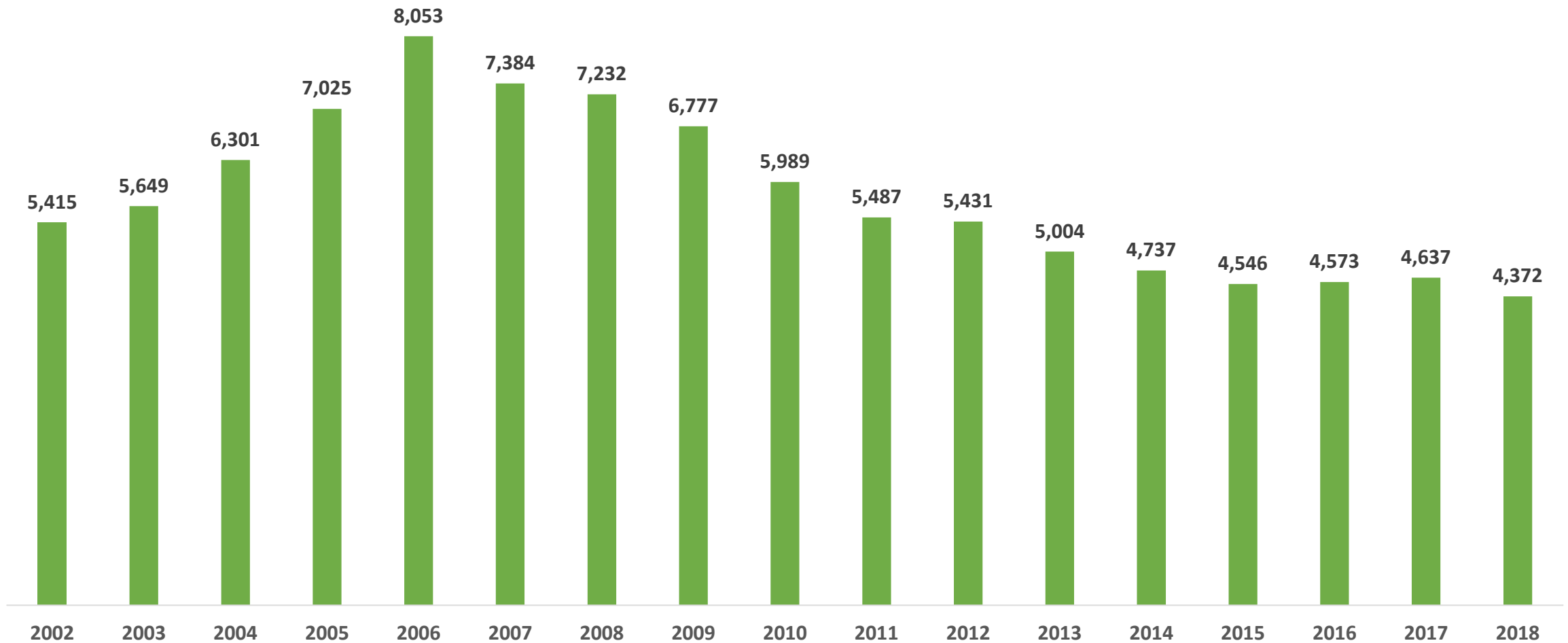
	<b>2017</b>	<b>2016</b>
<b>Range of Net Income</b>	<b>\$19,988 to \$4,567,332</b>	<b>\$78,800 to \$4,343,870</b>
<b>Range of Net Loss</b>	<b>(\$21,234) to (\$2,087,676)</b>	<b>(\$69) to (\$1,078,769)</b>

# Licensed and Operating HBCRs 2002 to 2018



Highest number of licensed and operating HBCRs per year.

# Licensed HBCR Employees 2002 to 2018



Licensed HBCR employees as of June 30 each year.



Delaware – Sports gambling started in the state on June 5, 2018. The state Lottery is the primary regulator. Sports gambling is only offered at three land-based racetracks and casinos, and these are joint operations by the state through a vendor. The allocation of net revenues are 12.5% to the vendors (Scientific Games, William Hill, and StadiumTech) and the remaining 87.5% of net revenues are allocated 50% to the state, 40% to the racetrack/casinos, and 10% to horse racing purses. From June through September 2018, the state has taken approximately \$39.7 million in wagers and \$5.19 million in revenues, with approximately \$2.59 million for the state.

New Jersey – Sports gambling started in the state on June 14, 2018. The Casino Control Commission is the primary licensing authority and Attorney General's Division of Gaming Enforcement (DGE) is the primary regulator. There are 12 land-based and 8 online operators offering sports gambling currently. New Jersey recently added an additional 1.25 percent sports gambling tax to benefit to the state's Casino Reinvestment Development Agency. Its land-based gross revenues are now taxed at 9.75% and mobile and online revenues are taxed at 13%. In June through September, approximately \$336 million was wagered, including approximately \$184 million in September, \$40.44 million in gross revenues, and \$4.14 million in state tax revenue. Of note, 56% of wagers in September were placed online.

Mississippi – Sports gambling started in the state on August 1, 2018. The Gaming Commission is primary regulator, and gross revenues are taxed at 12%. Sports gambling is land-based only and mobile gambling is only allowed on the operator's property. However, no mobile gaming is available yet. Only 20 of the 28 state casinos currently offered sports gambling. Since August, there has been approximately \$38.03 million in wagers for approximately \$6.14 million in gross revenues, \$737,855 of which was state tax revenue. Of note, the first full month of football brought in \$31.77 million in wagers and \$5.5 million gross revenue.

West Virginia – Sports gambling started in the state on September 1, 2018. The state Lottery is the primary regulator for that state's five licensed race racetrack/casinos, and gross revenues are taxed at 10%. For the first three weeks of September, there was approximately \$3.36 million in wagers for approximately \$1 million in gross revenues, \$100,000 of which was state tax revenue.

Pennsylvania – The Gaming Control Board is the primary regulator and sports gambling can occur at the state's twelve licensed commercial casinos and through mobile and internet platforms. There is a \$10 million licensing fee and gross revenues will be taxed at 36%. In October, the Gaming Control Board approved five operators for sports gambling at six locations. Operators hope to open sometime in November. Three additional operator sports gambling applications are awaiting approval.

Rhode Island – The state lottery is the primary regulator and operator. It will operate the sports gambling through two commercial casinos. The allocation of net revenues are 51% to the state; 32% to the Vendor (IGT); and 17 % to the casino. The state hopes to begin operations in November or December.



Lastly, Nevada reported for September approximately \$571 million in wagers, \$56 million in gross revenues, and \$3.78 million in taxes. The wagers and gross revenue for September is the most on record for Nevada sports books.

### Tribal Governments

The Pueblo of Santa Ana opened New Mexico's first sports book at their Santa Ana Star Casino, just outside Albuquerque, on October 16, 2018. USBookingmaking, run by long-time Las Vegas sports book operator John Salerno, is the risk manager for the casino with the sports book employees working for the casino. Additionally, the Tribe will not accept wagers on local college teams and will not have mobile wagering at the casino at this time.

This opening came as a surprise to those outside of New Mexico because the state has not authorized sports gambling under state law. However, the state's compact with the Tribes grants all signatory Tribes "extensive authority to authorize Class III activities at their facilities" and the Tribes "shall establish, at its discretion, by tribal law, [any] limitations as it deems appropriate on the amount and type of Class III gaming conducted" at its facilities. Therefore, the compact does not limit the type of Class III games authorized. The New Mexico Attorney General's Office has indicated it is monitoring the situation but does not intend to stop the activity at this time.

### Commercial Operators

There have been several partnership agreements between sports teams or leagues. William Hill recently announced it is the official partner of the NHL's Las Vegas Golden Knights and a partner with the New Jersey Devils. Additionally, Caesar's announced an official partnership with the NFL's Baltimore Ravens, the NBA's Philadelphia 76ers; and the NHL's New Jersey Devils. The Dallas Cowboys announced a partnership with the Chickasaw Nation's WinStar World Casino in Oklahoma as its official casino and the NFL New York Jets announced partnerships with MGM and 888 Casino, the latter is a licensed New Jersey online casino.

Scientific Games announced that it will acquire Don Best Sports, a well-known Las Vegas-based "supplier of real-time betting data and pricing for North American sporting events." Additionally, MGM GVC Interactive, which is the joint venture between MGM and GVC Holdings PLC, a large U.K. operator, I informed you about in August, announced it will partner with the United Auburn Indian Community in California for sports gambling services once it is authorized in California and by compact.

Additionally, New Jersey's online sports gambling continues to expand and there are now twelve land-based casinos and eight online operators. One operator, FanDuel Sportsbook at the Meadowlands, had an issue recently arise where it accidentally offered 750-1 odds for an in-game wager related to whether or not a field goal kick would be good. It was supposed to be 6-1 odds and several players took advantage of the company's error. FanDuel eventually agreed to pay the full cost of the bet on the ticket at \$82,610 along with other undisclosed tickets who wagered on the inaccurate odds.



## SPORTS WAGERING PRINCIPLES

The NCAA joins other professional sports leagues and policymakers in urging for the enactment of clear and enforceable legal standards to protect the integrity of American sporting contests, the health and safety of student-athletes and professional participants, and consumers. The following principles reflect the Association's thinking around a uniform approach to the evolving landscape of legalized sports betting in the United States.

### **Eliminate the Illegal Sports Betting Marketplace**

All forms of amateur and professional sports betting must occur in a legal, regulated market with those who violate provisions subject to civil and criminal penalties. To mitigate the opportunity for illegal sports betting, collaboration among various stakeholders, e.g., law enforcement, regulators, the NCAA and other sports leagues, athletic departments, among others is essential. Comprehensive monitoring efforts and effective enforcement are also critically important.

### **Implementation of Core Regulatory Standards & Consumer Protections**

The NCAA takes the position that certain legislative provisions are necessary to provide adequate protections to all those impacted by legalized sports wagering.

*Age Limit:* Prohibit persons under 21 years of age from participating in sports wagering.

*Targeted Advertising & Addiction Resources:* Sports wagering operators should promote responsible betting and be prohibited from providing advertisements targeted at young people and problem gamblers. Operators must provide information and resources on how to combat gambling addiction. This includes allowing participants the ability to restrict or limit themselves from placing wagers with an operator.

*Limitations on who can engage in Sports Betting:* Regulators will be required to implement customer verification procedures to prohibit operators from accepting wagers from prohibited sources, including coaches, student-athletes, referees, employees of amateur sports organizations, among others. Further, regulators must prohibit those with proprietary knowledge – typically officers and other employees of operators – from placing wagers. Other prohibitions should be implemented to prevent those convicted of certain crimes from placing wagers, and require operators implement periodic criminal history background checks for existing and newly-hired employees.

*Official Data:* Official data – those records maintained and authorized by amateur and professional sports organizations – ensure the timeliness, accuracy, and integrity of information. Sports wagering operators will be required to use this information to determine betting outcomes.

*Data Security & Privacy:* Sports wagering operators are prohibited from obtaining or using the protected health information of amateur or professional athletes without the consent of the individual. Operators are also required to prevent unauthorized access to proprietary sports wagering and customer data so that problematic trends can be identified without disclosing sensitive information.

### **Provide Resources to Protect Fans & Penalize Bad Actors**

*Operator Licensure & Auditing:* Each state will designate a public entity as a regulator to license sports wagering operators within its borders. Licenses will be promulgated based on established criteria, which will include an examination of an operator's fitness to hold such a license. State regulators and sports wagering operators will be required to cooperate with investigations carried out by amateur or professional sports organizations. This will include the regulatory entity requiring sports wagering operators to submit periodic reports that include information on wagers placed. The state regulatory entity will conduct routine audits of all sports wagering operators where – in collaboration with law enforcement – they will have the authority to monitor compliance and enforce applicable laws.

*Information Sharing:* Sports wagering operators will be required to timely share information with relevant state, federal, and tribal law enforcement bodies; regulators and other oversight entities; and amateur and professional sports organizations. If abnormal activity or trends are detected, parties must notify one another and coordinate appropriate next steps. Sports wagering operators will be required to report, among other things, information related to internal criminal or disciplinary inquiries, abnormal sports wagering patterns, or potential illegal activity within the marketplace.

### **Maintain Public Confidence in Amateur & Professional Sports**

*Risky Bet Types:* Wagers on individual events or actions during contests increase the opportunity for match-fixing and other corrupt practices related to sports wagering. In order to curtail this conduct, amateur and professional sports organizations will collaborate with regulators and operators to restrict or limit the types of bets that pose a significant risk to the safety of participants and the integrity of contests.

**Nooksack Indian Tribe**  
**Proposal Seventh Amendment Draft**  
**Summary of Changes**  
**October 2018**

The Washington State Gambling Commission has reached a tentative agreement with the Nooksack Indian Tribe on an amendment to its Class III gaming compact.

- **Gaming Facility** - Allows the Tribe to operate Class III gaming at their Class II Northwood Casino, which is on off-reservation trust land north of Lynden, WA. Also includes Class II to Class III transition steps to ensure gaming compact provisions are met. This change is consistent with other tribes' gaming compacts.
- **Problem Gambling** – Adds the tribe creating and maintaining a responsible gambling program and adds problem gambling funding dedicated to problem gambling treatment of non-Indian members, funding in-treatment facilities, to support problem gambling studies, and/or to support responsible gaming policy.
- **Community Contribution** – Updates contribution language to include organizations that may be impacted by the operation of Class III gaming at the Northwood Casino. This change is consistent with other tribes' gaming compacts.
- **Renegotiations** – provides timeframe to update other outdated compact provisions.

The Indian Gaming Regulatory Act of 1988 provides that Indian tribes may conduct Class III gaming activities on Indian lands when the gaming is conducted in conformance with a tribal-state compact.

RCW 9.46.360 provides that the Gambling Commission negotiate those compacts on behalf of the state. The Nooksack Indian Tribe's tribal-state compact for Class III gaming was originally signed in October 1991 and this is the seventh amendment. Public comments regarding this compact amendment may be submitted to [compactcomments@wsgc.wa.gov](mailto:compactcomments@wsgc.wa.gov).

**SEVENTH AMENDMENT  
TO THE TRIBAL-STATE COMPACT  
FOR CLASS III GAMING  
BETWEEN**

**THE NOOKSACK INDIAN TRIBE AND THE STATE OF WASHINGTON**

**WHEREAS**, on October 28, 1991, the State of Washington (“State”) and the Nooksack Indian Tribe (“Tribe”) executed a Class III Gaming Compact (“Compact”), pursuant to the Indian Gaming Regulatory Act of 1988 (“IGRA”), P.L. 100-407, codified at 25 U.S.C. Section 2701 *et. seq.* and 18 U.S.C. Sections 1166-1668; and

**WHEREAS**, the Class III Gaming Compact executed by the State and the Tribe, as well any amendments thereto, were approved by the Secretary of the Interior and are in full force and effect (hereinafter referred to as the “Compact”); and

**WHEREAS**, the State and Tribe subsequently conducted additional negotiations in accordance with the provisions of IGRA and the terms of the Compact; and

**WHEREAS**, the Tribe and the State have agreed to certain changes to the Compact, including certain provisions found within Appendix X2, and agreed to incorporate an optional Addendum to that Appendix,

**NOW, THEREFORE, the Compact shall be, and is hereby amended as follows:**

1. **Add to Compact Section 3 Nature, Size and Scope of Class III Gaming (a):**

(xxvi) Satellite (Off-Track) wagering on Horse Races, subject to Appendix C.

2. **Amend Compact Section 3 Nature, Size and Scope of Class III Gaming (d) to:**

(d) Authorized Gaming Operation. The Tribe may establish two gaming facilities to be located on ~~trust lands within or contiguous to the boundaries of the Nooksack Reservation~~ Nooksack Tribal Lands for the operation of any Class III games as authorized pursuant to sub-section (a) of this Section. The gaming facilities may be in the same location and operated in conjunction with the other Tribal gaming operations.

3. **Add to Compact Section 6 Tribal Enforcement of Compact Provisions:**

(h) Problem Gambling

The Tribe recognizes that gaming activities can lead to compulsive behavior that has the same negative consequences as other behavioral addictions. The Tribe agrees to establish an education and awareness program for Tribal Lands and surrounding communities. The program may be independent or developed as an adjunct to the

program with which the State currently works. On an annual basis 120 days after the end of the Tribe's fiscal year, the Tribe will provide information about education, awareness, and treatment program services in its community impacts and contributions report under Appendix X2, Section 14.7 which includes how funding was spent and how the community benefited from the program. The Tribe and State Gaming Agency agree to work together in good faith to share information related to problem gambling best practices and to meet promptly on the request of either party to discuss issues related to problem gambling

(i) Responsible Gambling

The Tribe and State Gaming Agency recognize the importance of responsible gambling as part of the shared responsibility to protect the health, welfare, and safety of the citizens of the Tribe and of the State. As part of that responsibility, the Tribe agrees to create and maintain a responsible gambling policy that addresses at least the following areas: Annual training and education for all gaming employees, with a separate training for management, to cover such topics as how to identify problem gamblers, how to provide assistance when asked, underage prevention, and unattended children; Self-exclusion, to cover such topics as the receipt of marketing materials and into the facility; Self-restriction, to cover such topics as setting limits on spending, time, and check cashing limits (which could be done through the player tracking systems); and Resources, to include such topics as posting hot line numbers, signage and material availability on how to seek treatment.

4. **Amend Compact Section 9 Law Enforcement Jurisdiction Relating to Gambling (c) to:**

(c) Consent to Application of State Law. For the purposes of ~~25~~18 USC Section 1166(d) and enforcing the provisions of this Compact, and of protecting the public health, safety and welfare, and to the extent not inconsistent with other provisions of this Compact, RCW 9.46.0245; 9.46.0269; 9.46.071; 9.46.072; 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.1961; 9.46.1962; 9.46.198; 9.46.210 (3)(4); 9.46.212; 9.46.215; 9.46.220; 9.46.221; 9.46.222; 9.46.225; 9.46.228; 9.46.230; 9.46.231; 9.46.235; 9.46.240; 9.46.360; 9.46.36001; 9.46.410; 10.97.030; 67.16; 67.70; 9A.56; 9A.60; 9A.83.020; 9.35.020 as now or hereinafter amended, ~~including those amendments enacted by the 1991-Legislative Regular Session, set forth in Appendix B,~~ shall be applicable and incorporated herein as part of this Compact and the Tribe consents to this grant of jurisdiction to the State as provided for in Section 9 (a) with respect to gaming on Nooksack Tribal Lands.

5. **Add to Compact Section 10 Enforcement of Compact Provisions:**

(c) Transition Date. The transition date shall occur upon publishing of the Seventh Amendment in the Federal Register, and approval by the State Gaming Agency and

the Tribal Gaming Commission that the gaming facility has passed the pre-operation inspection as set forth in Section 4 (a) and is in compliance with the Compact.

- (d) Transition. The Tribe is currently operating a Class II gaming facility and it is the intention of both the Tribe and State to make the transition to a combination of Class II and Class III gaming facility expeditiously, without any disruption in business. Until the transition date, the following provisions shall be in effect:
- (i) Best Efforts. The Tribe shall use best efforts in transitioning the gaming facility to comply with the provisions of this Compact. At least sixty (60) days before the proposed transition date, the Tribe shall:
    - (a) Submit to the State Gaming Agency all information required to certify Class III gaming employees licensed by the Tribe prior to the Transition Date; and
    - (b) Schedule the pre-operational review with the State Gaming Agency that must be completed by the Transition Date.
  - (ii) In recognition of the following items, the Tribal Gaming Agency may request the State Gaming Agency to begin the joint pre-operational review as soon as the Seventh Amendment is signed by both Tribe and the State in preparation for the Transition Date:
    - (a) The Tribe signed a Class III Gaming Compact in 1991, and
    - (b) The Tribe operated a Class III gaming facility for 22 years before closing the facility in 2015, and
    - (c) The Tribe has maintained the same Tribal Gaming Agency leadership for at least the last seven years.
  - (iii) The State Gaming Agency shall use best efforts to assist the Tribe in the transition. The Tribe and State further agree to document agreement of pre-operational terms and timelines as needed in a memorandum of understanding (MOU).

6. **Amend Compact Section 14 Public Health and Safety (c) to:**

- (c) Community Contribution. ~~Two and one half percent (2.5%) of the net win of the gaming stations shall be paid to the County of Whatcom for law enforcement purposes as a contribution to defray potential impacts which may result from the operation of the Class III gaming facilities. The contribution shall be made annually upon the anniversaries of the opening of the facilities in the manner agreed upon between the Tribe and Whatcom County.~~ A sum of money equal to two percent (2%) of the net win of the Gaming Stations, less and except the “non-profit” Gaming Station(s), shall be paid by the Tribe to Whatcom County and any other neighboring jurisdictions for law enforcement, emergency services, and/or service agencies (including those agencies

responsible for traffic and transportation, as well as those that provide services to support problem or pathological gambling) to defer the actual or potential impacts upon those jurisdictions resulting from the operation of the Class III Gaming Facilities, and/or other purposes as the Tribe and a jurisdiction may agree. These funds shall be proportionately shared by impacted jurisdictions based upon evidence of such impacts as demonstrated by each jurisdiction. The contribution must be made annually in the manner and method mutually agreed upon in writing between the Tribe and each jurisdiction. Except as provided in Appendix X2, Section 14.1, no Tribal Lottery System gaming device revenues, proceeds from a nonprofit station as authorized under Section III(I), Class II gaming revenues, or non-gaming revenues, such as, but not limited to, food, beverage, wholesale or retail sales, shall be included, with the two percent (2.0%) as set forth in this section.

**7. Add Section 14.4.1 to Appendix X2:**

14.4.1 Problem Gambling. In addition to the thirteen one-hundredths of one percent (0.13%) in Section 14.4 above, seven one-hundredths of one percent (0.07%) of the net win derived from all Class III gaming activities, determined on an annual basis, shall be dedicated to problem gambling treatment of non-Indian members, funding in-treatment facilities, to support problem gambling studies, and/or to support responsible gaming policy in the State of Washington as outlined in (new) Compact Section 6(i).

8. The Tribe and State agree to begin negotiation discussions to update provisions of the Tribe's Class III Compact no later than two (2) years from the date of publishing of this Seventh Amendment in the Federal Register.

This Amendment shall take effect upon publication of notice of approval by the United States Secretary of the Interior in the Federal Register in accordance with 25 U.S.C. § 2710(d)(3)(B).

IN WITNESS WHEREOF, the Nooksack Indian Tribe and the State of Washington have executed this Seventh Amendment to the Compact.

NOOKSACK INDIAN TRIBE

STATE OF WASHINGTON

BY: \_\_\_\_\_

Ross Cline Sr.  
Chairman

BY: \_\_\_\_\_

Jay Inslee  
Governor

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_





# Nooksack Indian Tribe

Compact Amendment Hearing

November 15, 2018

The Honorable Ross Cline, Sr., Chair, Nooksack Indian Tribe

David Trujillo, WSGC Director

Julie Lies, WSGC Tribal Liaison



# Commissioners



**Chair Bud Sizemore**



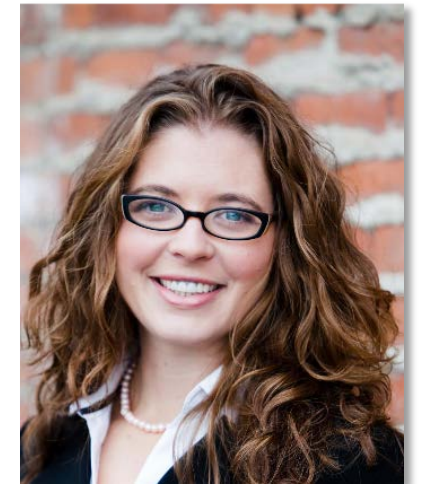
**Vice Chair Julia Patterson**



**Chris Stearns**



**Ed Troyer**



**Alicia Levy**

# Ex Officio Members



Senator  
**Steve Conway (D)**  
*29<sup>th</sup> District*



Senator  
**Lynda Wilson (R)**  
*17<sup>th</sup> District*



Representative  
**David Sawyer (D)**  
*29<sup>th</sup> District*



Representative  
**Brandon Vick (R)**  
*18<sup>th</sup> District*

# Our Mission

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

# 1988: Indian Gaming Regulatory Act

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

# Indian Gaming Regulatory Act (IGRA)

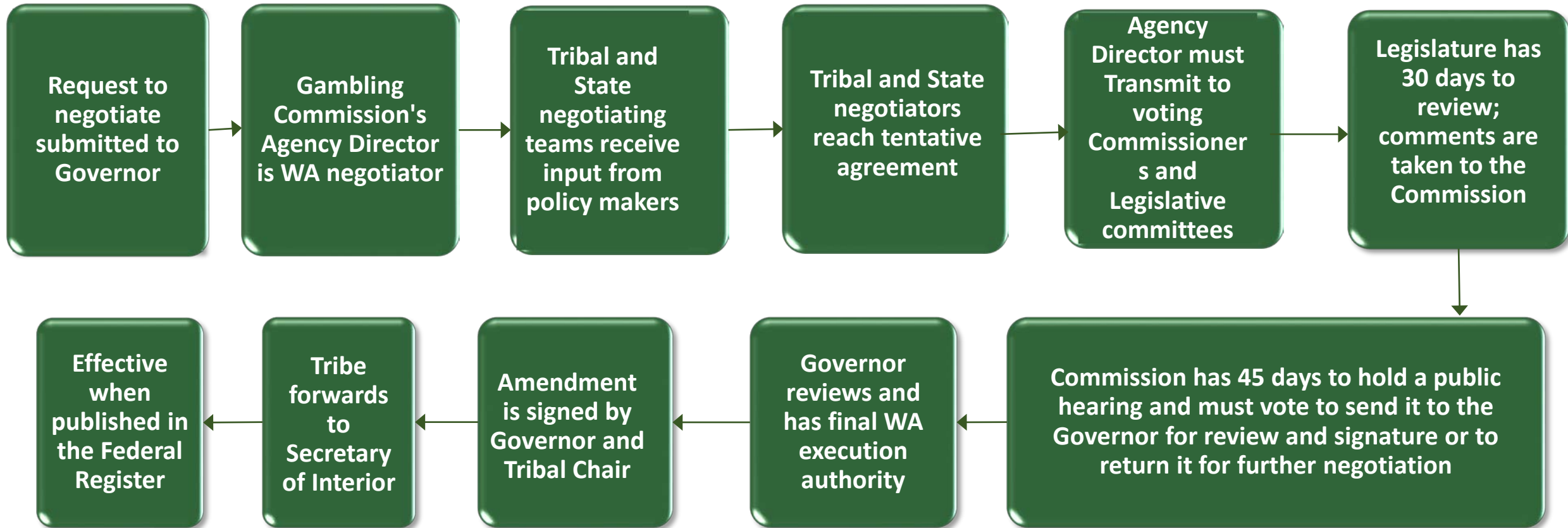
*“The State must  
negotiate in good faith  
when a compact or  
amendment is requested  
by a Tribe”*

# Negotiation Topics

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



# Class III Gaming Compact Process 9.46.360





# Public Protection Interests



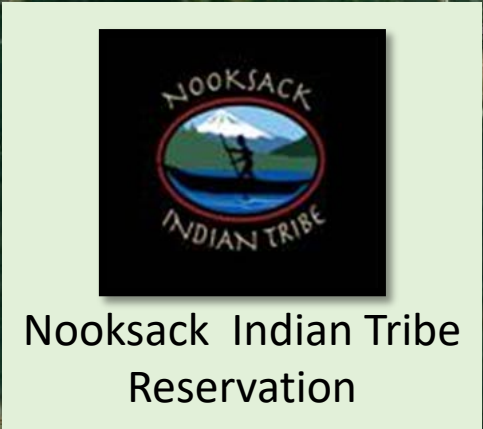
No criminal involvement

Gaming conducted fairly, honestly

Gaming limited to authorized activities

Minimize negative impacts on local law enforcement, emergency services

# Nooksack Indian Tribe



# Nooksack Tribal Council



## *Back Row:*

Ross Cline Sr., Chair

Rick D George, Vice Chair

Bob Solomon, Council Member

Roy Bailey, Council Member

Frank Leyva, Council Secretary

## *Front Row:*

Katherine Romero, Council Member

Agrippina Smith, Council Treasurer

Lona Johnson, Council Member





# Summary of Compact Changes

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Allow Class III gaming at Tribe's Class II facility

Add responsible gambling program  
& problem gambling funding

Update community contribution language

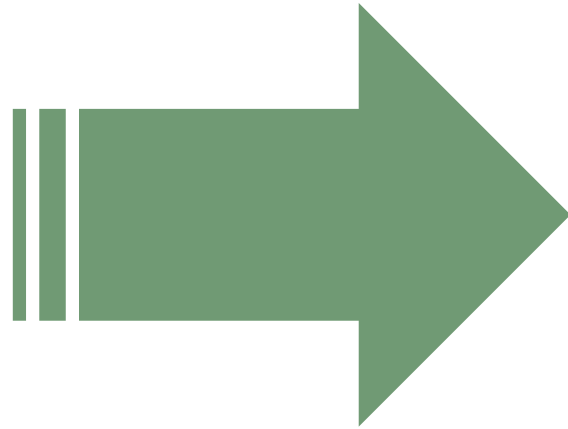


Questions?



# Today

**Hold hearing  
Answer questions**



**Vote to:**

- 1) Forward to Governor for review & final execution,**  
**or**
- 2) Return to Director for further negotiation**



# Staff Recommendation

**Vote to forward the proposed compact amendment to the Governor for review and final execution**



# Nooksack Indian Tribe

Compact Amendment Hearing

November 15, 2018

The Honorable Ross Cline, Sr., Chair, Nooksack Indian Tribe

David Trujillo, WSGC Director

Julie Lies, WSGC Tribal Liaison





STATE OF WASHINGTON  
GAMBLING COMMISSION

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

November 1, 2018

**TO:**           **COMMISSIONERS**                           **EX OFFICIO MEMBERS**  
Bud Sizemore, Chair                           Senator Steve Conway  
Julia Patterson, Vice Chair                Senator Lynda Wilson  
Chris Stearns                                 Representative David Sawyer  
Ed Troyer                                       Representative Brandon Vick  
Alicia Levy

**FROM:**       Donna Khanhasa, Special Agent <sup>dk</sup>  
Licensing, Regulation & Enforcement Division

**SUBJECT:**   Special Olympics of Washington – 2018 Western Washington Enhanced Raffle Results

At the November 2017 commission meeting, the Commissioners approved a plan submitted by the Special Olympics of Washington (SOWA) to conduct an enhanced raffle in Western Washington. The grand prize drawing was held on May 11, 2018.

In accordance with WAC 230-11-103, charitable or nonprofit licensees conducting enhanced raffles must have an independent audit conducted on each enhanced raffle and the associated smaller raffles. SOWA submitted the auditor's report in accordance with the rule.

The purpose of this memo is to report the results of the enhanced raffle and the agents' review. This is the sixth enhanced raffle that SOWA has held since they were authorized by the legislature in 2013.

The grand prize offered was a home located in the Puget Sound area or an annuity of \$4,000,000 paid over 20 years or a one-time \$2,800,000 cash payment based on 65,000 tickets being sold. If fewer than 60,000 tickets were sold, the grand prize winner would receive a choice between a sum equal to 50% of the net raffle proceeds paid as an annuity over 20 years, not to exceed \$4,000,000, or a one-time cash payment of 70% of the annuity value, not to exceed \$2,800,000.

**The results of the May 11, 2018, enhanced raffle and the associated raffles are as follows:**

Sales of Raffle Tickets	Prizes Awarded	Other Expenses	Net Proceeds from Enhanced Raffle
\$4,387,720	\$1,314,309	\$1,663,102	\$1,410,309

**Drawing details and prizes:**

Drawing	Date	Location	Prizes Awarded
Early Bird 1	March 8, 2018	SOWA Office	\$50,000
Early Bird 2	April 11, 2018	SOWA Office	\$10,000
Multi-Ticket	May 11, 2018	Seattle Center	\$50,000
Add-On (50/50)	May 11, 2018	Seattle Center	\$281,418
Grand Prize	May 11, 2018	Seattle Center	Grand prize: \$607,873 2 <sup>nd</sup> prize: \$50,000 3 <sup>rd</sup> prize: \$10,000 4 <sup>th</sup> to 10 <sup>th</sup> prize: \$5,000*

\*In addition to prizes noted above, there was an additional 3,240 prizes awarded, with prize values ranging from \$50 to \$2,000.

**Use of Proceeds:**

Net proceeds of \$1,410,309 from the Enhanced Raffle will benefit SOWA by supporting program activities.

**Regulatory Review:**

An agent from the Regulatory Unit conducted an inspection of the enhanced raffle. Prior to the inspection, he reviewed the approved enhanced raffle plan and reviewed the case reporting system for compliance history. No material findings were noted.

The agent compared the enhanced raffle ticket sales to the bank statements and verified the money from all ticket sales was deposited. The agent contacted the top tier Grand Prize Drawing winners, the Early Bird #1 prize winner, the Early Bird #2 prize winner, Multi Ticket Drawing winner, and the 50/50 Add On prize winner. All winners contacted confirmed they received the prizes.

The agent noted the total grand prize amount awarded was \$607,873. In addition the 50/50 add on prize awarded was \$281,418. A difference of \$1,680 (0.276%) was noted between the reported grand prize amount per the independent audit report and the actual prize awarded. The difference was due to estimates used by the outside auditor. The audit report included a note on

Commissioners and Ex Officios

November 1, 2018

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the use of estimates and disclosed that actual results may vary. No discrepancies in the calculation method of the grand prize were noted.

The agent reviewed the licensee's gambling records to verify accuracy and compliance with the WAC. They noted no discrepancies.

The agent confirmed that SOWA operated the enhanced raffle within the plan approved by the Commissioners.

**Regulatory Actions:**

There were no state or federal regulatory actions taken in relation to this enhanced raffle.



STATE OF WASHINGTON  
**GAMBLING COMMISSION**

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

November 1, 2018

**TO:**           **COMMISSIONERS**                           **EX OFFICIO MEMBERS**  
Bud Sizemore, Chair                           Senator Steve Conway  
Julia Patterson, Vice Chair                 Senator Lynda Wilson  
Chris Stearns                                 Representative David Sawyer  
Ed Troyer                                       Representative Brandon Vick  
Alicia Levy

**FROM:**       Donna Khanhasa, Special Agent *DK*  
                  Licensing, Regulation, & Enforcement Division

**SUBJECT:**   Special Olympics of Washington – 2019 Western Washington Enhanced Raffle  
                  Plan Request

Special Olympics of Washington (SOWA) is requesting your permission to conduct a "Dream House Raffle," an enhanced raffle in Western Washington.

In the 2013 Legislative session, the Legislature passed Engrossed Substitute Senate Bill 5723 authorizing enhanced raffles. The Washington Administrative Code (WAC) 230-03-152 allows the commissioners to vote to approve a bona fide charitable or nonprofit organization whose primary purpose is serving individuals with intellectual disabilities, to conduct enhanced raffles when they meet the requirements of the law and submit a plan as set out in the rule.

**Mission:**

SOWA's mission is to provide year-around sports training and athletic competition in a variety of Olympic type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.

**Programs and Clients Served:**

SOWA currently serves 17,500 athletes and has a support system of nearly 8,000 volunteers. However, there are nearly 180,000 individuals in Washington State with intellectual disabilities.

**Goal for Conducting the Raffle:**

The organization's goal is to triple the number of athletes by 2020 and in the years ahead reach everyone with intellectual disabilities.

**Enhanced Raffle Details:**

Ticket costs: \$150 each, 3 for \$400, or 5 for \$550.

50/50 Add-on tickets are \$20 each, 3-pack for \$50, or 6-pack for \$75.

Drawing	Date	Location	Prizes Available
Early Bird 1	March 7, 2019	Western Washington – King County	Winner's choice: TBD or \$50,000 cash
Early Bird 2	April 11, 2019	Western Washington – King County	Winner's choice: TBD or \$10,000 cash
Grand Prize	May 10, 2019	Western Washington – King County	Grand Prize Dream House, \$4 million annuity, or \$2.8 million onetime cash option. Other prizes include vacations, cash, or TBD.
Multi-Ticket	May 10, 2019	Western Washington – King County	Winner's choice: TBD or \$50,000 cash.
50/50 Add-on Drawing	May 10, 2019	Western Washington – King County	Half of the gross proceeds of the 50/50 Add-on ticket sales.

**Security and Purchase of Prizes:**

All prizes will be purchased and awarded after each applicable drawing with the raffle revenue.

**Protection of the integrity of the raffle:**

Special Olympics will conduct an audit of ticket stubs prior to each drawing. The audit will be performed by the CEO who will use an excel generated random list of tickets to audit. The tickets will be made up of the entire population of tickets sold, both active and voided. The sample size will be no less than 90 tickets. An employee of Special Olympics WA will draw all winning raffle tickets.

All ticket purchase proceeds of the raffle, whether the tickets are sold in the SOWA office by SOWA designated staff or through the call center, will be deposited into a SOWA raffle account which is separate from the Organization's general operating funds.

**Use of Proceeds:**

The proceeds will be used to further drive the vision of the Special Olympics Washington.

**Protection in the Event of Low Ticket Sales:**

The law requires that in the event SOWA determines the ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive fifty percent of the net proceeds in excess of expenses as the grand prize. The enhanced raffle winner will receive a choice between an annuity value equal to fifty percent of the net proceeds in excess of expense paid by annuity over twenty years, or a one-time cash payment of seventy percent of the annuity value. In no case will the grand prize be less than \$50,000. Unless, the raffle ticket sales fall at or below the breakeven amount of 17,391 tickets sold, and net proceeds in excess of expenses produce a negative value, Special Olympics Washington will consider refunding all purchases and cancelling the raffle due to insufficient sales of tickets or issuing a flat \$5,000 to the Grand Prize winner.

**Projected Budget:**

SOWA estimates the breakeven number of ticket sales to be 17,391. The net proceeds will depend upon the grand prize awarded. SOWA estimates net proceeds to be between \$0 and \$2,039,529 if a \$4,800,000 house is the grand prize.

**Dedicated Employee Responsible for Oversight of the Enhanced Raffle Operation:**

Meryl Newman, SOWA Chief Financial Officer, will be overseeing the enhanced raffle operation.

**Licensed Service Supplier Managing the Enhanced Raffle:**

NZ Consulting, Inc., owned 100% by Neal Zeavy from Seattle, Washington, is managing the enhanced raffle for SOWA.

**Licensed Call Center Contracted to Receive Enhanced Raffle Ticket Sales:**

Hosni Enterprises, LLC, owned 100% by Melissa Melcher-Hosni, will be the call center contracted to receive enhanced raffle tickets sales for SOWA, pending approval of a transfer of license from Cornerstone Administrative Services, LLC.



# **Special Olympics Washington**



## Special Olympics Washington Enhanced Raffle Plan 2019 “Special Olympics Washington Dream House Raffle”

### **Purpose**

The Special Olympics Washington Dream House Raffle is being conducted to provide the necessary resources for the organization to grow its athlete base. Currently Special Olympics Washington (“SOWA” or “Special Olympics WA”) serves 17,500 athletes across the state. However, there are nearly 180,000 individuals in Washington State with intellectual disabilities. The organization’s goal is to triple the number of athletes by 2020 and in the years ahead to reach everyone with an intellectual disability. This year, Seattle hosted the Special Olympics USA Game where 240 Special Olympic WA athletes competed in 14 different sports. As a result of the increased awareness the USA Games brought to the movement, Special Olympics WA has seen an increase in the number of athletes locally who want to become a Special Olympics athlete. With the funds earned from the “Dream House Raffle”, Special Olympics WA can continue the journey of reaching into every corner of the state to make sure EVERYONE has the opportunity to be tested like Champions!

### **About Special Olympics Washington**

Special Olympics Washington was incorporated in 1975 and has the vision to help bring all persons with intellectual disabilities into the larger society under conditions whereby they are accepted, respected and given the chance to become useful and productive citizens. The mission of Special Olympics Washington is to provide year-round sports training and athletic competition in a variety of Olympic type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community. Special Olympics Washington currently serves more than 17,500 athletes and has a support system of nearly 8,000 volunteers. The organization is part of Special Olympics International, which serves more than 4 million athletes in more than 180 countries. Special Olympics Washington is a 501(c)(3) organization in Washington State.

MISSION: Special Olympics Washington **BUILDS** communities and **LEADS** in wellness through Sports & Inclusion.

### **About Our Athletes**

Once an athlete joins Special Olympics, he or she typically participates in three sports per year. Special Olympics becomes a year-round endeavor bringing new friends, greater self-esteem and a place for family members to connect. 50% of Special Olympics athletes are employed vs. only 2% of those who have an intellectual disability but who are not currently competing. Once an athlete joins Special Olympics, they can participate until they can no longer compete. We have seen athletes in their 70s.

**SPECIAL OLYMPICS WASHINGTON**  
**Enhanced Raffle Rules**  
**2019**

Special Olympics Washington (SOWA), a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, is conducting this raffle pursuant to SB 5723, Washington Administrative Code 230-03-152, to raise funds for ongoing charitable purposes. The Rules and Regulations of the SOWA raffle are set forth below. By purchasing a raffle ticket the purchaser agrees to be bound by these rules and regulations. SOWA's interpretation and application of the rules and regulations shall be final.

The Grand Prize Drawing for Special Olympics Washington Dream House Raffle will be held on Friday, May 10, 2019 at the Seattle Center, Seattle WA. All early bird drawings will be held at 2815 2<sup>nd</sup> Ave, Suite 370, Seattle, WA 98121. Tickets will not be sold after April 26, 2019. Tickets may sell out before that time. An independent raffle auditor will supervise the drawing. The drawing for prizes may be open to the public, but the winner does not need to be present to win.

Only 65,000 tickets will be sold. The chances of winning are based on that number. If fewer tickets are sold, the chances of winning the Grand Prize and other prizes improve. The IRS has taken the position that amounts paid for chances in raffles, lotteries or similar drawings for valuable prizes are not gifts, and consequently do not qualify as deductible charitable contributions.

The Grand Prize Winner assumes all fees, local, state and federal taxes (including but not limited to income taxes based on the value of the prize). Likewise, there are federal taxes and there may be state and/or local tax consequences if the winner selects the alternate cash prize (See Prizes section below). These consequences may apply to other prizes as well. SOWA takes no responsibility for any tax liabilities. Consult your tax advisor. This offer is void where prohibited by law, and all federal, state and local laws and regulations apply.

By entering this raffle, entrants accept and agree (1) to be bound by all the rules, limitations and restrictions set forth here and (2) that their names and/or likenesses may be disclosed to and used by the news media and may otherwise be used by SOWA for publicity purposes and in lists of prize winners to be published in area newspapers and announced on the SOWA raffle website. SOWA will provide purchasers all raffle information as required by WAC 230-11-015. Other rules and regulations may apply. Please contact SOWA if you have questions. SOWA's interpretation and application of the rules and regulations shall be final.

By entering this raffle, each participant releases SOWA, its directors, officers, employees and agents from any and all liability for injuries, losses or damages of any kind caused by participating in the raffle or winning any prize or resulting from acceptance, possession, use or misuse of any prize, and each winner agrees to indemnify and hold SOWA harmless from any and all losses, damages, rights, claims and actions of any kind rising in connection with or as a result of participating in the raffle or the winner's acceptance or use of any prize.

**Tickets:**

Tickets are \$150 each, 3-pack for \$400, or 5-pack for \$550. Only one method of payment, one name, and one mailing address are permitted per ticket pack. Only one eligible person may be entered in the raffle per ticket sold. If the name of more than one person is submitted with a ticket purchase, and that ticket is selected as a winning ticket, then the person named first will be deemed the holder of record of that ticket and declared the winner regardless of who paid for the ticket. Division of prize by a group purchasing a ticket in common shall

be to the sole responsibility of the person named as the holder of record of that ticket, should that ticket be selected as a winner.

Early ticket purchases will be included in up to three drawings. Tickets purchased by February 22, 2019, will be eligible for the Early Bird Drawing 1 (drawing date: March 7, 2019). Tickets purchased by March 22, 2019, will be eligible for the Early Bird Drawing 2 (drawing date: April 11, 2019). All such tickets, including all winning tickets from Early Bird Drawings, will be included in applicable subsequent drawings as well as the Grand Prize Drawing. Tickets purchased by April 26, 2019, will be eligible for the Grand Prize Drawing (drawing date: May 10, 2019).

50/50 Add-On Tickets are one for \$20, 3-pack for \$50 or 6-pack for \$75.

Rules for purchasing 50/50 Add-On tickets are as follows:

- Only one method of payment and only one mailing address are permitted.
- Only one name can be listed per ticket.
- 50/50 Add-On Tickets must be ordered at the same time as your Dream House Raffle ticket order.
- 50/50 Add-On orders will not be accepted after your original raffle ticket order date.

SOWA reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." All defective or physically altered entry forms will be immediately disqualified by SOWA. Prior to the Grand Prize Drawing, SOWA will make a reasonable effort to notify the individual and/or entity that submits such an entry form or one which has been rejected because the credit card or check did not clear that the entry has been rejected by attempting to make contact through the information provided at the time of submitting the purchase request. All orders for tickets for the Early Bird Drawings must be received and/or purchased by the indicated deadline. Any orders received after these deadlines will be held for the subsequent drawings, if applicable and Grand Prize Drawing. SOWA assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

A raffle participant's sole and exclusive remedy for SOWA's breach shall be limited to the return of the purchase price paid for his or her raffle ticket(s). In no event shall SOWA, its directors, officers, employees, agents or representatives be liable to any party for any loss or injuries to earnings, profits or goodwill, or for any incidental, special, punitive or consequential damages of any person or entity whether arising in contract, tort or otherwise, even if advised of the possibility of such damages.

#### **How to Purchase:**

To purchase tickets: use the order form provided and fax the order form to **206-TBD**, or you may mail it to SOWA Dream House Raffle, 2815 2<sup>nd</sup> Avenue, Suite 370 Seattle, WA 98121 or call 1-888-537-7518, providing your name, address, phone number along with your credit card number, credit card security code and expiration date. Tickets cannot be purchased on the raffle website or by email. ***Any entry form submitted by email will be rejected.*** All entries must include payment by cash, check, money order or credit card in US dollars. SOWA reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." No refunds will be made except under the following circumstances: any ticket order with payment received after 65,000 tickets have been sold or after April 26, 2019, will be returned. No other refunds are available except in the exclusive discretion of SOWA. SOWA assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

#### **Selection of Winners:**

The Special Olympics Washington Dream House Raffle Grand Prize Drawing will be held on May 10, 2019 from all eligible raffle tickets. Winners need not be present to win. SOWA will conduct the Early Bird drawings on March 7, 2019 (Early Bird Drawing 1) and April 11 (Early Bird Drawing 2). The Bonus Multi-Ticket Drawing and 50/50 Add-On Drawing (See Bonus Drawings) will be held on May 10, 2019. The Bonus

Multi-Ticket Drawing, 50/50 Add-On Drawing, and Grand Prize Drawing will be held under the supervision of an independent raffle auditor. The Grand Prize Drawing, 50/50 Add-On Drawing, and Multi-Ticket Drawing, will be held on Friday, May 10, 2019 at the Seattle Center, Seattle WA. All early bird drawings will be held at 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA 98121. All drawings may be open to the public or available for viewing on television. Winners will be notified according to the contact information provided to SOWA at the time of ticket purchase. If the grand prize winner cannot be located by 5:00 p.m., May 24, 2019, after attempting to make contact through the information provided at the time of purchasing the ticket, such winner will be deemed to have elected the onetime cash alternate prize and another winner will not be selected for such prize. In addition to the list of winners posted on the SOWA raffle web site, a list of winners may be obtained from SOWA or by sending a self-address, stamped envelope to Special Olympics Washington Dream House Raffle, 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA 98121 within one week of the drawing.

In order to collect prizes valued greater than \$4,999, a ticket winner must sign and deliver to SOWA: (a) a sworn affidavit of eligibility in accordance with these Rules and applicable law, including without limitation that he or she is at least 18 years old; (b) such written information as is required by any applicable tax and/or real estate laws, including without limitation his or her Social Security Number; (c) proof of identity in forms satisfactory to the SOWA showing that the person claiming the prize is the same person who is named on the winning raffle ticket.; and (d) the winning ticket stub. Winners of prizes of \$5,000 or more may be required to submit a W-2G, Form 5754 or similar tax form (provided by SOWA) for tax withholding purposes.

**Winning Odds:**

The odds of winning a prize will depend on the number of tickets sold. If all 65,000 tickets are sold the odds of winning the Grand Prize is 1 in 65,000. If fewer tickets are sold, the chance of winning the Grand Prize, Early Bird Prizes and all secondary prizes improves. The odds to win a prize are no less than 1 in 20.

**Eligibility:**

Anyone 18 years of age or older may enter. SOWA employees, members of the Board of Directors, authorized agents and employees thereof, consultants, attorneys, independent accountant firm, and their spouses and children living in the same household are excluded from participating and are not eligible to win a prize. All federal, state, and local laws and regulations apply. The raffle is void where prohibited or restricted by law. An affidavit of eligibility may be required from prize winners.

**Prizes:**

The Grand Prize is the home located within the Puget Sound area of Washington, and a detailed description will be referred to in all raffle materials. Alternatively, the Grand Prize winner may elect to receive an annuity of \$4,000,000 paid over 20 years or a onetime \$2,800,000 cash payment (except as stated below) based on 65,000 tickets sold. The Grand Prize Winner must make an election in writing between the house, the annuity, or the onetime cash payment no later than 5:00 p.m. May 24, 2019. In the event of circumstances outside of the control of SOWA such as but not limited to: fire, earthquake, foreclosure and as determined by SOWA, the Grand Prize Winner will instead have no election as stated above and will instead have an election between an annuity of \$4,000,000 paid over 20 years or a onetime \$2,800,000 cash payment (except as stated below). A minimum of 62,000 tickets must be sold by April 26, 2019 for the Grand Prize Winner to have a choice of the House, the annuity of \$4,000,000 paid over 20 years, or a onetime \$2,800,000 cash payment alternate prize. If fewer than 62,000 tickets are sold by April 26, 2019, the raffle will be held as scheduled, and prizes will be awarded as advertised with the exception that the Grand Prize Winner will receive a choice between sum equal to 50% of the Net Raffle Proceeds paid as an annuity over 20 years, not to exceed \$4,000,000 or a onetime cash payment of 70% of the annuity value, not to exceed \$2,800,000. Net Raffle Proceeds will be calculated based on SOWA accounting, which shall be final and conclusive with respect to the Grand Prize Winner. For these purposes “Net Raffle Proceeds” are defined as the balance of funds left after paying all other prizes, all raffle expenses and all expenses for the House. SOWA will estimate the final prize (“Estimate Prize”) just

prior to the Grand Prize drawing so as to award 90% of the estimated prize payment. No later than 120 days from the drawing date, SOWA will verify that all expenses have been accounted for and a final Net amount will be calculated (“Actual Prize”). SOWA will issue a final check to the Grand Prize winner based on the difference between the Actual Prize and the Estimated Prize payment along with an updated W-2G.

All vehicles come base model factory equipped and winner(s) are also solely responsible for any and all state or local license, title, registration, cost differential between the value of the car and the cash alternate prize, taxes, or fees associated with the vehicle, as well as insurance (proof of which must be shown prior to delivery) and pickup or delivery costs at the dealership as well as any non-standard options chosen by the winner and negotiated with the dealership. All winners of vehicles must make an election in writing between the vehicle and the alternative cash payment no later than 5:00 p.m. on the fifth business day after the drawing. All contracted vehicles are subject to availability at the automobile dealer selected by SOWA and may be substituted with a comparable vehicle by SOWA or with the cash alternate prize.

Vacation travel prizes are for two economy round trip tickets from any continental US airport to the destination city and for one double occupancy standard hotel room in the destination city unless otherwise noted on the raffle website. Please note that some vacation travel is for land only and does not include airfare. All vacation and travel prizes are subject to space and availability. All gratuities, taxes and fees are the responsibility of the winner and each vacation prize has a maximum value of five thousand dollars in total. Winners of travel related prizes must comply with all applicable requirements and restrictions related to said prizes including without limitation applicable travel dates, age restrictions, liability waivers, travel documentation and reservation and confirmation procedures. All contracted vacations are subject to availability and may be substituted with a comparable vacation prize or with a cash alternate prize.

All unclaimed prizes will be returned to Special Olympics Washington 60 days after the Grand prize drawing date.

**Early Bird Drawings:**

Early Bird Drawing 1

Winner's choice between a **TBD** or \$50,000\*

Early Bird Drawing 2

Winner's choice between a vacation to **TBD** or \$10,000 cash\*

**Grand Prize Drawing:**

Grand Prize: The Dream House \$4,800,000 or \$4,000,000 annuity or \$2,800,000 cash option\*

2nd Prize: Winner’s choice between a TBD or \$50,000 cash\*

3rd Prize: Vacation to **TBD** or \$10,000 cash\*

4th Prize: Vacation to **TBD** or \$5,000 cash \*

5th Prize: Vacation to **TBD** or \$5,000 cash\*

6th Prize: **Vacation to TBD or \$5,000 cash\***

7th Prize: Vacation to **TBD** or \$5,000 cash\*

8th Prize: Vacation to **TBD** or \$5,000 cash\*

9th Prize: Vacation to **TBD** or \$5,000 cash\*

10th Prize: Vacation to **TBD** or \$5,000 cash\*

Prizes 11-3250

TBD

\*Except as stated above

**Bonus Drawing:****Multi-Ticket Drawing**

1st Prize: Winner's choice between **TBD** or \$50,000

Any individual who buys three or more tickets will be entered into the Multi-Ticket Drawing, subject to the following; to be eligible entrants must purchase three or more tickets during the same purchase, using one method of payment, using the same name on each ticket, and the same mailing address for each eligible ticket. For each eligible ticket purchased, a corresponding eligible ticket will be added into the Multi-Ticket Drawing. Three tickets purchased will have three tickets entered into the Multi-Ticket Drawing. Four tickets purchased will have four tickets entered into the Multi-Ticket Drawing, etc. Multiple tickets purchased at the same time are eligible for discounts. Multiple tickets can be purchased individually or a 3-pack for \$400, or 5-pack for \$550.

**50/50 Add-On Drawing:**

Prize: Winner will be awarded 50% of the gross proceeds of the 50/50 Add On raffle.

50/50 Add-On Tickets are one for \$20, 3-pack for \$50 or 6-pack for \$75.

Rules for purchasing 50/50 Add-On tickets are as follows:

Only one method of payment and only one mailing address are permitted.

Only one name can be listed per ticket.

50/50 Add-On Tickets must be ordered at the same time as your Dream House Raffle ticket order.

50/50 Add-On orders will not be accepted after your original raffle ticket order date.

**General Terms and Conditions:**

No express warranties are given and no affirmation of SOWA by words and/or actions will constitute a warranty. The House, if selected, will be transferred to the Grand Prize Winner "as is, where is, and with all faults". SOWA does not provide any guarantee or warranty, expressed or implied, in connection with the House and accepts no liability or responsibility regarding the construction or condition of the House. SOWA does not warrant that the house is of mercantile quality or that it can be used for any particular purpose. No express warranties are given and no affirmation of SOWA by words and/or actions will constitute a warranty.

At the time of closing, all federal and state income taxes based on the value of the House will be due from the Grand Prize Winner. If the Grand Prize Winner selects the annuity or the onetime cash payment as well as winners of Early Bird Prizes, Multi-Ticket Prize, 50/50 Add-On Prize, and Secondary Prizes of \$5,000 or more, all appropriate and required federal and state taxes will be withheld by SOWA in accordance with federal and state law and SOWA will remit the balance of the cash prizes to the winners. SOWA makes no guarantee that the Grand Prize Winner will be able to sell the House for the value of \$4,800,000 nor is there any guarantee that the Internal Revenue Service (IRS) will accept that value of the house for the purpose of determining any income tax that may be due from the winner. SOWA takes no responsibility for any tax liabilities. Consult your tax advisor.

Any controversy or claim arising out of or relating to the contract, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association (pursuant to its expedited procedures) under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

**C (i) Dates of raffle and drawing:**

January 21 – Start date  
February 22 – Early Bird 1 deadline  
March 7 – Early Bird 1 drawing  
March 22 – Early Bird 2 deadline  
April 11 – Early Bird 2 drawing  
April 26 – Grand Prize Deadline  
May 10 – Grand Prize, Multi-Ticket, and 50/50 Add-On Drawings

**C(ii) Cost of raffle ticket:**

Tickets are \$150 each, or 3-tickets for \$400, or 5 tickets for \$550  
50/50 Add-On Tickets are one for \$20, 3-pack for \$50 or 6-pack for \$75.

**C(iii) Prizes available:**

Grand Prize: The Dream House or \$4,000,000 annuity or \$2,800,000 cash option  
2nd Prize: Winner's choice between a **TBD** or \$50,000 cash\*  
3rd Prize: Vacation to **TBD** \$10,000 cash\*  
4th Prize: Vacation to **TBD** or \$5,000 cash\*  
5th Prize: Vacation to **TBD** or \$5,000 cash\*  
6th Prize: Vacation to **TBD** or \$5,000 cash\*  
7th Prize: Vacation to **TBD** or \$5,000 cash\*  
8th Prize: Vacation to **TBD** or \$5,000 cash\*  
9th Prize: **TBD** or \$5,000 cash\*  
10th Prize: Vacation to **TBD** or \$5,000 cash\*

Prizes 11- 3250:  
TBD

\*Except as stated above

**Bonus Drawings:**

Multi-Ticket Drawing  
Prize: **TBD** or \$50,000 cash

50/50 Add-On Drawing  
Prize: 50% the gross proceeds of the 50/50 Add On raffle

**C(iv) Security of prizes:**

Prizes including cash, vacations, and cars, which will be purchased and awarded after each applicable drawing with raffle revenue, thus prizes don't need to be protected since they are not being purchased prior to the raffle drawing. Add-On Sales will be recorded in a separate account code based on the sales report/ticket ledger and deposited into the main Raffle bank account. 50% of the sales of Add-On tickets will be distributed to the 50/50 raffle winner.

**C(v) Plans for selling raffle tickets:**

Raffle tickets will be sold via phone, fax, mail, and in person.

Please refer to the Raffle Ticket Process document attachment (**Attachment A**)

**C(vi) Description of how the integrity of the raffle will be protected:**

Special Olympics will conduct an audit of ticket stubs prior to each drawing. The audit will be performed by the CEO who will use an excel generated random list of tickets to audit. The tickets will be made up of the entire population of tickets sold, both active and voided. The sample size will be no less than 90 tickets.

All ticket purchases proceeds of the raffle, whether the tickets are sold in the SOWA office by SOWA designated staff or through the call center, will be deposited into a Special Olympics WA raffle account which is separate from the Organization's general operating funds.

An employee of Special Olympics WA will draw all winning raffle tickets.

**d) Explanation of how the proceeds from the raffle will be used:**

Funds will be used to further drive the vision of Special Olympics Washington as described on page 1 of this document.

**e) Plan to protect the licensee in the event of low ticket sales and other risks:**

In the event the bona fide charitable or nonprofit organization determines ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive fifty percent of the net proceeds in excess of expenses as the grand prize. The enhanced raffle winner will receive a choice between an annuity value equal to fifty percent of the net proceeds in excess of expense paid by annuity over 20 years, or a one-time cash payment of seventy percent of the annuity value. In no case will the grand prize be less than \$50,000. Unless, the raffle ticket sales fall at or below the breakeven amount of 17,391 tickets sold, and net proceeds in excess of expenses produce a negative value, Special Olympics Washington will consider refunding all purchases and cancelling the raffle due to insufficient sales of tickets or issuing a flat \$5,000 to the Grand Prize winner.

**f) Explanation of how the prize(s) will be purchased for the raffle:**

Cash prizes are offered from the sale of raffle tickets. Non-cash prizes, such as vacations and cars will be purchased if the winner chooses such prize in lieu of cash.

**g) Projected budget including the following – (**Attachment B**)**

- (i) Estimated gross gambling receipts, expenses, and net income for the raffle
- (ii) Corresponding sales and prize levels with projected revenues and expenses for each level.
- (iii) Minimum and maximum prizes available.

h) SOWA's dedicated employee is Meryl Newman.

i) NZ Consulting Inc. will be the licensed service supplier

j) Hosni Enterprises LLC will be our licensed Call Center

k) Raffle Ticket Process Document (**Attachment A**)



**SPECIAL OLYMPICS WA**

WSGC Ticket Sales

2019

S:\Raffle\2019\WSGC Plan and Budget\[2019 WSGC Format with breakeven.xlsx]Sheet1

	<b>Breakeven</b>	<b>Annuity \$300k/Lump Sum \$210k GP</b>	<b>\$4M Annuity or \$2.8M Lump sum GP</b>	<b>House GP</b>	
Total # of Tickets	17,391	22,515	62,000	62,000	
Average Price/ticket	\$ 125	\$ 125	\$ 125	\$ 125	
<b>GROSS SALES</b>	<b>2,173,875</b>	<b>2,814,375</b>	<b>7,750,000</b>	<b>7,750,000</b>	
<b>Expenses:</b>					
Advertising	627,564	627,564	627,564	627,564	Fixed
Professional Fees	350,306	438,052	1,114,250	1,114,250	Variable
Postage	543,213	543,213	543,213	543,213	Fixed
Personnel	70,884	70,884	70,884	70,884	Fixed
Sales Expense	72,760	72,760	72,760	72,760	Fixed
Prize Expense	445,000	445,000	445,000	445,000	Fixed
Regulatory Expense	14,148	16,902	36,800	36,800	Variable
<b>TOTAL EXPENSE</b>	<b>2,123,875</b>	<b>2,214,375</b>	<b>2,910,471</b>	<b>2,910,471</b>	
<b>NET INCOME BEFORE GP</b>	<b>50,000</b>	<b>600,000</b>	<b>4,839,529</b>	<b>4,839,529</b>	
Grand Prize - Annuity	N/A	300,000	4,000,000	N/A	
Grand Prize - Lump Sum	50,000	210,000	2,800,000	N/A	
Net to SOWA - Lump Sum Pymt	0	390,000	2,039,529	N/A	
Net to SOWA - Annuity	N/A	360,000	1,639,529	N/A	
Grand Prize - House	N/A	N/A	N/A	4,730,000	
Net to SOWA - House Option	N/A	N/A	N/A	109,529	



**STATE OF WASHINGTON  
GAMBLING COMMISSION**

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

November 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: Joey D. Neal, CR 2018-00475  
Final Order – November 15, 2018 Commission Meeting**

Mr. Joey D. Neal had a gambling license authorizing Public Card Room Employee activity at Lilac Lanes and Casino in Spokane, Washington. His license expires on January 30, 2019.

On January 31, 2018, Mr. Neal applied for a gambling license by submitting an application containing information that was submitted under penalty of perjury. On the application, Mr. Neal disclosed some of his criminal history information, but failed to disclose a Theft Second Degree conviction in Cowlitz County Superior Court.

Director Trujillo issued a Notice of Administrative Charges on July 17, 2018, to Mr. Neal by regular and certified mail to the last address the Gambling Commission had on file. A request for hearing was received on July 24, 2018, and a prehearing was scheduled for October 17, 2018. Mr. Neal was sent notice of the prehearing conference on September 18, 2018, to the address he provided on his hearing request form. Mr. Neal failed to appear at the prehearing conference, and a default order dismissing appeal was issued on October 17, 2018.

Mr. Neal's failure to attend the prehearing conference is a waiver of Mr. Neal's right to a hearing in Case No. CR 2018-00475. You may take final action against his gambling license. Based on his conduct, Mr. Neal cannot show by clear and convincing evidence that he is qualified to keep his gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Joey D. Neal's Public Card Room Employee License, Number 68-34678.



**STATE OF WASHINGTON  
GAMBLING COMMISSION**

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

November 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: James K. Reese, CR 2018-00845  
Final Order – November 15, 2018 Commission Meeting**

Mr. James K. Reese has a gambling certification authorizing Class III Employee activity at Nisqually Red Wind Casino in Olympia, Washington. His certification expires on May 22, 2019.

In June 2017, Mr. Reese was charged in Thurston County Superior for Class C Felonies of domestic violence unlawful imprisonment and harassment. In January 2018, Mr. Reese agreed to enter into a diversion program and his criminal charges would be reduced to misdemeanor domestic violence harassment if he successfully completes the program. Otherwise, he would likely be found guilty of the felony charges. Mr. Reese chose not to notify the Gambling Commission of his criminal case on his April 12, 2018 renewal application.

On May 17, 2018, Gambling Commission staff notified the Nisqually Tribal Gaming Agency that it would seek revocation of Mr. Reese’s certification, and on June 15, 2018, Mr. Reese resigned from his position at Nisqually Red Winds Casino.

Director Trujillo issued Mr. Reese a Notice of Administrative Charges on September 11, 2018, by regular and certified mail to his last known address on file. Both sets of charges were returned on September 26, 2018 as “Return to Sender, Not Deliverable as Addressed, Unable to Forward.” As of the date of this memo, the Commission has not received any response from Mr. Reese.

Mr. Reese’s failure to respond to the charges or request a hearing is a waiver of Mr. Reese’s right to a hearing in Case No. CR 2018-00845. You may take final action against his gambling certification. Based on his conduct, Mr. Reese cannot show by clear and convincing evidence that he is qualified to keep his gambling certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke James K. Reese’s Class III Employee certification, Number 69-38122.



**Petition for Rule Change to**  
WAC 230-15-610 Preparing to conduct a count  
WAC 230-15-615 Conducting the count

**November 2018 – Final Action**  
**October 2018 – Further Discussion**  
**September 2018 – Discussion and Possible Filing**  
**April 2018 – Soft Count Demonstration**  
**March 2018 – Request to Initiate Rule-Making**

Tab 6: NOVEMBER 2018 Commission Meeting Agenda.

Statutory Authority 9.46.070

**Who Proposed the Rule Change?**

Stacey Hess, Great American Gambling Corporation, Tukwila, WA.

**Background**

Ms. Hess requested a rule change to allow a card room to have two people, instead of the currently required three people, conduct a soft count if the licensee uses an automated bill counter.

The Commission accepted the petition at the March 15, 2018 public meeting. A demonstration of how an automated bill counter is used during soft count occurred at the April 12, 2018 public meeting.

**Rule Changes and Licensees Impacted**

Currently all 46 house-banked card rooms must use a three member soft count team. With the proposed rules, soft count requirements would be based on the card room's gross gambling receipts in their previous license year.

We looked at the soft count team requirements in ten states. Six states require a three-member soft count team; the other four allowed two member teams. The proposed rule changes for discussion align with the soft count requirements of other states and our tribal facilities while still meeting the petitioner's needs.

On August 3, 2018, we sent a summary of the rule changes and the proposed rule language to the house-banked card room licensees (HBCR).

**Attachments:**

- August 3, 2018 email to HBCR licensees with a summary of the rule changes and proposed rule language.
- Email from Phil Ziegler, Manager, Emerald Downs.

Summary of proposed rule changes:

Card Room Gross Gambling Receipts in the Previous Fiscal Year	Rule Changes	Requirements for Currency Counter Used with a Two Person Count Team	Changes to the Count Process if a Currency Counter is Used with a Two Person Count Team	Number of HBCRs Based on 2016 Fiscal Year Reporting Information
Less than \$5 million	<ul style="list-style-type: none"> <li>• Two person team allowed with approval.</li> <li>• The approval process for a two person count team.</li> <li>• A surveillance employee must observe the entire count process.</li> </ul>			27
Between \$5 million and \$15 million	<ul style="list-style-type: none"> <li>• Two person count team allowed, with approval, if a currency counter is used as outlined in the rule.</li> <li>• The approval process for a two person count team.</li> <li>• A surveillance employee must observe the entire count process as it occurs.</li> <li>• New requirements for currency counters used with a two person count team.</li> <li>• Changes to the count process if a currency counter is used with a two person count team.</li> </ul>	<ul style="list-style-type: none"> <li>• Must automatically provide two separate counts of the funds at different stages in the count process.</li> <li>• Display the total bill count and dollar amount on a screen that will be recorded by surveillance during the count.</li> </ul>	<ul style="list-style-type: none"> <li>• Prior to each count, the accuracy of the currency counter must be verified.</li> <li>• Able to combine currency from a drop box to be counted by currency counter.</li> <li>• A surveillance employee must record in the surveillance log the currency verification amount prior to the count, the total bill and dollar count of each drop box and the combined dollar count of all drop boxes as the count is occurring.</li> </ul>	21
More than \$15 million	<ul style="list-style-type: none"> <li>• A surveillance employee must observe the entire count process as it occurs.</li> </ul>			1
New HBCR	<ul style="list-style-type: none"> <li>• Must have a three person count team until the licensee submits financial statements to us indicating their card room gross gambling receipts in their previous license year.</li> </ul>			

<b>Stakeholder Feedback</b>
Phil Ziegler, Emerald Downs, sent an email in support. Victor Mena, Washington Gold Casinos, spoke in support of the new rule language and each of his properties may save \$1,000 in payroll, which is significant for his card rooms.
<b>Staff Recommendation</b>
Final Action.
<b>Effective Date</b>
January 1, 2019.

**FINAL VERSION**

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

**WAC 230-15-610 Preparing to conduct a count.** (1) House-banked card game licensees must assign licensed employees to conduct the count. ~~((The count team must be made up of three or more licensed employees.))~~ The count team must not include anyone who works in the surveillance department or whose duties included preparing, approving, or reviewing records used in ~~((that))~~ the specific count process. ~~((2))~~ Count team requirements are based on the licensee's card room gross gambling receipts in their previous fiscal year:

<u>Card Room Gross Gambling Receipts</u>	<u>Minimum Count Team Requirements</u>
<u>Less than \$5 million.</u>	<u>Two person count team.</u>
<u>\$5 million to \$15 million.</u>	<u>Three person count team or two person count team if a currency counter is used as outlined in this chapter.</u>
<u>More than \$15 million.</u>	<u>Three person count team.</u>
<u>A new house-banked card room whose financial statements have not yet been submitted to us.</u>	<u>Three person count team.</u>

(2) Prior to using a two person count team, the licensee must receive approval from the director or their designee. The approval will be based on the licensee:

(a) Meeting the card room gross gambling receipts requirements in their previous fiscal year; and

(b) Having internal controls in place to prevent both under-reporting and misappropriation of funds; and

(c) Having demonstrated following their internal controls to prevent both under-reporting and misappropriation of funds based on their administrative history; and

(d) Having a currency counter, which complies with commission rules, and internal controls for the use of the currency counter. This applies for those licensees with card room gross gambling receipts of \$5 million to \$15 million.

(3) Licensees must accurately count and record the contents of drop boxes to ensure the proper accountability of all gambling chips, coin, and currency. The count must be done at least once each gambling day.

~~((3))~~ (4) If a cage cashier completes the opener, closer, fills, and credits portions of the master game report, the cashier sends the original master game report to the count team for completion. The cage cashier must immediately send a copy directly to the accounting department.

~~((4))~~ (5) A count team member must notify the surveillance room observer that the count is about to begin. The surveillance employee must then observe the count as it occurs and make a video and audio recording of the entire count process.

~~((5))~~ (6) Before opening drop boxes, the count team must lock the door to the count room. Licensees must permit no person to enter or leave the count room, except for a normal work break or an emergen-

cy, until the count team has completed the entire counting, recording, and verification process for the contents of drop boxes.

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

**WAC 230-15-615 Conducting the count.** (1) All house-banked card room licensees must have a three person count team except as set forth in subsections (2) and (3) of this section. The three person count team must conduct the count as follows:

(a) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and

~~((2))~~ (b) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and

~~((3))~~ (c) A count team member must empty the contents onto the count table; and

~~((4))~~ (d) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

~~((5))~~ (e) Count team member(s) must separate the contents of each drop box into separate stacks on the count table by denominations of coin, chips, and currency and by type of form, record, or document; and

~~((6))~~ (f) At least two count team members must count, either manually or mechanically, each denomination of coin, chips, and currency separately and independently. Count team members must place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and at least one other count team member must observe and confirm the accuracy of the count orally or in writing; and

~~((7))~~ (g) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, and currency counted (the drop) on the master games report; and

~~((8))~~ (h) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

~~((9))~~ (i) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

(2) The two person count team for licensees with card game gross gambling receipts of less than \$5 million in their previous fiscal year must conduct the count as follows:

(a) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and



(b) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and

(c) A count team member must empty the contents onto the count table; and

(d) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

(e) A count team member must separate the contents of each drop box into separate stacks on the count table by denominations of coin, chips, and currency and by type of form, record, or document; and

(f) One count team member must count, either manually or mechanically, each denomination of coin, chips, and currency separately and independently. The count team member must place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and the other count team member must observe and confirm the accuracy of the count orally or in writing; and

(g) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, and currency counted (the drop) on the master games report; and

(h) As the count is occurring, a surveillance employee must record in the surveillance log the total chip and currency count of each drop box and the announcement by the count team of the combined dollar count of all drop boxes; and

(i) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

(j) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

(3) The two person count team for licensees with card game gross gambling receipts between \$5 million and \$15 million in their previous fiscal year and use a currency counter must conduct the count as follows:

(a) The currency counter to be used must meet the following requirements:

(i) Automatically provides two separate counts of the funds at different stages in the count process. If the separate counts are not in agreement during the count process and the discrepancy cannot be resolved immediately, the count must be suspended until a third count team member is present to manually complete the count as set forth in subsection (1) of this section until the currency counter is fixed; and

(ii) Displays the total bill count and total dollar amount for each drop box on a screen, which must be recorded by surveillance.

(b) Immediately prior to the count, the count team must verify the accuracy of the currency counter with previously counted currency

for each denomination actually counted by the currency counter to ensure the counter is functioning properly. The test results must be recorded on the table games count documentation and signed by the two count team members performing the test; and

(c) The currency counter's display showing the total bill count and total dollar amount of each drop box must be recorded by surveillance during the count; and

(d) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and

(e) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and be recorded by the audio recording equipment; and

(f) A count team member must empty the contents onto the count table; and

(g) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to the other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

(h) Count team member(s) must combine all currency into one stack and separate the contents of each drop box into separate stacks on the count table by denomination of coin and chips, by type of form, record, or document; and

(i) Count team members must place all of the currency from a drop box into the currency counter which will perform an aggregate count by denomination of all of the currency collected from the drop box; and

(j) One count team member must count each denomination of coin and chips separately and independently by placing coins of the same denomination on the count table in full view of the closed circuit television cameras, and the other count team member must observe and confirm the accuracy of the count orally or in writing; and

(k) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, and currency counted (the drop) on the master games report; and

(l) As the count is occurring, a surveillance employee must record in the surveillance log the currency counter accuracy information in (b) of this subsection, currency verification amount, total bill and dollar count of each drop box and the announcement by the count team of the combined dollar count of all drop boxes; and

(m) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

(n) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

**From:** [DONOTREPLY \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** Gambling Commission seeks comments on petition for rule change  
**Date:** Friday, August 3, 2018 3:25:31 PM  
**Attachments:** [Rules.pdf](#)  
[image002.png](#)  
[image003.gif](#)  
[image004.png](#)  
[image005.jpg](#)  
[image007.png](#)

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August 3, 2018

Dear Licensee,

We are seeking your feedback on a petition for rule change to the soft count procedures. Earlier this year, we received a petition for rule change to allow a house-banked card room to have two people, instead of three, conduct the count if the licensee used an automated bill counter. On March 15, 2018, the Commissioners agreed to initiate rule-making.

The proposed rules are attached. The count requirements under the proposed rules would be based on the house-banked card room's gross gambling receipts in their previous license year. A summary of the proposed rule changes are as follows:

Card Room Gross Gambling Receipts in the Previous Fiscal Year	Rule Changes	Requirements for the Currency Counter Used with a Two Person Count Team	Changes to the Count Process if a Currency Counter is Used with a Two Person Count Team	Number of HBCRs Based on 2016 Fiscal Year Reporting Information
Less than \$5 million	<ul style="list-style-type: none"> <li>• Two person count team allowed with approval.</li> <li>• The approval process for a two person count team.</li> </ul>			27

	<ul style="list-style-type: none"> <li>• A surveillance employee must observe the entire count process as it occurs.</li> </ul>			
Between \$5 million and \$15 million	<ul style="list-style-type: none"> <li>• Two person count team allowed, with approval, if a currency counter is used as outlined in the rule.</li> <li>• The approval process for a two person count team.</li> <li>• A surveillance employee must observe the entire count process as it occurs.</li> <li>• New requirements for currency counters used with a two person count team.</li> <li>• Changes to the count process if a currency counter is used with a two person count team.</li> </ul>	<ul style="list-style-type: none"> <li>• Must automatically provide two separate counts of the funds at different stages in the count process.</li> <li>• Display the total bill count and total dollar amount for each drop box on a screen that must be recorded by surveillance.</li> </ul>	<ul style="list-style-type: none"> <li>• Prior to each count, the accuracy of the currency counter must be verified.</li> <li>• Able to combine currency from a drop box to be counted by currency counter.</li> <li>• A surveillance employee must record in the surveillance log the currency verification amount prior to the count, the total bill and dollar count of each drop box and the combined dollar count of all drop boxes as the count is occurring.</li> </ul>	21
More than \$15 million	<ul style="list-style-type: none"> <li>• A surveillance employee must observe the entire count process as it occurs.</li> </ul>			1
New HBCR	<ul style="list-style-type: none"> <li>• Must have a</li> </ul>			

	three member count team until the licensee submits financial statements to us indicating their card room gross gambling receipts in their previous license year.			
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Your feedback is important to us. To submit your comments or questions, please send an email to [Tina.Griffin@wsgc.wa.gov](mailto:Tina.Griffin@wsgc.wa.gov) or give me a call at 360-486-3546.

We anticipate presenting these rule changes at the September Commission meeting for discussion and possible filing. Meeting information will be posted on our [public meetings webpage](#) about a week prior to the meeting.

Sincerely,

**Tina Griffin**  
Assistant Director  
Washington State Gambling Commission



**From:** Phil Ziegler  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** Re: Gambling Commission seeks comments on petition for rule change  
**Date:** Friday, August 3, 2018 3:47:13 PM  
**Attachments:** [image002.png](#)  
[image003.gif](#)  
[image004.png](#)  
[image005.jpg](#)  
[image007.png](#)

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Tina,

We are in favor of these changes. Thanks.

Phil Ziegler

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**From:** DONOTREPLY (GMB) <donotreply@wsgc.wa.gov>  
**Sent:** Friday, August 3, 2018 3:25 PM  
**To:** Griffin, Tina (GMB)  
**Subject:** Gambling Commission seeks comments on petition for rule change



August 3, 2018

Dear Licensee,

We are seeking your feedback on a petition for rule change to the soft count procedures. Earlier this year, we received a petition for rule change to allow a house-banked card room to have two people, instead of three, conduct the count if the licensee used an automated bill counter. On March 15, 2018, the Commissioners agreed to initiate rule-making.

The proposed rules are attached. The count requirements under the proposed rules would be based on the house-banked card room's gross gambling receipts in their previous license year. A summary of the proposed rule changes are as follows:

Card Room				Number of
-----------	--	--	--	-----------

Gross Gambling Receipts in the Previous Fiscal Year	Rule Changes	Requirements for the Currency Counter Used with a Two Person Count Team	Changes to the Count Process if a Currency Counter is Used with a Two Person Count Team	HBCRs Based on 2016 Fiscal Year Reporting Information
Less than \$5 million	<ul style="list-style-type: none"> <li>• Two person count team allowed with approval.</li> <li>• The approval process for a two person count team.</li> <li>• A surveillance employee must observe the entire count process as it occurs.</li> </ul>			27
Between \$5 million and \$15 million	<ul style="list-style-type: none"> <li>• Two person count team allowed, with approval, if a currency counter is used as outlined in the rule.</li> <li>• The approval process for a two person count team.</li> <li>• A surveillance employee must observe the entire count process as it occurs.</li> <li>• New requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Must automatically provide two separate counts of the funds at different stages in the count process.</li> <li>• Display the total bill count and total dollar amount for each drop box on a screen that must be recorded by surveillance.</li> </ul>	<ul style="list-style-type: none"> <li>• Prior to each count, the accuracy of the currency counter must be verified.</li> <li>• Able to combine currency from a drop box to be counted by currency counter.</li> <li>• A surveillance employee must record in the surveillance log the currency</li> </ul>	21

	<p>for currency counters used with a two person count team.</p> <ul style="list-style-type: none"> <li>• Changes to the count process if a currency counter is used with a two person count team.</li> </ul>		<p>verification amount prior to the count, the total bill and dollar count of each drop box and the combined dollar count of all drop boxes as the count is occurring.</p>	
More than \$15 million	<ul style="list-style-type: none"> <li>• A surveillance employee must observe the entire count process as it occurs.</li> </ul>			1
New HBCR	<ul style="list-style-type: none"> <li>• Must have a three member count team until the licensee submits financial statements to us indicating their card room gross gambling receipts in their previous license year.</li> </ul>			

Your feedback is important to us. To submit your comments or questions, please send an email to [Tina.Griffin@wsgc.wa.gov](mailto:Tina.Griffin@wsgc.wa.gov) or give me a call at 360-486-3546.

We anticipate presenting these rule changes at the September Commission meeting for discussion and possible filing. Meeting information will be posted on our [public meetings webpage](#) about a week prior to the meeting.

Sincerely,



**Tina Griffin**

Assistant Director

Washington State Gambling Commission





STATE OF WASHINGTON  
GAMBLING COMMISSION

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

November 5, 2018

**TO:**           **COMMISSIONERS**  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**EX OFFICIO MEMBERS**  
Senator Steve Conway  
Senator Lynda Wilson  
Representative Brandon Vick  
Representative David Sawyer

**FROM:**       Tina Griffin, Assistant Director of the Licensing, Regulation, and Enforcement Division

**SUBJECT:**   **Rotary Club of Everett Port-Gardner's Request to Offer a Raffle Prize to Exceed \$40,000**

**Background:**

Our rules require licensees to get your approval prior to offering a raffle prize that exceeds \$40,000, WAC 230-11-067.

To seek that approval, the licensee must submit a raffle plan that includes:

- (a) The organization's goals for conducting the raffle; and
- (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
- (c) Specific details of the raffle rules including:
  - (i) Date of the drawing; and
  - (ii) Cost of raffle tickets; and
  - (iii) Prizes available; and
  - (iv) Security of prizes; and
  - (v) Plans for selling raffle tickets; and
  - (vi) Description of how the licensee protects the integrity of the raffle; and
- (d) An explanation of how the proceeds from the raffle will be used; and
- (e) A plan to protect the licensee in the event of low ticket sales and other risks; and
- (f) An explanation of how the licensee will purchase the prize(s) for the raffle; and
- (g) A projected budget including:
  - (i) Estimated gross gambling receipts, expenses, and net income for the raffle; and
  - (ii) Minimum number of projected ticket sales to break even; and



- (iii) Corresponding sales and prize levels with projected revenues and expenses for each level; and
- (iv) Minimum and maximum prizes available; and
- (h) Any other information that we request or any information the licensee wishes to submit.

**Request for Your Approval:**

On October 22, 2018, the Rotary Club of Everett Port-Gardner submitted a letter seeking your approval to offer a raffle prize in excess of \$40,000. Their letter includes all information required by rule, to include their raffle plan and budget.

Attachments

10/5/2018



Jeffrey Hager  
Rotary Club of Everett Port-Gardner  
1127 W Mukilteo Blvd  
Everett, WA 98203

David Trujillo  
Gambling Commission Director  
P.O. Box 42400  
Olympia, WA 98504

Dear Mr. Trujillo,

The goal of the Rotary Club of Everett Port Gardner, for the past 19 years, is to successfully raise money through selling raffle tickets for a classic car. These funds are then used to provide assistance for projects and programs to other non-profits in our communities so they may provide assistance to those they serve.

The mission of Rotary International is to provide service to others, promote integrity, and advance world understanding, goodwill, and peace through its fellowship of business, professional, and community leaders.

The Rotary Club of Everett Port Gardner provides service to others in the form of grants, funded by the proceeds of the car raffle. This current year we have provided volunteer hours for the Snohomish County Red Cross, Special Olympics and the City of Everett Park Department. We have provided monetary assistance to Victim Support Services, Domestic Violence Services, and Casino Road Ministries, to name a few. Each year we are able to answer the need in our community with the proceeds from our raffle.

We are also able to use a portion of our proceeds with the help of other clubs throughout the world to provide assistance to larger projects. We have recently partnered to bring clean water to thousands in Trujillo, Peru and support a large scale garden project in the Dominican Republic that will help provide families with nutritious vegetables and a micro enterprise.

While we have enjoyed a very successful fundraiser over the past 18 years, it has become increasingly more difficult to acquire a great classic car with the prize limit set at \$40,000. For the 2019 raffle we are asking to exceed the prize limit by \$5,000 so we may obtain a car to be raffled.



Our 2019 Classic Car Raffle will run from March (dates of first car show to be determined) to the drawing of the ticket on or about October 6th, 2019. The cost to enter the raffle will remain unchanged at; single entry for \$5.00 and a Bonus Book of five tickets for \$20.00. The prize, if approved by the commissioners, will be a 1969 Chevy Camaro Z-28. (The 20th anniversary of our Classic Car Raffle and the 50th anniversary of the best Z-28). Raffle tickets are sold in three different, controlled methods.

- a. Membership- Members of the club are assigned a sequence of tickets to sell. These tickets are used by our members to sell at smaller events (car shows) and to friends and family.
- b. Event Sales- Larger events are usually what we call a Club event where there is a significant need for a larger quantity of tickets. These tickets are assigned to the event and processed as such.
- c. Mail order- We produce a flyer that is sent out to all of the purchasers of the bonus books from the year before to ask for their support in the current raffle. Those that purchase these tickets are notified by post card of their entry.

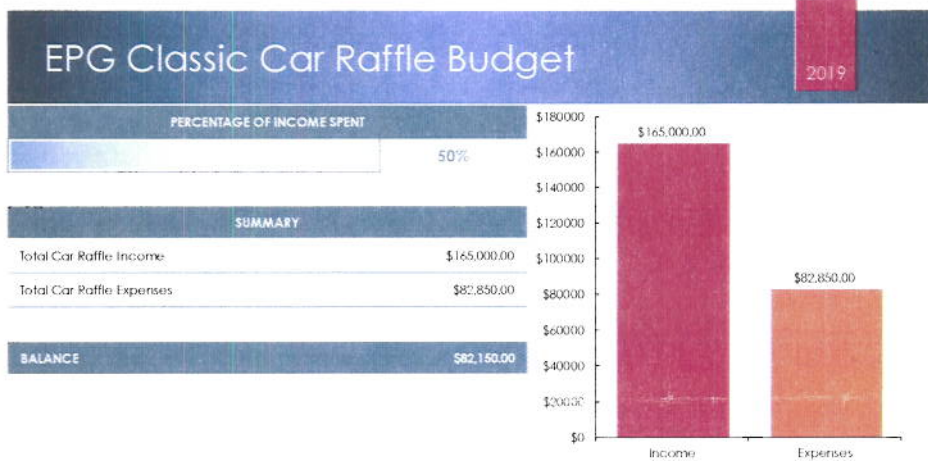
All of the tickets are controlled by two club members; club/personal sales and mail order. The club/personal sales coordinator assigns each club member a predetermined minimum dollar amount in tickets. The sequences are logged via spreadsheet for each member. When tickets are sold they are turned into the coordinator to record the sales. Money from the sales is then deposited into our account. The mail order coordinator is assigned a large sequence of tickets prior to our first mailing. As the requests for tickets come in the purchasers information is recorded on a spreadsheet, tickets are filled and the purchaser receives a postcard with their ticket numbers via mail.

Both coordinators store the tickets at their offices prior to the drawing. All of the tickets are consolidated on a determined day leading up to the drawing.

The classic cars are physically secured in a locked and monitored garage while we conduct our raffle. We also insure the car in the unfortunate case of loss through theft or accident.

In the event we don't sell enough tickets to cover the cost of the car and set up we will still be offering the car as a prize.

We have funding in place that is available each year to purchase the following year's car and start-up (tickets, flyers, postcards postage and first car show entry fees) during the current year's raffle. Sales of tickets during the current year are used to reimburse the cost associated with the purchase.



TOTAL INCOME	
Item	Amount
Car Shows & Events	\$100,000.00
Mailer	\$55,000.00
Sponsors	\$10,000.00

RAFFLE EXPENSES	
Item	Amount
Storage Unit Rent	\$2,450.00
Gas	\$2,200.00
Car Show Fees	\$4,500.00
Printing (flyers,tickets,postcards,banners)	\$20,000.00
Postage	\$4,000.00
Insurance	\$2,200.00
Car Expenses (Other than Fuel)	\$2,500.00
Current Years Car Reimbursement	\$45,000.00

With expenses to the raffle as indicated above we would need to sell approximately 16,500 single tickets at \$5.00 each or 4,125 bonus packs at \$20.00 each.

Thank you for helping Rotary achieve so much in the communities we serve.



Jeffrey Hager

A handwritten signature in blue ink, appearing to read 'Jeffrey Hager', written over a faint, larger version of the same signature.

Classic Car Raffle Committee Chair  
Rotary Club of Everett Port-Gardner





**STATE OF WASHINGTON  
GAMBLING COMMISSION**

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

November 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer  
Alicia Levy

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: Yen H. Trinh – CR 2016-01284, CR 2016-01569  
Dung N. Huynh – CR 2016-01285, CR 2016-01570  
Petition for Reconsideration Materials – November 15, 2018 Commission Meeting**

The above-referenced licensees have companion cases and they both filed Petitions for Reconsideration of the Commission’s Final Order on Petition for Review affirming the revocation of the licensees’ card room employee licenses. Enclosed in your Commission Meeting packet are the Petitions for Reconsideration filed by the Licensees’ attorney, Mr. Justin Jensen, and the Response to Petition for Reconsideration filed by assistant attorney general Greg Rosen, as well as copies of the Initial Order and Final Order on Petition for Review. For reference, the complete case record, including audio recordings and transcripts of the administrative hearings, was previously provided to you via USB thumb drives prior to our September Commission Meeting.



STATE OF WASHINGTON

GAMBLING COMMISSION

In the Matter of:

YEN H. TRINH

License No. 68-21156

Licensee(s)

GMB No. CR 2016-01284

CR 2016-01569

PETITION FOR RECONSIDERATION

TO: Washington State Gambling Commission;

AND TO: Haylee Mills, Counsel.

I. **PETITIONER**

Petitioner in this matter is Yen Trinh, License No. 68-21156. She is represented by Justin R. Jensen on behalf of Tran Law Group, PS. Counsel for Petitioner can be reached by mail to 787 Maynard Ave S, Seattle, WA 9810, by e-mail to Justin.jensen@tranlawfirm.com, by phone at 206-218-9417 or by fax to 206-625-1870.

**WSGC**

**OCT 01 2018**

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II. **CHALLENGED ACTION**

Petitioner challenges the Washington State Gambling Commission's (hereafter "WSGC" or "Commission") "Final Order on Petition for Review" - GMB No. CR 2016-1284, and 2016-01569 dated September 14, 2018. Petitioner challenges the Commission's finding that the record in this matter is sufficient to affirm the Administrative Law Judge's Initial Order revoking Yen Trinh's gambling license.

### III. LEGAL ISSUES

- 3.1 Whether Appellant/Licensee, Yen H. Trinh, between May 1, 2016 and May 6, 2016, and/or June 4, 2016 and June 20, 2016, engaged in cheating in violation of RCW 9.46.196 and/or a cheating conspiracy in violation of RCW 9.46.190?
- 3.2 Whether Appellant/Licensee, Yen H. Trinh, has established by clear and convincing evidence the necessary qualifications for licensure under RCW 9.46.153(1)?

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### IV. ARGUMENT

#### i. Yen Trinh's Gambling and Credibility

4.1 Yen Trinh did not participate in the cheating scheme at Macau Casino alleged by the Commission. The Initial Order at

4.9 found that "Over the three-month period when cheating was suspected, Macau Casino lost over \$750,000 on mini-baccarat gaming." (*Testimony of Means*) These losses are unrelated to Yen Trinh - she is only accused of cheating at Macau between June 4, 2016 and June 20, 2016. The evidence in the record cannot support holding Yen Trinh liable for any of Macau's mini-baccarat losses during this period, much less all of them.

4.2 The Initial Order at 4.14 found that a Macau dealer, Chandara Louer, "admitted to intentionally exposing cards to players, as part of a cheating scheme." She did not admit to any contact with Yen Trinh (or Dung Huynh) and said nothing to suggest Yen Trinh was aware of the scheme, participated in the scheme, or benefited from the scheme.

4.3 The Initial Order at 4.18 finds that in "In mini-baccarat, it is not uncommon for players to place the same, or similar, bets." 4.18 goes on to refer to testimony by Greg Means (at that time, Macau Casino's general manager): "Means observed that Huynh and Trinh almost always followed the betting pattern of the player (Heng)..." The Initial Order cannot establish the alleged cheating or cheating conspiracy on the strength of behavior that is "not uncommon" in mini-baccarat.

4.4 The Initial Order at 4.19 recounts Greg Means (former Macau general manager) testifying that Yen Trinh and Thachly

Heng approached Means personally to ask the floor supervisors to stand further away from the mini-baccarat tables before they "left the casino together." Later, at 4.80, the Initial Order makes a credibility finding regarding Yen Trinh's testimony. That finding includes a statement that "(2) Trinh denied ever speaking with Heng outside the casino. However, Macau Casino General Manager Gergory Means recalls in June 2016, Trinh and Heng came into the casino to ask him to tell the supervisors not to stand too close to the mini-baccarat tables when they were playing since it was 'bad luck.' Heng and Trinh then left the Casino together"). Trinh testified that she approached Mr. Means at Mr. Heng's request as a casino patron: that Ms. Trinh merely facilitated the request as an employee who knew Mr. Means (*Testimony of Trinh*). Further, her testimony that she never spoke with Mr. Heng outside the casino remains uncontested: Mr. Means did not see them communicate outside together, simply that they "left together."

4.5 Finding Ms. Trinh's credibility lacking, the initial order also noted: "it is hard to believe Trinh, a card dealer with over 14 years of experienced, [sic] was not aware of a card dealer lifting and exposing cards" because "in the video footage, the dealers can be seen exposing cards." When the video footage is slowed to a fraction of actual play speed and a

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Gambling Commission agent is pointing out every slight lift of a card from the table, the dealers can be seen exposing cards. However, Trinh did not have the benefit of testimony and instant playback - nor was she investigating (or under any duty to investigate) potential cheating. While the exposed cards may be apparent on review, it is entirely plausible that they did not appear obvious to a player at the table without the benefit of hindsight and video analysis.

4.6 The next allegation against Trinh's credibility in 4.80 is that "Trinh contends she never noticed Heng always sat at the 'third base'/'seat 9' position. However, Trinh always waited for Heng, in the 'third base'/'seat 9' position, to place his late bet before she mirrored his betting strategy. Further, she denied being aware of how other players were betting. Yet, she constantly mirrored Heng's betting pattern..." These conclusions do not actually reflect any inconsistency: Trinh admitted to following Heng's bets when he seemed to be doing well. (*Testimony of Trinh*) She denied being aware of how everyone else was betting. She mirrored Heng's bets without any special awareness of his spot at the table.

4.7 The Initial Order in 4.80 also finds a credibility gap where Ms. Trinh approached Greg Means with Mr. Heng to ask about having security step back from the tables. Rather than evidence

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of conspiracy, appellant argues the opposite conclusion: Were she engaged in a conspiracy with Mr. Heng, it would be obvious and self-destructive to approach the casino manager together (and her own supervisor) to ask for less attention from security staff. Rather than a participant in Heng's alleged conspiracy, Trinh was simply bringing the concerns of Heng, a player, to Means, the manager.

4.8 The Initial Order at 4.80 also notes Trinh "giving casino chips to Heng to gamble with" before noting that "at one point in the video footage, Trinh can be seen handing chips underneath the casino table to another player..." in its credibility finding. Trinh did not deny occasionally sharing chips with other players at the table. The video shows various players sharing chips with each other - this too is common and does not support a credibility finding in any particular direction.

4.9 Finally, the Initial Order at 4.80 notes "Trinh acknowledged she has a gambling addiction and often owed people money due to her addiction, which adds greater motivation to win and earn money in order to pay off her debts." First, Trinh's open admission of her addiction speaks to her truthfulness, not any lack thereof. She further clarified that she has given up gambling entirely.

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**ii. Gambling Commission Investigation - Selective and** **RECORDS**  
**Misleading Statistics**

4.10 The Initial Order at 4.38 finds "Special Agent Lohse reviewed 66 hands of mini-baccarat during the period of June 4, 2016 to June 20, 2016, wherein Huynh, Trinh, Heng and other were playing. Of those 66 hands, 47 hands resulted in a 'win' for the players..." Conspicuously absent from this review are the hundreds of other hands Trinh testified to playing before, during, and after that period. These hands, where Trinh won about 71%, are not representative. Indeed, the Commission willfully ignores the hundreds (or thousands) of hands played by Trinh at Macau and Freddie's outside the alleged cheating scheme where her statistical winnings (or losings, to be accurate) are unremarkable. In other words, the ALJ wrongly relied on "cherry-picked" statistics showing only Trinh's rare winning streaks to support its conclusion that she cheated.

**iii. Credibility Determination as to Greg Means**

4.11 All of the first-hand testimony regarding Ms. Trinh's alleged cheating at Macau casino were provided by the general manager, Greg Means. Since the entry of the Initial Order, Mr. Means has lost his own gambling license as a result of collusion with a much more serious criminal conspiracy taking place at Macau. His motives in reporting Ms. Trinh, and his credibility

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**RECORDS**

in testifying against her must be challenged. The Initial Order affirmed by the Commission relies heavily on Mr. Means' false, defamatory testimony despite clear evidence that such testimony was biased and that Mr. Means' trustworthiness was compromised.

**V. CONCLUSION**

5.1 The WSGC joins the Administrative Law judge in erroneously blaming Dung Huynh and Yen Trinh for irregular betting procedures banned by the Washington State Gambling Commission, but allowed at the time by Macau and Freddie's casinos. The Initial Order at 4.35 notes that "late bets" were allowed at both casinos - bets made after the cards were dealt (and potentially glimpsed by players). The order further notes that Washington casinos "no longer allow 'late bets'". It is not fair to ask players (be they licensed dealers or not) to determine what legal bets and strategies they will later be asked to account for. The casino policy of allowing 'late bets' invites uncertainty - it cannot be proven with any certainty that Dung Huynh or Yen Trinh had any knowledge of any mini-baccarat cards before they placed their bets. But due to the casinos' own policies, we cannot prove they did not have such knowledge. Moreover, Greg Means, as the manager for Macau, was fully aware of the late betting and himself permitted it. Now, with dubious motive, his testimony seeks to blame the players for the casino's mistakes. James Hosier, general manager



for Freddie's Casino, similarly seeks to shift the blame to Yen Trinh.

5.2 Having detected a statistical anomaly in mini-baccarat payouts, Macau and Freddie's produced video supporting their contention that a cheating scheme was to blame. But they have produced nothing showing that Dung Huynh or Yen Trinh individually or together took any substantial steps to aid in that cheating or benefited from it in any way. The WSGC has erred in affirming the ALJ's mistaken conclusion that essentially everyone sitting next to Thachly Heng was a co-conspirator with full knowledge of his exploits. There is nothing in the record to support this conclusion besides conjecture, hearsay, and highly misleading statistics.

5.3 The "late bets" that were the source of all the casinos' losses in the alleged cheating schemes have been properly banned. Huynh and Trinh are both innocent of any cheating, and to the degree they were "clued in" to the possibility of exploiting late bets by these proceedings, that opportunity is gone. Not only have Appellants not cheated in the past, but the rules have now been clarified to prevent even the *appearance* of impropriety. There is simply no evidence Ms. Trinh cheated on the alleged dates, and there is no possibility of her doing so in the future. In fact, she no longer plays mini-

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baccarat or gambles at all. She has comported herself candidly and honorably, and her license should be restored.

**VI. RELIEF SOUGHT**

6.1 Petitioner respectfully requests that the Commission reconsider its September 14, 2018 finding that the record in this matter is sufficient to issue its Final Order revoking Yen Trinh's gambling license.

Dated this 28th day of May, 2018.

Attorney Name: Justin Jensen,  
WSBA #38288  
Address: 787 Maynard Ave S,  
Seattle, WA 98104  
Telephone: 206.218.9417  
Fax: 206.625.1870

*/s/ Justin R. Jensen*

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Justin Jensen, WSBA #38288  
justin.jensen@tranlawfirm.com  
Of Attorneys for Petitioner  
Tran Law Group

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**BEFORE THE WASHINGTON STATE GAMBLING COMMISSION**

In the Matter of the Summary Suspension  
of the License to Operate Gambling  
Activities of:

YEN H. TRINH  
Washington,  
License No. 68-21156

Licensee.

OAH No. 06-2017-GMB-00024

GMB No. CR 2016-01284, 2016-01569

WASHINGTON STATE GAMBLING  
COMMISSION STAFF'S RESPONSE  
TO PETITION FOR  
RECONSIDERATION

The Washington State Gambling Commission Staff (Commission Staff), by and through its attorneys, ROBERT W. FERGUSON, Attorney General, and GREGORY J. ROSEN, Senior Counsel, respectfully present this Response to Petition for Reconsideration.

**I. PROCEDURAL HISTORY**

On March 8, 2017, the Director of the Washington State Gambling Commission issued a Notice of Administrative Charges in Ms. Trinh's case. On January 23-24, 2018, an administrative hearing was conducted before Administrative Law Judge (ALJ) T.J. Martin. On May 7, 2018, ALJ Martin issued an Initial Order that concluded that in May and June 2016, Yen Trinh engaged in cheating in violation of RCW 9.46.196 and in a cheating conspiracy in violation of RCW 9.46.190, and revoked her gambling license in accordance with RCW 9.46.075(1),(2), (8), and (10); and WAC 230-03-085(1), (3) and (8).

On May 28, 2018, Ms. Trinh filed a Petition for Review as to the ALJ's Initial Order. Commission Staff filed a response to the Petition for Review on June 29, 2018. On

1 September 14, 2018, the Commission heard oral argument from the parties on the Petition. Later  
2 on September 14, 2018, the Commission issued Final Order On Petition for Review that affirmed  
3 the ALJ's Initial Order.

4 On October 1, 2018, Ms. Trinh filed a Petition for Reconsideration of the Commission's  
5 Final Order (Petition). Commission Staff respectfully files this Response to the Petition for  
6 Reconsideration.

## 7 II. ISSUE

8 Should the Petition for Reconsideration be denied because it largely restates the same  
9 arguments that were previously presented to the Commission in Ms. Trinh's Petition for Review?

## 10 III. ARGUMENT

### 11 **The Petition for Reconsideration Should Be Denied Because It Largely Restates 12 the Same Arguments that Were Previously Presented to the Commission in Ms. 13 Trinh's Petition for Review**

14 Ms. Trinh's Petition appears to be little more than a restatement of her previously filed  
15 Petition for Review. For example, the Legal Issues raised in paragraphs 3.1 and 3.2 of the Petition  
16 appear to be identical to the Legal Issues previously raised in Ms. Trinh's Petition for Review at  
17 paragraphs 3.1 and 3.2. Further, the content set out in the Petition at paragraphs 4.1, 4.2, 4.3 and  
18 4.4 appears to be nearly identical to the content previously presented in Ms. Trinh's Petition for  
19 Review at paragraphs 4.1, 4.2, 4.3 and 4.4. Moreover, the date listed at the end of the Petition –  
20 May 28, 2018 – is the same date that the Petition for Review was filed. In sum, because the  
21 Petition does not appear to present new arguments, with one exception, it should be summarily  
22 denied.

23 Ms. Trinh appeared to present a new argument in her Petition's paragraph 4.11, which is  
24 titled "Credibility Determination as to Greg Means." Ms. Trinh argues in paragraph 4.11 that:

25 All of the first-hand testimony regarding Ms. Trinh's alleged cheating at Macau  
26 Casino were provided by the general manager, Greg Means. Since the entry of  
the Initial Order, Mr. Means has lost his own gambling license as a result of

1 collusion with a much more serious criminal conspiracy taking place at Macau.  
2 His motives in reporting Ms. Trinh, and his credibility in testifying against her  
3 must be challenged. The Initial Order affirmed by the Commission relies heavily  
4 on Mr. Means' false, defamatory testimony despite clear evidence that such  
5 testimony was biased and that Mr. Mean's' trustworthiness was compromised.

6 Ms. Trinh's argument regarding Mr. Means fails for several reasons.

7 First, despite Ms. Trinh's assertion in paragraph 4.11, Greg Means has not yet lost his  
8 gambling license. The Commission summarily suspended Mr. Means' gambling license on  
9 March 19, 2018, and he is currently scheduled for an administrative hearing on the  
10 Commission's Notice of Administrative Charges on February 5 - 8, 2019. The latter hearing will  
11 determine whether Mr. Means' gambling license will be revoked.

12 Second, Ms. Trinh's assertion that "a much more serious criminal conspiracy taking  
13 place at Macau" as to Mr. Means allows for a reasonable inference that Ms. Trinh, Mr. Huynh,  
14 and Mr. Heng were engaged in a less serious criminal conspiracy at Macau Casino.

15 Third, Ms. Trinh fails to show how the administrative charges now pending against Mr.  
16 Means affected his credibility as to his testimony in Ms. Trinh's case. Mr. Means' testimony  
17 during the hearing was based on his experience as a professional card counter and mini-baccarat  
18 card dealer, and was to a significant degree factual in nature. *See* Initial Order at 2-4.

19 Fourth, copious amounts of surveillance video of the cheating scheme that involved Ms.  
20 Trinh, Dung Huynh and Thachly Heng at the Macau Casino (and at Freddie's Casino) were  
21 admitted into evidence and played for the ALJ at the administrative hearing, along with extensive  
22 testimony by Commission Special Agent Jess Lohse, who testified to the significance of the  
23 surveillance video. Ms. Trinh's implicit suggestion that the Commission's case relied  
24 predominantly on Greg Means' testimony is not borne out by the sheer weight of the evidence.  
25 While Mr. Means provided helpful testimony on a number of points, the Commission's Staff's  
26 case was based primarily on the extensive amount of surveillance video presented at the hearing,

1 coupled with Special Agent Lohse's testimony explaining that video and the cheating scheme  
2 that Huynh, Trinh and Heng employed.

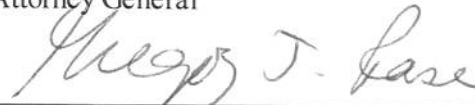
3 Finally, despite Ms. Trinh's conclusory statement that there was "clear evidence" Mr.  
4 Means' testimony was biased and that his trustworthiness was compromised, Ms. Trinh fails to  
5 show how or why either of those assertions are true. Thus, this contention also fails.

6 **IV. CONCLUSION**

7 For the above stated reasons, the Petition for Reconsideration should be denied.

8 DATED this 11 day of October, 2018.

9 ROBERT W. FERGUSON  
10 Attorney General

11 

12 GREGORY J. ROSEN, WSBA #15870  
13 Senior Counsel  
14 Attorney for Washington State  
15 Gambling Commission Staff  
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**DECLARATION OF SERVICE**

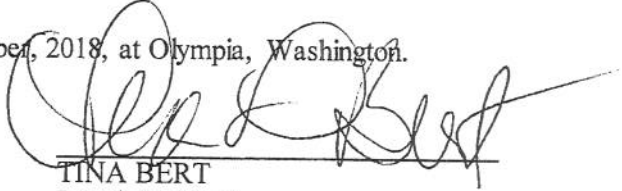
I declare that I served a true and correct copy of this document on all parties or their counsel of record on the date below as follows:

JUSTIN JENSEN  
TRAN LAW GROUP, PS  
787 MAYNARD AVE S  
SEATTLE, WA 98104

- U.S. mail via state Consolidated Mail Service (with proper postage affixed)
- courtesy copy via facsimile:
- courtesy copy via electronic mail:
- ABC/Legal Messenger

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

DATED this 11 day of October, 2018, at Olympia, Washington.



TINA BERT  
Legal Assistant

MAY 08 2018

WASHINGTON STATE  
OFFICE OF ADMINISTRATIVE HEARINGS

GOVERNMENT COMPLIANCE  
& ENFORCEMENT

In the matter of:

Yen H. Trinh,

Appellant/Licensee.

License No. 68-21156

Docket No. 06-2017-GMB-00024

**INITIAL ORDER**

Agency: Gambling Commission  
Program: Washington State Gambling  
Commission  
Agency No. 2016-01284 and 2016-01569

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**1. ISSUES**

- 1.1. Whether the Appellant/Licensee, Yen H. Trinh, between May 1, 2016 and May 6, 2016 and/or June 4, 2016 and June 20, 2016, engaged in cheating in violation of RCW 9.46.196 and/or a cheating conspiracy in violation of RCW 9.46.190?
- 1.2. If so, whether her gambling license should be revoked in accordance with RCW 9.46.075(1),(2),(8), & (10) and WAC 230-03-085(1),(3) & (8)?

**2. ORDER SUMMARY**

- 2.1. **Yes.** The Appellant/Licensee, Yen H. Trinh, in May 2016 and June 2016 engaged in cheating in violation of RCW 9.46.196 and in a cheating conspiracy in violation of RCW 9.46.190.
- 2.2. **Affirmed.** Yen H. Trinh's gambling license is revoked in accordance with RCW 9.46.075(1),(2),(8) & (10) and WAC 230-03-085(1),(3) & (8).

**3. HEARING**

- 3.1. Hearing Dates: January 23, 2018 and January 24, 2018
- 3.2. Appellant: Yen Trinh ('Appellant')
  - 3.2.1. Representative: Justin R. Jensen, Attorney
  - 3.2.2. Witnesses: Dung Huynh, Appellant's spouse

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- 3.3. Agency: Gambling Commission Board Staff ('GMB')
- 3.3.1. Representative: Gregory J. Rosen, Senior Counsel
- 3.3.2. Witnesses: Jess Lohse, Gambling Commission Special Agent  
Keith Wittmers, Gambling Commission Special Agent  
Gregory Means, Macau Casino General Manager  
James Hosier, Freddie's Casino General Manager
- 3.4. Exhibits: GMB's Exhibits 1 through 11 were admitted.  
Appellant's Exhibit A was admitted.
- 3.5. Interpreter Services: Khanh Nguyen, Four Corners Court Services
- 3.6. Observers: Huynh Mason, Dung Huynh's son
- 3.7. Consolidation: For purposes of the evidentiary hearing, the cases of  
Dung N. Huynh (OAH No. 06-2017-GMB-00023) and  
Yen H. Trinh (OAH No. 06-2017-GMB-00024) were  
heard at the same time.

#### 4. FINDINGS OF FACT

The undersigned administrative law judge finds the following facts by a 'preponderance of the evidence':

##### ***Jurisdiction***

- 4.1. On March 8, 2017, the Washington State Gambling Commission ('GMB') filed a 'Notice of Administrative Charges' against Yen H. Trinh ('Appellant').
- 4.2. On March 27, 2017, Ms. Trinh, represented by Justin R. Jensen, attorney, filed a 'Request for Administrative Hearing and Interpreter' with the Washington Gambling Commission.

##### ***Macau Casino Cheating***

- 4.3. On June 17, 2016, Gregory Means ('Means'), General Manager of the Macau Casino, contacted Washington State Gambling Commission Special Agent Jess Lohse, regarding possible cheating going on at the casino. *Testimony of Gregory Means (hereinafter 'Testimony of Means')* and *Testimony of Jess Lohse (hereinafter 'Testimony of Lohse')*.
- 4.4. Means told Special Agent Lohse he believed several people, including Dung Huynh and his spouse, Yen Trinh, Thachly Heng, Loan Phan, and Bao-Anh Nguyen-Do, were involved in a scheme to cheat the casino in the game of mini-baccarat. *Testimony of Means.*

- 4.5. In mini-baccarat, two hands of cards are dealt: one to the 'Player' and the other to the 'Banker'. Players do not hold their own individual hands. Rather, players bet for either the 'Player' or the 'Banker' to come closer to nine or to tie (which is the least common of the three, possible outcomes). *Testimony of Jess Lohse (hereinafter 'Testimony of Lohse') and Exhibits ('Exs.')* 2 & 3.
- 4.6. In mini-baccarat, the players place their bets prior to any cards being dealt to the 'Player' and the 'Banker'. However, a player can place an 'early bet', prior to the cards being dealt, to have all of the cards dealt 'face down'. *Testimony of Means and Exs. 2 & 3.*
- 4.7. Under the 'face down' method, Means believed a person sitting in a particular seat at the table known as 'third base' or 'seat 9' position could see the value of the cards, when dealt face down, if the cards were lifted high enough off of the table to be 'exposed' or 'flashed'. *Testimony of Means.*
- 4.8. Means, after watching video footage, determined Huynh, Trinh, and several others were working in concert with the person sitting at 'third base'/'seat 9' position, who was relaying to the others how to bet, after seeing the 'exposed'/'flashed' cards. The person in the 'third base' position would place his bet and the others, including Huynh and Trinh, would follow his bet. *Testimony of Means.*
- 4.9. Over the three-month period when cheating was suspected, the Macau Casino lost over \$750,000 on mini-baccarat gaming. *Testimony of Means.*
- 4.10. Means also noted that certain dealers, later determined to be exposing cards, received significantly higher tips than normal. Means determined the high tips were likely the result of players winning more often, resulting in more frequent tipping of their card dealers. *Testimony of Means.*
- 4.11. Means had observed Huynh and Trinh, both card dealers at the casino since 2011, repeatedly call in sick to work, but show up to play mini-baccarat with Heng and several other people who were suspected of cheating. *Testimony of Means.*
- 4.12. Means observed card dealer Chandara Loeur (hereinafter 'Loeur') intentionally expose cards, by lifting the edge of each card as she dealt them, while Huynh, Trinh and Heng were playing at the table. She did not expose cards when the three were not playing. *Testimony of Means.*
- 4.13. Means observed Huynh, Trinh, Heng, and several other players follow Loeur as she moved from one table to another, during her regular card dealing rotation. *Testimony of Means.*
- 4.14. When later confronted by Means and the Gambling Commission, Loeur admitted to intentionally exposing cards to players, as part of a cheating scheme. Her card dealer license was subsequently revoked. *Testimony of Lohse and Ex. 5.*

- 4.15. Means reviewed additional video footage of Huynh, Trinh, and Heng playing mini-baccarat. He noticed the three, along with several other people, follow another card dealer, Teresa Li, from table to table. Lee appeared to be inadvertently exposing cards to players when dealing. *Testimony of Means.*
- 4.16. The lifting up of any portion of a 'face down' card from off of the table as it is being dealt is considered 'bad dealing', since it exposes the card values to players sitting at the table. *Testimony of Means.*
- 4.17. Means, a professional card counter and experienced mini-baccarat card dealer, in reviewing video footage, observed Huynh, Trinh, Heng, and several other players 'bet late', meaning they would place their bets after the cards had been dealt and exposed cards had been shown. *Testimony of Means.*
- 4.18. In mini-baccarat, it is not uncommon for players to place the same, or similar, bets. However, in reviewing video footage, Means observed Huynh and Trinh almost always followed the betting pattern of the player (Heng) at 'third base' or 'seat 9', who could directly observe the 'exposed' cards as they were being dealt from the shoe (card deck). *Testimony of Means.*
- 4.19. Means recalled in June 2016, Trinh and Heng came into the casino together and asked to speak to Means. Trinh and Heng requested Means to tell the floor supervisors not to stand near the mini-baccarat tables while they were playing since it was 'unlucky'. Trinh and Heng then left the casino together. Means believes Trinh and Heng's request was to prevent casino personnel from observing the cheating by the group of players. *Testimony of Means.*
- 4.20. Mean noted that prior to 2016, Huynh usually didn't bet, but rather watched his spouse, Yen Trinh, gamble. However, in 2016, Huynh began aggressively betting and playing as much as his spouse. The amount of Trinh's wagers increased significantly in 2016 as well. *Testimony of Means.*

### ***Freddie's Casino Cheating***

- 4.21. Around the same time in June 2016, James Hosier ('Hosier'), General Manager of Freddie's Casino, contacted Washington State Gambling Commission Special Agent Keith Wittmer ('Wittmer') regarding possible cheating at the casino. *Testimony of James Hosier (hereinafter 'Testimony of Hosier') and Testimony of Keith Wittmer (hereinafter 'Testimony of Wittmer') and Ex. 8.*
- 4.22. Hosier identified Dung Huynh, Yen Trinh, and Thachly Heng as involved in possible cheating at mini-baccarat. *Testimony of Hosier and Ex. 8.*

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- 4.23. During the period when cheating was suspected of going on, the casino lost over \$35,000 in a three-day period, on May 1<sup>st</sup>, May 2<sup>nd</sup> and May 6<sup>th</sup>, 2016. While card dealer tips jumped from \$200 per hour to \$600, which usually doesn't change unless players are winning. Both the loss to the casino and the spike in tips at the mini-baccarat gaming tables were 'highly irregular' and raised an immediate suspicion of cheating by Hoiser, who had been a card dealer since 1980. *Testimony of Hosier and Ex. 8.*
- 4.24. Hosier also observed on video any time there was a 'natural nine' dealt (best possible outcome), after the cards had been exposed, Huynh, Trinh, and Heng bet 'big' or the maximum bet allowed at the table. *Testimony of Hosier and Ex. 8.*
- 4.25. Hosier reviewed video footage of mini-baccarat and observed 'significant action' only after the cards had been dealt. This 'significant action' included late bets and maximum bets by the players, when exposed cards were likely dealt. *Testimony of Hosier and Ex. 8.*
- 4.26. Hosier provided eight days of video footage to Special Agent Wittmer of the Washington State Gambling Commission. The eight days included when Hosier believed Huynh, Trinh, Heng, among others, were engaged in cheating at the casino. *Testimony of Hosier and Ex. 8 & 10.*
- 4.27. Hosier observed one dealer, Hongyan Chen, unintentionally exposing cards while Huynh, Trinh, and Heng were playing at her mini-baccarat table. *Testimony of Hosier and Exs. 8 & 10.*
- 4.28. Hosier observed Huynh, Trinh, and Heng follow the card dealers, including Chen, who were exposing cards at their various tables, rather than staying at the same table. The activity of following a dealer was 'highly irregular'. *Testimony of Hosier.*
- 4.29. Hosier was familiar with Huynh, Trinh, and Heng, since Huynh and Trinh were both dealers at the Macau Casino. The three had never been 'big players'. However, during the period of possible cheating, the three players were playing more frequently and winning significantly more than they had ever won before. *Testimony of Hosier.*
- 4.30. Hosier observed Heng always sat at the 'third base'/'seat 9' position, while Huynh and Trinh sat across the table from him, in seats 2 and 3. Huynh and Trinh always followed Heng's late wagers and never went against his bets. *Testimony of Hosier and Ex. 8 & 10.*

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- 4.31. Hosier noted the players at the table, including Huynh and Trinh, took turns placing an early bet to ensure the cards were dealt 'face down', to allow Heng to view the exposed cards and then place his bet. Huynh and Trinh would then follow Heng's bet. To Hosier, the taking of turns by players at the table to place an early bet to ensure the cards were dealt 'face down', showed a conspiracy among the players. *Testimony of Hosier.*
- 4.32. Hosier, a card dealer since 1980, had never seen everyone betting the same, including changing bets or taking bets back, based on the late bets of another player. Such a betting pattern was 'incredibly suspicious'. *Testimony of Hosier.*
- 4.33. After reviewing footage of the alleged cheating by Huynh, Trinh, Heng, and several others, based on his three decades as a card dealer, Hosier had 'no doubt' all of the players were involved in the cheating scheme. *Testimony of Hosier.*
- 4.34. Washington State Gambling Commission Special Agent Keith Wittmer also reviewed the video footage from Freddie's Casino, provided by Hoiser. Wittmer was certain cards were being exposed and dealers, such as Huynh and Trinh, who were also experienced card dealers, would see it and take advantage of it. *Testimony of Wittmer and Exs. 8, 9, & 10.*
- 4.35. In May and June 2016, during the period in question, both the Macau Casino and Freddie's Casino, both allowed players to place 'late bets', meaning players could place bets after the cards had been dealt. However, casinos in the State of Washington no longer allow 'late bets' due to the prevalence of cheating. *Testimonies of Means and Hoiser.*

### ***Gambling Commission Investigation***

- 4.36. On July 19, 2016, the Washington State Gambling Commission ('Gambling Commission') opened an investigation regarding a possible scheme to defraud Macau Casino in Tukwila, Washington and Freddie's Casino in Renton, Washington. *Testimony of Lohse and Exhibit ('Ex.') 1.*
- 4.37. As a part of the Gambling Commission's investigation, Special Agent Lohse retained and reviewed over 100 hours of video, in which Specials Agents Means and Wittmer believed cheating by Huynh, Trinh, and Heng, and others was occurring. *Testimony of Lohse and Exs. 1, 4, 6, 7 & 10.*
- 4.38. Special Agent Lohse reviewed 66 hands of mini-baccarat, during the period of June 4, 2016 to June 20, 2016, wherein Huynh, Trinh, Heng and other were playing. Of those 66 hands, 47 hands resulted in a 'win' for the players, a 71%-win rate for game with player odds of less than 50/50. *Testimony of Lohse and Exs. 1, 4, 6, 7 & 10.*

- 4.39. In reviewing the video footage from the Macau Casino and Freddie's Casinos, Lohse determined card dealer Teresa Lee was lifting the edge of each card in order to slide the card across the table when dealing, thereby exposing cards to the player (Heng) in the third base/seat 9 position. After Heng saw the exposed cards and placing his bet, Huynh and Trinh would then follow suit. *Testimony of Lohse and Exs. 1, 4, 6, 7 & 10.*
- 4.40. At the hearing, Special Agent Lohse presented 20 video clips showing what he believed was cheating by Huynh, Trinh, Heng, and others at the Macau Casino. *Exs. 4, 6, 7, & 10*
- 4.41. Special Agent Lohse noted Heng, followed by Huynh and Trinh, made large bets when cards were 'flushed'/'exposed' by the card dealer. The three wouldn't bet when cards were not exposed. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.42. As experienced mini-baccarat card dealers, Huynh and Trinh could observe when cards were being exposed/flushed by the dealer. *Testimony of Lohse.*
- 4.43. After reviewing the 100 hours of video from May and June 2016, Lohse determined card dealer Lee was lifting cards off of the table in order to deal them, thereby unintentionally exposing cards to the player at 'third base'/'seat 9' position. As a result, Lee was considered a 'weak dealer' since she did not appear to be taking part in any scheme or arrangement to cheat the casino. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.44. Special Agent Lohse noted Heng always took up the 'third base'/'seat 9' position. He would then lean down in his seat, and observe the cards being lifted as they were dealt from the shoe (card deck). Based on seeing these exposed cards, Heng would then place a bet. Huynh and Trinh would then follow his wager. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.45. A critical part of the cheating scheme was placing a bet prior to the cards being dealt to ensure cards were dealt 'face down'. If cards are not dealt 'face down', then the scheme doesn't work since players would have to bet prior to any cards being dealt and possibly 'exposed'. *Testimony of Lohse.*
- 4.46. Huynh, Trinh, and other players took turns placing an early bet to ensure cards were dealt 'face down', thereby allowing the 'third base player' (Heng) to see the exposed cards as they were dealt. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*

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- 4.47. During several video clips, Huynh or Trinh would place an early bet to ensure the cards were dealt 'face down'. He or she would then remove the wager, if it went against the 'third base'/'Seat 9' player's (Heng) wager, who had seen the exposed cards and knew the outcome of the hand. Huynh or Trinh would remove their wager to prevent losing any money on the hand. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.48. During one of the video clips, an unknown player is sitting in the 'third base'/'seat 9' position. No exposing of cards appears to be taking place. However, upon Heng's arrival, Heng asks the person to move to another seat at the table. At that point, with Heng in the 'third base'/'seat 9' position, the exposing of cards by the dealer occurs with Huynh, Trinh, and Heng placing wagers accordingly. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.49. Lohse also noted that on at least one occasion, Trinh can be seen providing casino chips to Heng so he could gamble or else wager on her behalf. *Testimony of Lohse and Exs. 4, 6, 7, & 10.*
- 4.50. Lohse also noted that on at least one occasion, Trinh can be seen on the video handing casino chips to another player under the table so a bet could be made for her, who had pulled her early bet back after seeing Heng bet the opposite of her early wager. *Testimony of Lohse and Exs. 4, 6, 7, & 10.*
- 4.51. Card dealers routinely move tables every half an hour. Huynh, Trinh, and Heng routinely followed the card dealer, often Teresa Lee, who was intentionally exposing cards to the 'third base'/'seat 9' position, and Hongyan Chen, who was unintentionally flashing cards. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.52. Huynh and Trinh, as well as other players, never bet opposite Heng, when he placed a late bet after seeing the exposed cards. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.53. Special Lohse could find no video footage of Huynh or Trinh initiating bets, before Heng had placed his bet. Only after cards were exposed and Heng bet, did Huynh and Trinh follow Heng's lead in betting. *Testimony of Lohse.*
- 4.54. After it was discovered Chen was unintentionally exposing cards as she dealt, she was retrained by the casino, to ensure no further unintentional exposure of cards occurred. *Testimony of Lohse.*
- 4.55. Special Agent Lohse noted people gamble in order to win. Player will often use any advantage that helps them to win. *Testimony of Lohse.*
- 4.56. If players see the cards prior to placing a bet, then it is no longer gambling. It is cheating, since players already know the outcome of the hand. *Testimony of Lohse.*

- 4.57. Based on his training and experience, Special Agent Lohse had 'no doubt' Huynh, Trinh, and Heng were cheating. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.58. The Appellant has never been accused of cheating prior to the present matter.

***Testimony of Huynh (Appellant's Spouse)***

- 4.59. Dung Huynh, the Appellant's spouse, has been a licensed card dealer in the State of Washington since 2005. *Testimony of Dung Huynh (hereinafter 'Testimony of Huynh').*
- 4.60. At the time of the period under investigation, Huynh was working as a licensed card dealer at the Macau Casino in Tukwila, Washington. *Testimony of Huynh.*
- 4.61. Huynh was previously cited, in 2013, by the Washington State Gambling Commission, for failing to report tips received as a card dealer. *Ex. 1; Page ('Pg.')* 5.
- 4.62. At the hearing, Huynh denied cheating, or ever discussing cheating with anyone. He denied observing the flashing or exposing of cards by other casino card dealers. When he gambled, he only followed "whoever was lucky". *Testimony of Huynh.*
- 4.63. Huynh acknowledged seeing card being flashed by certain dealers, but "didn't know what it meant." *Testimony of Huynh.*
- 4.64. Even if Huynh suspected the exposing of cards and/or cheating was going on, he never reported his suspicions to either his employer, the Macau Casino, or to Freddie's Casino staff. *Testimony of Lohse.*
- 4.65. Huynh contends he only gambled when his wife (Trinh) was losing. At all other times, he asserted he just slept at the gambling tables while she played. *Testimony of Huynh.*
- 4.66. Huynh alleged he lost more money than he won during the period of time under review. However, he could provide no proof of his losses. *Testimony of Huynh.*
- 4.67. Based on the Huynh's denial of cheating, a credibility finding is warranted regarding his testimony versus the testimony of the Gambling Commission Board Staff's witnesses. The undersigned administrative law judge does not find the Huynh's testimony credible for several reasons: (1) Huynh acknowledged in 2013 he failed to report the tips he received, an act of dishonesty; (2) He asserted that he did not gamble and usually just watched his spouse, Yen Trinh, or slept at the table. He asserted he only gambled when his spouse was losing, in order to cover their losses. However, review of the video evidence shows not only was he not sleeping or 'just watching' Yen Trinh, he was actively engaged in wagering, often matching his spouse's aggressive betting at mini-baccarat while the alleged cheating was going on; (3) Huynh acknowledged he saw certain dealers exposing cards but 'didn't



know what it meant'. The undersigned administrative law judge is skeptical a licensed card dealer with over 12 years' experience could recognize the exposing of cards but remain unclear what it meant; (4) Based on the video evidence, Huynh was working closely with his wife, Yen Trinh, in playing at certain mini-baccarat tables where weak dealers or dealers intentionally flashing cards were working. Further, the Huynh moved from table to table, along with Trinh and Heng, who were also following those 'weak' dealers or card dealers intentionally exposing cards; and (5) The undersigned administrative law judge is highly skeptical that Huynh never spoke with his spouse, Yen Trinh, about possible exposed cards by certain dealers. Further, it is highly questionable Huynh was not aware that his spouse and Heng approaching Macau management about not having supervisors near the table since it was 'bad luck'; and (6) Finally, as an experienced dealer, Huynh would likely know when a successive of wins went beyond 'mere luck' to something more along the lines of cheating. For these reasons, the undersigned administrative law judge does not find the Huynh's testimony credible.

### ***Testimony of Yen Trinh***

- 4.68. Yen Trinh has been a licensed card dealer in the State of Washington since 2005. *Testimony of Yen Trinh (hereinafter 'Testimony of Trinh')*.
- 4.69. At the time of the period under investigation, Trinh was working as a card dealer at the Macau Casino, along with her spouse, Dung Huynh. *Testimony of Trinh*.
- 4.70. Trinh acknowledged in 2013 she was fined for failing to report income from tips. *Testimony of Trinh*.
- 4.71. Trinh denied cheating or ever seeing any card dealer lifting cards, thereby exposing them to players at the table. *Testimony of Trinh*.
- 4.72. Trinh contends she is 'not a skilled gambler' and has lost more than she has ever won at gambling. *Testimony of Trinh*.
- 4.73. Trinh denied being aware of how other players were betting at the table. *Testimony of Trinh*.
- 4.74. She admits she is a gambling addict. At one point, she admitted she was over \$100,000 in debt due to her excessive gambling. *Testimony of Trinh and Ex. A*.
- 4.75. Trinh asserts she has spoken with Heng, but never about cheating and was not aware he was cheating. *Testimony of Trinh*.
- 4.76. Trinh asserted it was 'too risky' to cheat, so she doesn't do it. *Testimony of Trinh*.
- 4.77. Trinh asserts she has never seen anyone cheat and would have reported it had she seen anything like it going on. *Testimony of Trinh*.
- 4.78. Trinh denied being involved in any kind of conspiracy to cheat. *Testimony of Trinh*.

- 4.79. Trinh acknowledged playing with Heng at the Macau Casino and Freddie's Casinos, but denied ever speaking with Heng outside of the casino. *Testimony of Trinh.*
- 4.80. Based on the Trinh's denial of cheating, a credibility finding is warranted regarding her testimony versus the testimony of the Gambling Commission Board Staff's witnesses. The undersigned administrative law judge does not find the Trinh's testimony credible for several reasons: (1) Trinh acknowledged failing to disclose tip income in 2013, an act of dishonesty; (2) Trinh denied ever speaking with Heng outside the casino. However, Macau Casino General Manager Gregory Means recalls in June 2016, Trinh and Heng came into the casino to ask him to tell the supervisors not to stand too close to the mini-baccarat tables when they were playing since it was 'bad luck'. Heng and Trinh then left the casino together; (3) Trinh denies ever seeing anyone cheat or anyone exposing cards. However, in the video footage, the dealers can be seen exposing cards. It is hard to believe Trinh, a card dealer with over 14 years of experienced, was not aware of a card dealer lifting and exposing cards; (4) Trinh contends she never noticed Heng always sat at the 'third base'/'seat 9' position. However, Trinh always waited for Heng, in the 'third base'/'seat 9' position, to place his late bet before she mirrored his betting strategy. Further, she denied being aware of how other players were betting. Yet, she constantly mirrored Heng's betting pattern after he would place a late bet as well as followed Heng when he would move to follow a 'weak dealer' or 'exposing dealer' to another table. Trinh was aware of other people at the table and worked with others placing an early bet so the cards would be dealt 'face down'; and (5) Trinh denied any conspiracy to cheat but came with Heng to ask that casino supervisors more away from their table when they were gambling which allowed them to cheat without being observed; (6) In addition, Trinh is also observed giving casino chips to Heng to gamble with, or else wager on her behalf. Further, at one point in the video footage, Trinh can be seen handing chips underneath the casino table to another player so he can place a bet for her, after she pulled her bet from the table since it was opposite Heng's late bet; and (7) Finally, Trinh acknowledged she has a gambling addiction and often owed people money due to her addiction, which adds greater motivation to win and earn money in order to pay off her debts. For these reasons, the undersigned administrative law judge does not find Trinh's testimony credible.

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## 5. CONCLUSIONS OF LAW

Based upon the facts above, the undersigned administrative law judge makes the following conclusions:

### ***Jurisdiction***

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

### ***Burden of Proof***

5.2. RCW 9.46.153(1) requires licensees to prove their continuing eligibility for licensure:

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[.] ***Emphasis Added.***

5.3. 'Clear and convincing evidence', as that term is used in RCW 9.46.153(1), is a higher burden of proof than a 'preponderance of the evidence'. See *Hardee v. Department of Social and Health Services*, 172 Wn.2d 1, 6-18, 256 P.3d 339 (2011).

### ***Revocation of Card Room Gambling License***

5.4. RCW 9.46.075 is the Commission's legislative grant of authority to deny, suspend, or revoke gambling licenses or permits:

The commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein:

(1) has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(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;

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

*RCW 9.46.075(1),(2),(8) & (10).*

5.5. Further, the Commission is also authorized by its administrative rules, specifically, WAC 230-03-085 to deny, suspend, or revoke an application, license, or permit:

We [referring to the Commission] may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

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

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

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

*WAC 230-03-085(1),(3) & (8).*

5.6. RCW 9.46.196 defines 'cheating' as:

(1) Employ or attempt to employ any device, scheme, or artifice to defraud any other participant or any operator;

(2) Engage in any act, practice, or course of operation as would operate as a fraud or deceit upon any other participant or any operator;

(3) Engage in any act, practice, or course of operation while participating in a gambling activity with the intent of cheating any other participant or the operator to gain an advantage in the game over the other participant or operator; or

(4) Cause, aid, abet, or conspire with another person to cause any other person to violate subsections (1) through (3) of this section.

5.7. RCW 9.46.190' Violations relating to fraud or deceit' establishes:

Any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation:

(1) Employ any device, scheme, or artifice to defraud; or

(2) Make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made not misleading, in the light of the circumstances under which said statement is made; or

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;

5.8. Finally, RCW 9A.28.040(1) 'Criminal conspiracy' provides:

(1) A person is guilty of criminal conspiracy when, with intent that conduct constituting a crime be performed, he or she agrees with one or more persons to engage in or cause the performance of such conduct, and any one of them takes a substantial step in pursuance of such agreement.

5.9. At the hearing, the Appellant argued there is no direct evidence of cheating, that any evidence is purely circumstantial in nature. While the undersigned administrative law judge concedes no direct evidence, such as an admission or direct observation of cheating by the Appellant, the totality of the evidence provides little doubt the Appellant cheated and engaged in a cheating conspiracy in May and June of 2016. This 'totality of evidence' includes: (1) The Appellant, along with her spouse and several other individuals, were under investigation for cheating by two, separate casinos at the same time; (2) The Appellant's win rate of over 70%, in a game in which the odds are less than 50/50, raises a high suspicion of cheating. Essentially, the Appellant, along with several others, were winning nearly three out of every four hands dealt, in a game that most people only win half of the time, at best; (3) The Gambling Commission Board Staff witnesses, experienced in card dealing and observing cheating, had 'no doubt' that cheating was going by means of seeing 'exposed' or 'flashed' cards; (4) The Appellant having 12 years of experience in card dealing likely saw cards being

exposed/flushed and took advantage of it; (5) The Appellant can be seen handing casino chips under the table to another player to bet on her behalf, after pulling her wager since it was opposite the bet made by Heng, who had seen the outcome of the hand. This act of intentionally concealing the transfer of chips is highly suspicious of anything other than cheating; (6) Further, the Appellant and Heng went into the Macau Casino in order to ask staff to not stand so close while they were playing, under the guise of 'bad luck. However, asking staff to stand back in order to allow the cheating to continue without detection is a more plausible reason for the request; (7) The Appellant's win rate went well beyond mere luck or a hot streak, since she won over 70% of the time she sat down at a mini-baccarat table; and (8) Finally, the Appellant admitted to a gambling addiction, thereby establishing a motive for cheating in order to pay off her debts.

- 5.10. The undersigned administrative law judge is convinced and left with little to no doubt, the Appellant was aware of cards being flashed and took advantage of the scheme for her economic benefit of winning over 70% any time she placed a bet at mini-baccarat. Based on these facts, the Appellant cheated, as defined by RCW 9.46.196. Therefore, the Appellant, in May and June of 2016, violated RCW 9.46.190.
- 5.11. The Appellant contends she had no knowledge of any conspiracy to cheat going on while she was gambling at mini-baccarat. The undersigned administrative law judge disagrees. As previously established, the Appellant, along with Heng, went into the Macau Casino together to ask casino staff to stand away while they gambled as it was 'bad luck'. However, the two, working together, demonstrate a conspired plan to continue to cheat without detection. Further, she also placed early wagers, in concert with the other players, to ensure the cards were dealt 'face down', in order to allow the exposing of cards to occur. The taking turns by the players, including the Appellant, demonstrates the players were working as a group to conduct the cheating scheme.
- 5.12. Based on these facts, the undersigned administrative law judge is convinced the Appellant worked with her spouse, Huynh, and several other players to cheat at mini-baccarat thereby defrauding two casinos in May and June 2016. As a result, the Appellant engaged in a 'criminal conspiracy', consistent with RCW 9A.28.040.
- 5.13. Based on the above-cited 'Findings of Fact' and 'Conclusions of Law', the Appellant has failed to demonstrate by 'clear and convincing evidence' that she is qualified for licensure, consistent with RCW 9.46.153(1).

5.14. As a result, the Appellant, Yen Trinh's gambling license is revoked in accordance with RCW 9.46.075(1),(2),(8), & (10) and WAC 230-03-085(1),(3) & (8).

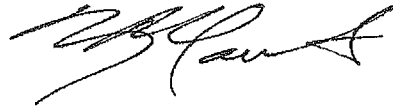
## 6. INITIAL ORDER

### IT IS HEREBY ORDERED THAT:

6.1. **Yes.** The Appellant/Licensee, Yen H. Trinh, in May 2016 and June 2016 engaged in cheating in violation of RCW 9.46.196 and in a cheating conspiracy in violation of RCW 9.46.190.

6.2. **Affirmed.** Yen H. Trinh's gambling license is revoked in accordance with RCW 9.46.075(1),(2),(8),&(10) and WAC 230-03-085(1),(3) &(8).

Issued from Tacoma, Washington on the date of mailing.



---

TJ Martin  
Administrative Law Judge  
Office of Administrative Hearings

**CERTIFICATE OF SERVICE ATTACHED**

## PETITION FOR REVIEW

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

Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504

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

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



**CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 06-2017-GMB-00024**

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

<p>Yen H. Trinh 34703 30th Avenue SW Federal Way, WA 98023 <b>Appellant</b></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>Timothy T. Tran Justin Jensen Tran Law Group, PS 787 Maynard Ave S. Seattle, WA 98104-2987 <b>Appellant Representative</b></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>Gregory J. Rosen, AAG Office of the Attorney General MS: 40100 1125 Washington St Se P.O. Box 40100 Olympia, WA 98504 <b>Agency Representative</b></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>
<p>Haylee Mills Washington State Gambling Commission MS: 42400 P.O. Box 42400 Olympia, WA 98504 <b>Department Representative</b></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, May 07, 2018

OFFICE OF ADMINISTRATIVE HEARINGS



Ricci Frisk  
Legal Administrative Manager



STATE OF WASHINGTON  
GAMBLING COMMISSION

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

September 20, 2018

YEN H. TRINH  
34703 30<sup>TH</sup> AVENUE SW  
FEDERAL WAY WA 98023

**RE: ADMINISTRATIVE ACTION; CR 2016-01284, 2016-01569**

Dear Ms. Trinh:

Enclosed is a Final Order on Petition for Review entered by the Commission on September 14, 2018, affirming the Administrative Law Judge's Initial Order.

You have the right to move for reconsideration of this Order. If you do so, we must receive your request by the 10<sup>th</sup> day after the Order was mailed. Your motion must include the specific grounds upon which relief is requested and must be submitted to:

Washington State Gambling Commission  
Attention: Legal & Records Division  
P.O. Box 42400  
Olympia, WA 98504-2400

You also have the right to submit a Petition for Judicial Review. If you do this, you must submit it within 30 days of the date the Order was mailed. See RCW 34.05.542 for additional information.

This is not meant to be a full explanation of all the statutes and regulations you would need to understand a Motion for Reconsideration or Petition for Judicial Review. Please call me at (800) 345-2529, extension 3475, with any questions.

Sincerely,

Haylee P. Mills, Staff Attorney  
Legal & Records Division

Enclosure

CC: Justin Jensen, Tran Law Group



BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of the Summary Suspension  
of the License to Operate Gambling  
Activities of:

YEN H. TRINH

License No. 68-21156

Licensee.

OAH NO. 06-2017-GMB-00024

GMB NO. CR 2016-1284, 2016-01569

~~PROPOSED~~-FINAL ORDER ON  
PETITION FOR REVIEW

THIS MATTER came on for hearing before the undersigned Commissioners of the Washington State Gambling Commission at the Commission's regularly scheduled meeting on September 14, 2018 in Spokane, Washington, on Licensee Yen H. Trinh's Petition For Administrative Review of Administrative Law Judge T.J. Martin's Initial Order revoking Yen Trinh's gambling license. The Licensee was represented by attorney Justin Jensen. Agency Staff was represented by Senior Counsel Gregory J. Rosen. The Commission had before it the entire record of the proceedings that were previously before the Administrative Law Judge, as well as Ms. Trinh's Petition For Review and Agency's Staff's Response To Petition For Review.

Following argument by counsel and review of the record, the Commission finds that the record in this matter is sufficient to issue this FINAL ORDER and hereby Orders as follows:

IT IS ORDERED that the Administrative Law Judge's Initial Order revoking Yen Trinh's gambling license heretofore made and entered in this matter be, and the same hereby is, AFFIRMED.

DATED this 14 day of September, 2018.

  
BUD SIZEMORE, CHAIR

  
JULIA PATTERSON, VICE-CHAIR

  
CHRIS STEARNS, COMMISSIONER

  
ALICIA LEVY, COMMISSIONER

ED TROYER, COMMISSIONER

NOTICE: RECONSIDERATION

PURSUANT TO THE PROVISIONS OF RCW 34.05.470 AND WAC 230-17-140 YOU MAY FILE A PETITION FOR RECONSIDERATION WITH THE COMMISSION WITHIN TEN (10) DAYS FROM THE DATE THIS FINAL ORDER IS SERVED UPON YOU. ANY REQUEST FOR RECONSIDERATION MUST STATE THE SPECIFIC GROUNDS FOR THE RELIEF REQUESTED. PETITIONS MUST BE DELIVERED OR MAILED TO:

WASHINGTON STATE GAMBLING COMMISSION  
P.O. BOX 42400  
OLYMPIA, WA 98504-2400

NOTICE: PETITION FOR JUDICIAL REVIEW

YOU ALSO HAVE THE RIGHT TO APPEAL THIS FINAL ORDER TO SUPERIOR COURT, PURSUANT TO THE PETITION FOR JUDICIAL REVIEW PROVISIONS OF RCW 34.05.542. ANY PETITION FOR JUDICIAL REVIEW OF THIS FINAL ORDER MUST BE FILED WITH THE COURT AND ALSO SERVED UPON BOTH THE COMMISSION AND THE OFFICE OF THE ATTORNEY GENERAL WITHIN THIRTY (30) DAYS AFTER THE DATE THIS FINAL ORDER IS SERVED UPON YOU.


**CERTIFICATE OF SERVICE**

I certify that on the date below I served a copy of the foregoing document by USPS regular mail  
to the following:

YEN H. TRINH  
34703 30<sup>TH</sup> AVENUE SW  
FEDERAL WAY WA 98023

JUSTIN JENSEN  
TRAN LAW GROUP  
787 MAYNARD AVE S  
SEATTLE WA 98104

EXECUTED this 20 day of September, 2018, at Lacey, Washington

  
\_\_\_\_\_  
Haylee P. Mills  
Staff Attorney

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**OCT 01 2018**  
**WSGC/LICENSING**

STATE OF WASHINGTON

GAMBLING COMMISSION

In the Matter of:

DUNG N. HUYNH

License No. 68-21679

Licensee(s)

GMB No. CR 2016-01285

CR 2016-01570

PETITION FOR REVIEW

TO: Washington State Gambling Commission;

AND TO: Haylee Mills, Counsel.

**I. PETITIONER**

Petitioner in this matter is Dung Huynh, License No. 68-21156. He is represented by Justin R. Jensen on behalf of Tran Law Group, PS. Counsel for Petitioner can be reached by mail to 787 Maynard Ave S, Seattle, WA 9810, by e-mail to Justin.jensen@tranlawfirm.com, by phone at 206-218-9417 or by fax to 206-625-1870.

**II. CHALLENGED ACTION**

Petitioner challenges the Washington State Gambling Commission's (hereafter "WSGC" or "Commission") "Final Order on Petition for Review" - GMB No. CR 2016-1285, and 2016-01570 dated September 14, 2018. Petitioner challenges the Commission's finding that the record in this matter is sufficient to affirm the Administrative Law Judge's Initial Order revoking Dung Huynh's gambling license.

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### III. **LEGAL ISSUES**

- 3.1 Whether Appellant/Licensee, Dung N. Huynh, between May 1, 2016 and May 6, 2016, and/or June 4, 2016 and June 20, 2016, engaged in cheating in violation of RCW 9.46.196 and/or a cheating conspiracy in violation of RCW 9.46.190?
- 3.2 Whether Appellant/Licensee, Dung N. Huynh, has established by clear and convincing evidence the necessary qualifications for licensure under RCW 9.46.153(1)?

### IV. **ARGUMENT**

#### **i. Dung Huynh's Gambling and Credibility**

4.1 Dung N. Huynh did not participate in the cheating scheme at Macau Casino alleged by the Commission. The Initial

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Order at 4.9 found that "Over the three-month period when cheating was suspected, Macau Casino lost over \$750,000 on mini-baccarat gaming." (*Testimony of Means*) These losses are unrelated to Dung Huynh - he is only accused of cheating at Macau between June 4, 2016 and June 20, 2016. The evidence in the record cannot support holding Dung Huynh liable for any of Macau's mini-baccarat losses during this period, much less all of them.

4.2 The Initial Order at 4.14 found that a Macau dealer, Chandara Louer, "admitted to intentionally exposing cards to players, as part of a cheating scheme." He did not admit to any contact with Dung Huynh (or Yen Trinh) and said nothing to suggest Dung Huynh was aware of the scheme, participated in the scheme, or benefited from the scheme.

4.3 The Initial Order at 4.18 finds that in "In mini-baccarat, it is not uncommon for players to place the same, or similar, bets." 4.18 goes on to refer to testimony by Greg Means (at that time, Macau Casino's general manager): "Means observed that Huynh and Trinh almost always followed the betting pattern of the player (Heng)..." The Initial Order cannot establish the alleged cheating or cheating conspiracy on the strength of behavior that is "not uncommon" in mini-baccarat.



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4.4 Nothing in the record indicates any relationships between Dung Huynh and Thachly Heng (in fact Huynh's testimony was that he "did not like [Heng]" [*Testimony of Huynh*]).

4.5 The Initial Order's section 4.80 continues: "(2) The Appellant asserted that he did not gamble and usually just watched his spouse, Yen Trinh, or slept at the table. He asserted he only gambled when his spouse was losing, in order to cover their losses." The Order goes on to find that Huynh "was actively engaged in wagering, often matching his spouse's aggressive betting..." These statements are not inherently inconsistent. Yen Trinh was continuing to lose significant sums in the course of her regular gambling, and during this period Huynh tried (unsuccessfully) to offset those losses by gambling himself when things seemed to be going well.

4.6 Section 4.80's alleges that Mr. Huynh "acknowledged he saw certain dealers exposing cards 'but didn't know what it meant'." Allowing for some of the difficulties of translation, the proper interpretation of this comment is that he was not aware of the cards' exposure giving rise to any specific cheating activity. Failing to report a bad dealer is not in itself a conspiracy to cheat, nor is it clear from the record that Mr. Huynh saw more than occasional "bad dealing" where cards were exposed.

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4.7 The next allegation against Huynh's credibility in 4.80 is that "Based on the video evidence, the Appellant was working closely with his wife, Yen Trinh, in playing at certain mini-baccarat tables..." Huynh has admitted he only plays with his wife, Yen Trinh. The video does not reveal any evidence that Huynh was aware of, a participant in, or benefiting from any cheating scheme of any kind. There is no contact between Huynh and the alleged mastermind, Thachly Heng. There is no contact noted between Huynh and any of the other alleged conspirators. The video simply reveals him playing alongside Yen Trinh, as he has described.

4.8 The Initial Order in 4.80 also finds a credibility gap based on what Mr. Huynh apparently *should* have known: at (5) noting that "The undersigned [ALJ] is highly skeptical that the Appellant never spoke with his spouse, Yen Trinh, about possible exposed cards... Further, it is highly questionable the Appellant was not aware that his spouse and Heng approached macau management about not having supervisors near the table since it was 'bad luck' ". This skepticism is not supported by the evidence. If Mr. Huynh did not think anything significant about the possibly exposed cards, there was no reason for him to bring it up with Yen Trinh or anyone else. Where Ms. Trinh approached Greg Means with Mr. Heng to ask about having security step back

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from the tables, she was merely helping him with a seemingly mundane request. Ms. Trinh spoke to Mr. Means regularly about casino operations and customer concerns without passing on every detail to Mr. Huynh.

4.9 Finally, the Initial Order at 4.80(6) notes "as an experienced dealer, the Appellant would likely know when a successive of wins went beyond 'mere luck' to something more along the lines of cheating." This alleged "factor" in determining Huynh's truthfulness is both hopelessly vague and it assumes the conclusion it is being used to support. First, it is not at all clear where the line can be drawn between 'mere luck' and "something more along the lines of cheating." Appellants strenuously argue that here they are simply victims of 'mere luck' or at most playing unwittingly at a table with Thachly Heng, who was cheating. The final order finds Huynh engaged in cheating, and in a cheating conspiracy. This credibility determination implies that even if Huynh was not actually aware of any cheating, at a certain point the statistical evidence should have put him on notice. While it is not clear what duty he would have under such notice, it is clear that the statistical evidence only supports this conclusion if we pick precisely Mr. Huynh's winning-est moments in his entire history of gambling.

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**ii. Gambling Commission Investigation - Selective and  
Misleading Statistics**

4.10 The Initial Order at 4.38 finds "Special Agent Lohse reviewed 66 hands of mini-baccarat during the period of June 4, 2016 to June 20, 2016, wherein Huynh, Trinh, Heng and other were playing. Of those 66 hands, 47 hands resulted in a 'win' for the players..." Conspicuously absent from this review are the hundreds of other hands Huynh testified to playing before, during, and after that period. These hands, where Huynh won about 71%, are not representative. Indeed, the Commission willfully ignores the hundreds of hands played by Huynh at Macau and Freddie's outside the alleged cheating scheme where his statistical winnings (or losings, to be accurate) are unremarkable. In other words, the ALJ wrongly relied on "cherry-picked" statistics showing only Huynh's rare winning streaks to support its conclusion that he cheated.

**iii. Credibility Determination as to Greg Means**

4.11 All of the first-hand testimony regarding Ms. Trinh's alleged cheating at Macau casino were provided by the general manager, Greg Means. Since the entry of the Initial Order, Mr. Means has lost his own gambling license as a result of collusion with a much more serious criminal conspiracy taking place at Macau. His motives in reporting Yen Trinh and Dung Huynh, and

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his credibility in testifying against them must be challenged. The Initial Order affirmed by the Commission relies heavily on Mr. Means' false, defamatory testimony despite clear evidence that such testimony was biased and that Mr. Means' trustworthiness was compromised.

#### V. CONCLUSION

5.1 The WSGC joins the Administrative Law judge in erroneously blaming Dung Huynh and Yen Trinh for irregular betting procedures banned by the Washington State Gambling Commission, but allowed at the time by Macau and Freddie's casinos. The Initial Order at 4.35 notes that "late bets" were allowed at both casinos - bets made after the cards were dealt (and potentially glimpsed by players). The order further notes that Washington casinos "no longer allow 'late bets'". It is not fair to ask players (be they licensed dealers or not) to determine what legal bets and strategies they will later be asked to account for. The casino policy of allowing 'late bets' invites uncertainty - it cannot be proven with any certainty that Dung Huynh or Yen Trinh had any knowledge of any mini-baccarat cards before they placed their bets. But due to the casinos' own policies, we cannot prove they did not have such knowledge. Moreover, Greg Means, as the manager for Macau, was fully aware of the late betting and himself permitted it. Now, with dubious motive, his testimony seeks to blame the

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players for the casino's mistakes. James Hosier, general manager for Freddie's Casino, similarly seeks to shift the blame to Dung Huynh.

5.2 Having detected a statistical anomaly in mini-baccarat payouts, Macau and Freddie's produced video supporting their contention that a cheating scheme was to blame. But they have produced nothing showing that Dung Huynh or Yen Trinh individually or together took any substantial steps to aid in that cheating or benefited from it in any way. The WSGC has erred in affirming the ALJ's mistaken conclusion that essentially everyone sitting next to Thachly Heng was a co-conspirator with full knowledge of his exploits. There is nothing in the record to support this conclusion besides conjecture, hearsay, and highly misleading statistics.

5.3 The "late bets" that were the source of all the casinos' losses in the alleged cheating schemes have been properly banned. Huynh and Trinh are both innocent of any cheating, and to the degree they were "clued in" to the possibility of exploiting late bets by these proceedings, that opportunity is gone. Not only have Appellants not cheated in the past, but the rules have now been clarified to prevent even the appearance of impropriety. There is simply no evidence Mr. Huynh cheated on

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the alleged dates, and there is no possibility of him doing so in the future. He has comported himself candidly and honorably, and his license should be restored.

VI. RELIEF SOUGHT

VII.

6.1 Petitioner respectfully requests that the Commission reconsider its September 14, 2018 finding that the record in this matter is sufficient to issue its Final Order revoking Yen Trinh's gambling license.

Dated this 28th day of May, 2018.

Attorney Name: Justin Jensen,  
WSBA #38288  
Address: 787 Maynard Ave S,  
Seattle, WA 98104  
Telephone: 206.218.9417  
Fax: 206.625.1870

*/s/ Justin R. Jensen*

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Justin Jensen, WSBA #38288  
justin.jensen@tranlawfirm.com  
Of Attorneys for Petitioner  
Tran Law Group

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**BEFORE THE WASHINGTON STATE GAMBLING COMMISSION**

In the Matter of the Summary Suspension  
of the License to Operate Gambling  
Activities of:

OAH No. 06-2017-GMB-00023

GMB No. CR 2016-01285, 2016-01570

DUNG N. HUYNH  
Washington,  
License No. 68-21679

WASHINGTON STATE GAMBLING  
COMMISSION STAFF'S RESPONSE  
TO PETITION FOR  
RECONSIDERATION

Licensee.

The Washington State Gambling Commission Staff (Commission Staff), by and through its attorneys, ROBERT W. FERGUSON, Attorney General, and GREGORY J. ROSEN, Senior Counsel, respectfully present this Response to Dung Huynh's Petition for Reconsideration.<sup>1</sup>

**I. PROCEDURAL HISTORY**

On March 8, 2017, the Director of the Washington State Gambling Commission issued a Notice of Administrative Charges in Mr. Huynh's case. On January 23-24, 2018, an administrative hearing was conducted before Administrative Law Judge (ALJ) T.J. Martin. On May 7, 2018, ALJ Martin issued an Initial Order that concluded that in May and June 2016, Dung Huynh engaged in cheating in violation of RCW 9.46.196 and in a cheating conspiracy in violation of RCW 9.46.190, and revoked his gambling license in accordance with RCW 9.46.075(1),(2), (8), and (10); and WAC 230-03-085(1), (3) and (8).

<sup>1</sup> Mr. Huynh's petition for reconsideration is titled "Petition for Review."



1 On May 28, 2018, Mr. Huynh filed a Petition for Review as to the ALJ's Initial Order.  
2 Commission Staff filed a response to the Petition for Review on June 29, 2018. On  
3 September 14, 2018, the Commission heard oral argument from the parties on the Petition. Later  
4 on September 14, 2018, the Commission issued a Final Order On Petition for Review that  
5 affirmed the ALJ's Initial Order.

6 On October 1, 2018, Mr. Huynh filed a Petition for Reconsideration of the Commission's  
7 Final Order (Petition). Commission Staff respectfully files this Response to the Petition for  
8 Reconsideration.

## 9 II. ISSUE

10 Should the Petition for Reconsideration be denied because it largely restates the same  
11 arguments that were previously presented to the Commission in Mr. Huynh's Petition for  
12 Review?

## 13 III. ARGUMENT

### 14 **The Petition for Reconsideration Should be Denied Because it Largely Restates 15 the Same Arguments that Were Previously Presented to the Commission in Mr. 16 Huynh's Petition for Review**

17 Mr. Huynh's Petition appears to be little more than a restatement of his previously filed  
18 Petition for Review. For example, the Legal Issues raised in page 2, paragraphs 3.1 and 3.2 of  
19 the Petition appear to be identical to the Legal Issues previously raised in Mr. Huynh's Petition  
20 for Review at 2, paragraphs 3.1 and 3.2. Further, the content set out in the Petition at paragraphs  
21 4.1, 4.2, and 4.3 appears to be nearly identical to the same content previously presented in Mr.  
22 Huynh's Petition for Review in paragraphs 4.1, 4.2 and 4.3. Moreover, the date listed at the end  
23 of the Petition – May 28, 2018 – is the same date that the Petition for Review was filed. In sum,  
24 because the Petition does not appear to present new arguments, with one exception, it should be  
25 summarily denied.  
26

1 Mr. Huynh appeared to present a new argument in his Petition's paragraph 4.11, which  
2 is titled "Credibility Determination as to Greg Means." Mr. Huynh argues in paragraph 4.11 that:

3 All of the first-hand testimony regarding Ms. Trinh's alleged cheating at Macau  
4 Casino were provided by the general manager, Greg Means. Since the entry of  
5 the Initial Order, Mr. Means has lost his own gambling license as a result of  
6 collusion with a much more serious criminal conspiracy taking place at Macau.  
7 His motives in reporting Yen Trinh and Dung Huynh, and his credibility in  
8 testifying against them must be challenged. The Initial Order affirmed by the  
9 Commission relies heavily on Mr. Means' false, defamatory testimony despite  
10 clear evidence that such testimony was biased and that Mr. Mean's'  
11 trustworthiness was compromised.

12 Mr. Huynh's argument above regarding Mr. Means fails for several reasons.

13 First, despite Mr. Huynh's assertion in paragraph 4.11, Greg Means has not yet lost his  
14 gambling license. The Commission's Director summarily suspended Mr. Means' gambling  
15 license on March 19, 2018, and he is currently scheduled for an administrative hearing on the  
16 Commission's Notice of Administrative Charges on February 5- 8, 2019. The latter hearing will  
17 determine whether Mr. Means' gambling license will be revoked.

18 Second, Mr. Huynh's assertion that "a much more serious criminal conspiracy taking  
19 place at Macau" as to Mr. Means allows for a reasonable inference that Mr. Huynh, Ms. Trinh  
20 and Mr. Heng were engaged in a less serious criminal conspiracy at Macau Casino.

21 Third, Mr. Huynh fails to show how the administrative charges now pending against Mr.  
22 Means affected his credibility as to his testimony in Mr. Huynh's case. Mr. Means' testimony  
23 during the hearing was based on his experience as a professional card counter and mini-baccarat  
24 card dealer, and was to a significant degree factual in nature. *See* Initial Order at 2-4.

25 Fourth, copious amounts of surveillance video of the cheating scheme that involved Ms.  
26 Trinh, Dung Huynh and Thachly Heng at the Macau Casino (and at Freddie's Casino) was  
admitted into evidence and played at the administrative hearing, along with extensive testimony  
by Commission Special Agent Jess Lohse, who testified to the significance of the surveillance  
video. Mr. Huynh's implicit suggestion that the Commission's case relied predominantly on

1 Greg Means' testimony is not borne out by the sheer weight of the evidence. While Mr. Means  
2 provided helpful testimony on a number of points, the Commission's Staff's case was based  
3 primarily on the extensive amount of surveillance video presented at the hearing, coupled with  
4 Special Agent Lohse's testimony explaining that video and the cheating scheme that Huynh,  
5 Trinh and Heng employed.

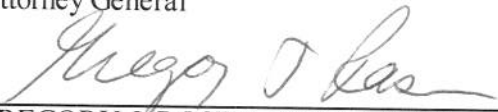
6 Finally, despite Mr. Huynh's conclusory statement that there was "clear evidence" Mr.  
7 Means' testimony was biased and that his trustworthiness was compromised, Mr. Huynh fails to  
8 show how or why either of those assertions are true. Thus, this contention also fails.

9 **IV. CONCLUSION**

10 For the above stated reasons, the Petition for Reconsideration should be denied.

11 DATED this 11 day of October, 2018.

12 ROBERT W. FERGUSON  
13 Attorney General

14   
15 GREGORY J. ROSEN, WSBA #15870  
16 Senior Counsel  
17 Attorney for Washington State  
18 Gambling Commission Staff

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**DECLARATION OF SERVICE**

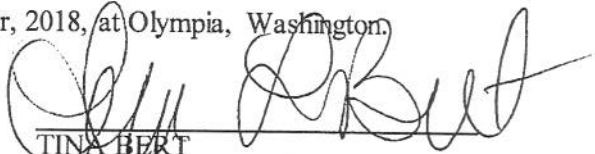
I declare that I served a true and correct copy of this document on all parties or their counsel of record on the date below as follows:

JUSTIN JENSEN  
TRAN LAW GROUP, PS  
787 MAYNARD AVE S  
SEATTLE, WA 98104

- U.S. mail via state Consolidated Mail Service (with proper postage affixed)
- courtesy copy via facsimile:
- courtesy copy via electronic mail:
- ABC/Legal Messenger

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

DATED this 11 day of October, 2018, at Olympia, Washington.

  
TINA BERT  
Legal Assistant

MAY 08 2018

WASHINGTON STATE  
OFFICE OF ADMINISTRATIVE HEARINGS

GOVERNMENT COMPLIANCE  
& ENFORCEMENT

In the matter of:

Docket No. 06-2017-GMB-00023

Dung N. Huynh,

**INITIAL ORDER**

Appellant/Licensee.

Agency: Gambling Commission  
Program: Washington State Gambling  
Commission

License No. 68-21679

Agency Nos. 2016-01285 and 2016-01570

For translation of this document, please call OAH, 253-476-6888. Đối với bản dịch của tài liệu này, xin vui lòng gọi OAH, 253-476-6888.

**1. ISSUES**

- 1.1. Whether the Appellant/Licensee, Dung N. Huynh, between May 1, 2016 and May 6, 2016 and/or June 4, 2016 and June 20, 2016, engaged in cheating in violation of RCW 9.46.196 and/or a cheating conspiracy in violation of RCW 9.46.190?
- 1.2. If so, whether his gambling license should be revoked in accordance with RCW 9.46.075(1),(2),(8),&(10) and WAC 230-03-085(1),(3) &(8)?

**2. ORDER SUMMARY**

- 2.1. **Yes.** The Appellant/Licensee, Dung N. Huynh, in May 2016 and June 2016 engaged in cheating in violation of RCW 9.46.196 and in a cheating conspiracy in violation of RCW 9.46.190.
- 2.2. **Affirmed.** Dung N. Huynh's gambling license is revoked in accordance with RCW 9.46.075(1),(2),(8) &(10) and WAC 230-03-085(1),(3) &(8).

**3. HEARING**

- 3.1. Hearing Dates: January 23, 2018 and January 24, 2018
- 3.2. Appellant: Dung N. Huynh ('Appellant')
  - 3.2.1. Representative: Justin R. Jensen, Attorney
  - 3.2.2. Witnesses: Yen Trinh, Appellant's spouse

[Continued]

- 3.3. Agency: Gambling Commission Board Staff ('GMB')
- 3.3.1. Representative: Gregory J. Rosen, Senior Counsel
- 3.3.2. Witnesses: Jess Lohse, Gambling Commission Special Agent  
Keith Wittmers, Gambling Commission Special Agent  
Gregory Means, Macau Casino General Manager  
James Hosier, Freddie's Casino General Manager
- 3.4. Exhibits: GMB's Exhibits 1 through 11 were admitted.  
Appellant's Exhibit A was admitted.
- 3.5. Interpreter Services: Khanh Nguyen, Four Corners Court Services
- 3.6. Observers: Huynh Mason, Dung Huynh's son
- 3.7. Consolidation: For purposes of the evidentiary hearing, the cases of  
Dung N. Huynh (OAH No. 06-2017-GMB-00023) and  
Yen H. Trinh (OAH No. 06-2017-GMB-00024) were  
heard at the same time.

#### **4. FINDINGS OF FACT**

The undersigned administrative law judge finds the following facts by a 'preponderance of the evidence':

##### ***Jurisdiction***

- 4.1. On March 8, 2017, the Washington State Gambling Commission ('GMB') filed a 'Notice of Administrative Charges' against Dung N. Huynh ('Appellant').
- 4.2. On March 27, 2017, Mr. Huynh, represented by Justin R. Jensen, attorney, filed a 'Request for Administrative Hearing and Interpreter' with the Washington Gambling Commission.

##### ***Macau Casino Cheating***

- 4.3. On June 17, 2016, Gregory Means ('Means'), General Manager of the Macau Casino, contacted Washington State Gambling Commission Special Agent Jess Lohse, regarding possible cheating going on at the casino. *Testimony of Gregory Means (hereinafter 'Testimony of Means')* and *Testimony of Jess Lohse (hereinafter 'Testimony of Lohse')*.
- 4.4. Means told Special Agent Lohse he believed several people, including Dung Huynh and his spouse, Yen Trinh, Thachly Heng, Loan Phan and Bao-Anh Nguyen-Do, were involved in a scheme to cheat the casino in the game of mini-baccarat. *Testimony of Means*.

- 4.5. In mini-baccarat, two hands of cards are dealt: one to the 'Player' and the other to the 'Banker'. Players do not hold their own individual hands. Rather, players bet for either the 'Player' or the 'Banker' to come closer to nine or to tie (which is the least common of the three, possible outcomes). *Testimony of Jess Lohse (hereinafter 'Testimony of Lohse') and Exhibits ('Exs.')* 2 & 3.
- 4.6. In mini-baccarat, the players place their bets prior to any cards being dealt to the 'Player' and the 'Banker'. However, a player can place an 'early bet', prior to the cards being dealt, to have all of the cards dealt 'face down'. *Testimony of Means and Exs. 2 & 3.*
- 4.7. Under the 'face down' method, Means believed a person sitting in a particular seat at the table known as 'third base' or 'seat 9' position could see the value of the cards, when dealt face down, if the cards were lifted high enough off of the table to be 'exposed' or 'flashed'. *Testimony of Means.*
- 4.8. Means, after watching video footage, determined Huynh, Trinh, and several others were working in concert with the person sitting at 'third base'/'seat 9' position, who was relaying to the others how to bet, after seeing the 'exposed'/'flashed' cards. The person in the 'third base' position would place his bet and the others, including Huynh and Trinh, would follow his bet. *Testimony of Means.*
- 4.9. Over the three-month period when cheating was suspected, the Macau Casino lost over \$750,000 on mini-baccarat gaming. *Testimony of Means.*
- 4.10. Means also noted that certain dealers, later determined to be exposing cards, received significantly higher tips than normal. Means determined the high tips were likely the result of players winning more often, resulting in more frequent tipping of their card dealers. *Testimony of Means.*
- 4.11. Means had observed Huynh and Trinh, both card dealers at the casino since 2011, repeatedly call in sick to work, but show up to play mini-baccarat with Heng and several other people who were suspected of cheating. *Testimony of Means.*
- 4.12. Means observed card dealer Chandara Loeur (hereinafter 'Lueur') intentionally expose cards, by lifting the edge of each card as she dealt them, while Huynh, Trinh and Heng were playing at the table. She did not expose cards when the three were not playing. *Testimony of Means.*
- 4.13. Means observed Huynh, Trinh, Heng, and several other players follow Lueur as she moved from one table to another, during her regular card dealing rotation. *Testimony of Means.*
- 4.14. When later confronted by Means and the Gambling Commission, Loeur admitted to intentionally exposing cards to players, as part of a cheating scheme. Her card dealer license was subsequently revoked. *Testimony of Lohse and Ex. 5.*

- 4.15. Means reviewed additional video footage of Huynh, Trinh, and Heng playing mini-baccarat. He noticed the three, along with several other people, follow another card dealer, Teresa Li, from table to table. Lee appeared to be inadvertently exposing cards to players when dealing. *Testimony of Means.*
- 4.16. The lifting up of any portion of a 'face down' card from off of the table as it is being dealt is considered 'bad dealing', since it exposes the card values to players sitting at the table. *Testimony of Means.*
- 4.17. Means, a professional card counter and experienced mini-baccarat card dealer, in reviewing video footage, observed Huynh, Trinh, Heng, and several other players 'bet late', meaning they would place their bets after the cards had been dealt and exposed cards had been shown. *Testimony of Means.*
- 4.18. In mini-baccarat, it is not uncommon for players to place the same, or similar, bets. However, in reviewing video footage, Means observed Huynh and Trinh almost always followed the betting pattern of the player (Heng) at 'third base' or 'seat 9', who could directly observe the 'exposed' cards as they were being dealt from the shoe (card deck). *Testimony of Means.*
- 4.19. Means recalled in June 2016, Trinh and Heng came into the casino together and asked to speak to Means. Trinh and Heng requested Means to tell the floor supervisors not to stand near the mini-baccarat tables while they were playing since it was 'unlucky'. Trinh and Heng then left the casino together. Means believes Trinh and Heng's request was to prevent casino personnel from observing the cheating by the group of players. *Testimony of Means.*
- 4.20. Mean noted that prior to 2016, Huynh usually didn't bet, but rather watched his spouse, Yen Trinh, gamble. However, in 2016, Huynh began aggressively betting and playing as much as his spouse. The amount of Trinh's wagers increased significantly in 2016 as well. *Testimony of Means.*

### ***Freddie's Casino Cheating***

- 4.21. Around the same time in June 2016, James Hosier ('Hosier'), General Manager of Freddie's Casino, contacted Washington State Gambling Commission Special Agent Keith Wittmer ('Wittmer') regarding possible cheating at the casino. *Testimony of James Hosier (hereinafter 'Testimony of Hosier') and Testimony of Keith Wittmer (hereinafter 'Testimony of Wittmer') and Ex. 8.*
- 4.22. Hosier identified Dung Huynh, Yen Trinh, and Thachly Heng as involved in possible cheating at mini-baccarat. *Testimony of Hosier and Ex. 8.*

[Continued]



- 4.23. During the period when cheating was suspected of going on, the casino lost over \$35,000 in a three-day period, on May 1<sup>st</sup>, May 2<sup>nd</sup> and May 6<sup>th</sup>, 2016. While card dealer tips jumped from \$200 per hour to \$600, which usually doesn't change unless players are winning. Both the loss to the casino and the spike in tips at the mini-baccarat gaming tables were 'highly irregular' and raised an immediate suspicion of cheating by Hoiser, who had been a card dealer since 1980. *Testimony of Hosier and Ex. 8.*
- 4.24. Hosier also observed on video any time there was a 'natural nine' dealt (best possible outcome), after the cards had been exposed, Huynh, Trinh, and Heng bet 'big' or the maximum bet allowed at the table. *Testimony of Hosier and Ex. 8.*
- 4.25. Hosier reviewed video footage of mini-baccarat and observed 'significant action' only after the cards had been dealt. This 'significant action' included late bets and maximum bets by the players, when exposed cards were likely dealt. *Testimony of Hosier and Ex. 8.*
- 4.26. Hosier provided eight days of video footage to Special Agent Wittmer of the Washington State Gambling Commission. The eight days included when Hosier believed Huynh, Trinh, Heng, among others, were engaged in cheating at the casino. *Testimony of Hosier and Ex. 8 & 10.*
- 4.27. Hosier observed one dealer, Hongyan Chen, unintentionally exposing cards while Huynh, Trinh, and Heng were playing at her mini-baccarat table. *Testimony of Hosier and Exs. 8 & 10.*
- 4.28. Hosier observed Huynh, Trinh, and Heng follow the card dealers, including Chen, who were exposing cards at their various tables, rather than staying at the same table. The activity of following a dealer was 'highly irregular'. *Testimony of Hosier.*
- 4.29. Hosier was familiar with Huynh, Trinh, and Heng, since Huynh and Trinh were both dealers at the Macau Casino. The three had never been 'big players'. However, during the period of possible cheating, the three players were playing more frequently and winning significantly more than they had ever won before. *Testimony of Hosier.*
- 4.30. Hosier observed Heng always sat at the 'third base'/'seat 9' position, while Huynh and Trinh sat across the table from him, in seats 2 and 3. Huynh and Trinh always followed Heng's late wagers and never went against his bets. *Testimony of Hosier and Ex. 8 & 10.*

[Continued]

- 4.31. Hosier noted the players at the table, including Huynh and Trinh, took turns placing an early bet to ensure the cards were dealt 'face down', to allow Heng to view the exposed cards and then place his bet. Huynh and Trinh would then follow Heng's bet. To Hosier, the taking of turns by players at the table to place an early bet to ensure the cards were dealt 'face down', showed a conspiracy among the players. *Testimony of Hosier.*
- 4.32. Hosier, a card dealer since 1980, had never seen everyone betting the same, including changing bets or taking bets back, based on the late bets of another player. Such a betting pattern was 'incredibly suspicious'. *Testimony of Hosier.*
- 4.33. After reviewing footage of the alleged cheating by Huynh, Trinh, Heng, and several others, based on his three decades as a card dealer, Hosier had 'no doubt' all of the players were involved in the cheating scheme. *Testimony of Hosier.*
- 4.34. Washington State Gambling Commission Special Agent Keith Wittmer also reviewed the video footage from Freddie's Casino, provided by Hoiser. Wittmer was certain cards were being exposed and dealers, such as Huynh and Trinh, who were also experienced card dealers, would see it and take advantage of it. *Testimony of Wittmer and Exs. 8, 9, & 10.*
- 4.35. In May and June 2016, during the period in question, both the Macau Casino and Freddie's Casino, both allowed players to place 'late bets', meaning players could place bets after the cards had been dealt. However, casinos in the State of Washington no longer allow 'late bets' due to the prevalence of cheating. *Testimonies of Means and Hoiser.*

#### ***Gambling Commission Investigation***

- 4.36. On July 19, 2016, the Washington State Gambling Commission ('Gambling Commission') opened an investigation regarding a possible scheme to defraud Macau Casino in Tukwila, Washington and Freddie's Casino in Renton, Washington. *Testimony of Lohse and Exhibit ('Ex.') 1.*
- 4.37. As a part of the Gambling Commission's investigation, Special Agent Lohse retained and reviewed over 100 hours of video, in which Specials Agents Means and Wittmer believed cheating by Huynh, Trinh, and Heng, and others was occurring. *Testimony of Lohse and Exs. 1, 4, 6, 7 & 10.*
- 4.38. Special Agent Lohse reviewed 66 hands of mini-baccarat, during the period of June 4, 2016 to June 20, 2016, wherein Huynh, Trinh, Heng and other were playing. Of those 66 hands, 47 hands resulted in a 'win' for the players, a 71%-win rate for game with player odds of less than 50/50. *Testimony of Lohse and Exs. 1, 4, 6, 7 & 10.*

- 4.39. In reviewing the video footage from the Macau Casino and Freddie's Casinos, Lohse determined card dealer Teresa Lee was lifting the edge of each card in order to slide the card across the table when dealing, thereby exposing cards to the player (Heng) in the third base/seat 9 position. After Heng saw the exposed cards and placing his bet, Huynh and Trinh would then follow suit. *Testimony of Lohse and Exs. 1, 4, 6, 7 & 10.*
- 4.40. At the hearing, Special Agent Lohse presented 20 video clips showing what he believed was cheating by Huynh, Trinh, Heng, and others at the Macau Casino. *Exs. 4, 6, 7, & 10*
- 4.41. Special Agent Lohse noted Heng, followed by Huynh and Trinh, made large bets when cards were 'flushed'/'exposed' by the card dealer. The three wouldn't bet when cards were not exposed. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.42. As experienced mini-baccarat card dealers, Huynh and Trinh could observe when cards were being exposed/flushed by the dealer. *Testimony of Lohse.*
- 4.43. After reviewing the 100 hours of video from May and June 2016, Lohse determined card dealer Lee was lifting cards off of the table in order to deal them, thereby unintentionally exposing cards to the player at 'third base'/'seat 9' position. As a result, Lee was considered a 'weak dealer' since she did not appear to be taking part in any scheme or arrangement to cheat the casino. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.44. Special Agent Lohse noted Heng always took up the 'third base'/'seat 9' position. He would then lean down in his seat, and observe the cards being lifted as they were dealt from the shoe (card deck). Based on seeing these exposed cards, Heng would then place a bet. Huynh and Trinh would then follow his wager. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.45. A critical part of the cheating scheme was placing a bet prior to the cards being dealt to ensure cards were dealt 'face down'. If cards are not dealt 'face down', then the scheme doesn't work since players would have to bet prior to any cards being dealt and possibly 'exposed'. *Testimony of Lohse.*
- 4.46. Huynh, Trinh, and other players took turns placing an early bet to ensure cards were dealt 'face down', thereby allowing the 'third base player' (Heng) to see the exposed cards as they were dealt. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*

[Continued]

- 4.47. During several video clips, Huynh or Trinh would place an early bet to ensure the cards were dealt 'face down'. He or she would then remove the wager, if it went against the 'third base'/'Seat 9' player's (Heng) wager, who had seen the exposed cards and knew the outcome of the hand. Huynh or Trinh would remove their wager to prevent losing any money on the hand. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.48. During one of the video clips, an unknown player is sitting in the 'third base'/'seat 9' position. No exposing of cards appears to be taking place. However, upon Heng's arrival, Heng asks the person to move to another seat at the table. At that point, with Heng in the 'third base'/'seat 9' position, the exposing of cards by the dealer occurs with Huynh, Trinh, and Heng placing wagers accordingly. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.49. Lohse also noted that on at least one occasion, Trinh can be seen providing casino chips to Heng so he could gamble or else wager on her behalf. *Testimony of Lohse and Exs. 4, 6, 7, & 10.*
- 4.50. Lohse also noted that on at least one occasion, Trinh can be seen on the video handing casino chips to another player under the table so a bet could be made for her, who had pulled her early bet back after seeing Heng bet the opposite of her early wager. *Testimony of Lohse and Exs. 4, 6, 7, & 10.*
- 4.51. Card dealers routinely move tables every half an hour. Huynh, Trinh, and Heng routinely followed the card dealer, often Teresa Lee, who was intentionally exposing cards to the 'third base'/'seat 9' position, and Hongyan Chen, who was unintentionally flashing cards. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.52. Huynh and Trinh, as well as other players, never bet opposite Heng, when he placed a late bet after seeing the exposed cards. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*
- 4.53. Special Lohse could find no video footage of Huynh or Trinh initiating bets, before Heng had placed his bet. Only after cards were exposed and Heng bet, did Huynh and Trinh follow Heng's lead in betting. *Testimony of Lohse.*
- 4.54. After it was discovered Chen was unintentionally exposing cards as she dealt, she was retrained by the casino, to ensure no further unintentional exposure of cards occurred. *Testimony of Lohse.*
- 4.55. Special Agent Lohse noted people gamble in order to win. Player will often use any advantage that helps them to win. *Testimony of Lohse.*
- 4.56. If players see the cards prior to placing a bet, then it is no longer gambling. It is cheating, since players already know the outcome of the hand. *Testimony of Lohse.*

4.57. Based on his training and experience, Special Agent Lohse had 'no doubt' Huynh, Trinh, and Heng were cheating. *Testimony of Lohse and Exs. 1, 4, 6, 7, & 10.*

4.58. The Appellant has never been accused of cheating prior to the present matter.

***Testimony of Yen Trinh (Appellant's Spouse)***

4.59. Yen Trinh has been a licensed card dealer in the State of Washington since 2005. *Testimony of Yen Trinh (hereinafter 'Testimony of Trinh').*

4.60. At the time of the period under investigation, Trinh was working as a card dealer at the Macau Casino, along with her spouse, Dung Huynh. *Testimony of Trinh.*

4.61. Trinh acknowledged in 2013 she was fined for failing to report income from tips. *Testimony of Trinh.*

4.62. Trinh denied cheating or ever seeing any card dealer lifting cards, thereby exposing them to players at the table. *Testimony of Trinh.*

4.63. Trinh contends she is 'not a skilled gambler' and has lost more than she has ever won at gambling. *Testimony of Trinh.*

4.64. Trinh denied being aware of how other players were betting at the table. *Testimony of Trinh.*

4.65. She admits she is a gambling addict. At one point, she admitted she was over \$100,000 in debt due to her excessive gambling. *Testimony of Trinh and Ex. A.*

4.66. Trinh asserts she has spoken with Heng, but never about cheating and was not aware he was cheating. *Testimony of Trinh.*

4.67. Trinh asserted it was 'too risky' to cheat, so she doesn't do it. *Testimony of Trinh.*

4.68. Trinh asserts she has never seen anyone cheat and would have reported it had she seen anything like it going on. *Testimony of Trinh.*

4.69. Trinh denied being involved in any kind of conspiracy to cheat. *Testimony of Trinh.*

4.70. Trinh acknowledged playing with Heng at the Macau Casino and Freddie's Casinos, but denied ever speaking with Heng outside of the casino. *Testimony of Trinh.*

4.71. Based on the Trinh's denial of cheating, a credibility finding is warranted regarding her testimony versus the testimony of the Gambling Commission Board Staff's witnesses. The undersigned administrative law judge does not find the Trinh's testimony credible for several reasons: (1) Trinh acknowledged failing to disclose tip income in 2013, an act of dishonesty; (2) Trinh denied ever speaking with Heng outside the casino. However, Macau Casino General Manager Gregory Means recalls in June 2016, Trinh and Heng came into the casino to ask him to tell the supervisors not to stand too close to the mini-baccarat tables when they were playing since it was 'bad luck'. Heng and Trinh then left the casino together;

(3) Trinh denies ever seeing anyone cheat or anyone exposing cards. However, in the video footage, the dealers can be seen exposing cards. It is hard to believe Trinh, a card dealer with over 14 years of experienced, was not aware of a card dealer lifting and exposing cards; (4) Trinh contends she never noticed Heng always sat at the 'third base'/'seat 9' position. However, Trinh always waited for Heng, in the 'third base'/'seat 9' position, to place his late bet before she mirrored his betting strategy. Further, she denied being aware of how other players were betting. Yet, she constantly mirrored Heng's betting pattern after he would place a late bet as well as followed Heng when he would move to follow a 'weak dealer' or 'exposing dealer' to another table. Trinh was aware of other people at the table and worked with others placing an early bet so the cards would be dealt 'face down'; and (5) Trinh denied any conspiracy to cheat but came with Heng to ask that casino supervisors more away from their table when they were gambling which allowed them to cheat without being observed; (6) In addition, Trinh is also observed giving casino chips to Heng to gamble with, or else wager on her behalf. Further, at one point in the video footage, Trinh can be seen handing chips underneath the casino table to another player so he can place a bet for her, after she pulled her bet from the table since it was opposite Heng's late bet; and (7) Finally, Trinh acknowledged she has a gambling addiction and often owed people money due to her addiction, which adds greater motivation to win and earn money in order to pay off her debts. For these reasons, the undersigned administrative law judge does not find Trinh's testimony credible.

### ***Testimony of Appellant Huynh***

- 4.72. The Appellant, Dung Huynh, has been a licensed card dealer in the State of Washington since 2005. *Testimony of Dung Huynh (hereinafter 'Testimony of Huynh')*.
- 4.73. At the time of the period under investigation, the Appellant was working as a licensed card dealer at the Macau Casino in Tukwila, Washington. *Testimony of Huynh*.
- 4.74. Huynh was previously cited, in 2013, by the Washington State Gambling Commission, for failing to report tips received as a card dealer. *Ex. 1; Page ('Pg.') 5*.
- 4.75. At the hearing, the Appellant denied cheating, or ever discussing cheating with anyone. He denied observing the flashing or exposing of cards by other casino card dealers. When he gambled, he only followed "whoever was lucky". *Testimony of Huynh*.
- 4.76. Huynh acknowledged seeing card being flashed by certain dealers, but "didn't know what it meant." *Testimony of Huynh*.

- 4.77. Even if Huynh suspected the exposing of cards and/or cheating was going on, he never reported his suspicions to either his employer, the Macau Casino, or to Freddie's Casino staff. *Testimony of Lohse.*
- 4.78. The Appellant contends he only gambled when his wife (Trinh) was losing. At all other times, he asserted he just slept at the gambling tables while she played. *Testimony of Huynh.*
- 4.79. The Appellant alleged he lost more money than he won during the period of time under review. However, he could provide no proof of his losses. *Testimony of Huynh.*
- 4.80. Based on the Appellant's denial of cheating, a credibility finding is warranted regarding his testimony versus the testimony of the Gambling Commission Board Staff's witnesses. The undersigned administrative law judge does not find the Appellant's testimony credible for several reasons: (1) The Appellant acknowledged in 2013 he failed to report the tips he received, an act of dishonesty; (2) The Appellant asserted that he did not gamble and usually just watched his spouse, Yen Trinh, or slept at the table. He asserted he only gambled when his spouse was losing, in order to cover their losses. However, review of the video evidence shows not only was the Appellant not sleeping or 'just watching' Yen Trinh, he was actively engaged in wagering, often matching his spouse's aggressive betting at mini-baccarat while the alleged cheating was going on; (3) The Appellant acknowledged he saw certain dealers exposing cards but 'didn't know what it meant'. The undersigned administrative law judge is skeptical a licensed card dealer with over 12 years' experience could recognize the exposing of cards but remain unclear what it meant; (4) Based on the video evidence, the Appellant was working closely with his wife, Yen Trinh, in playing at certain mini-baccarat tables where weak dealers or dealers intentionally flashing cards were working. Further, the Appellant moved from table to table, along with Trinh and Heng, who were also following those 'weak' dealers or card dealers intentionally exposing cards; and (5) The undersigned administrative law judge is highly skeptical that the Appellant never spoke with his spouse, Yen Trinh, about possible exposed cards by certain dealers. Further, it is highly questionable the Appellant was not aware that his spouse and Heng approached Macau management about not having supervisors near the table since it was 'bad luck'; and (6) Finally, as an experienced dealer, the Appellant would likely know when a successive of wins went beyond 'mere luck' to something more along the lines of cheating. For these reasons, the undersigned administrative law judge does not find the Appellant's testimony credible.

[Continued]

## 5. CONCLUSIONS OF LAW

Based upon the facts above, the undersigned administrative law judge makes the following conclusions:

### ***Jurisdiction***

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

### ***Burden of Proof***

5.2. RCW 9.46.153(1) requires licensees to prove their continuing eligibility for licensure:

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[.] ***Emphasis Added.***

5.3. 'Clear and convincing evidence', as that term is used in RCW 9.46.153(1), is a higher burden of proof than a 'preponderance of the evidence'. See *Hardee v. Department of Social and Health Services*, 172 Wn.2d 1, 6-18, 256 P.3d 339 (2011).

### ***Revocation of Card Room Gambling License***

5.4. RCW 9.46.075 is the Commission's legislative grant of authority to deny, suspend, or revoke gambling licenses or permits:

The commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein:

(1) has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;



(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;

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

*RCW 9.46.075(1),(2),(8) & (10).*

5.5. Further, the Commission is also authorized by its administrative rules, specifically, WAC 230-03-085 to deny, suspend, or revoke an application, license, or permit:

We [referring to the Commission] may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

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

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

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

*WAC 230-03-085(1),(3) & (8).*

5.6. RCW 9.46.196 defines 'cheating' as:

(1) Employ or attempt to employ any device, scheme, or artifice to defraud any other participant or any operator;

(2) Engage in any act, practice, or course of operation as would operate as a fraud or deceit upon any other participant or any operator;

(3) Engage in any act, practice, or course of operation while participating in a gambling activity with the intent of cheating any other participant or the operator to gain an advantage in the game over the other participant or operator; or

(4) Cause, aid, abet, or conspire with another person to cause any other person to violate subsections (1) through (3) of this section.

5.7. RCW 9.46.190' Violations relating to fraud or deceit' establishes:

Any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation:

(1) Employ any device, scheme, or artifice to defraud; or

(2) Make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made not misleading, in the light of the circumstances under which said statement is made; or

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;

5.8. Finally, RCW 9A.28.040(1) 'Criminal conspiracy' provides:

(1) A person is guilty of criminal conspiracy when, with intent that conduct constituting a crime be performed, he or she agrees with one or more persons to engage in or cause the performance of such conduct, and any one of them takes a substantial step in pursuance of such agreement.

5.9. At the hearing, the Appellant argued there is no direct evidence of cheating, that any evidence is purely circumstantial in nature. While the undersigned administrative law judge concedes no direct evidence, such as an admission or direct observation of cheating by the Appellant, the totality of the evidence provides little doubt the Appellant cheated and engaged in a cheating conspiracy in May and June of 2016. This 'totality of evidence' includes: (1) The Appellant, along with his spouse and several other individuals, were under investigation for cheating by two, separate casinos at the same time; (2) The Appellant's win rate of over 70%, in a game in which the odds are less than 50/50, raises a high suspicion of cheating. Essentially, the Appellant, along with several others, were winning nearly three out of every four hands dealt, in a game that most people only win half of the time, at best; (3) The Gambling Commission Board Staff witnesses, experienced in card dealing and observing cheating, had 'no doubt' that cheating was going by means of seeing 'exposed' or 'flashed' cards; (4) The Appellant admitted to seeing cards being 'flashed', but said he 'didn't know what it meant',

despite having 12 years of experience in card dealing. The undersigned administrative law judge finds the Appellant's testimony not credible that he 'didn't know what it meant', or took advantage of that knowledge; (5) Finally, the Appellant's win rate went well beyond mere luck or a hot streak, since he won over 70% of the time he sat down at a mini-baccarat table.

- 5.10. The undersigned administrative law judge is convinced and left with little to no doubt, the Appellant was aware of cards being flashed and took advantage of the scheme for his economic benefit of winning over 70% any time he placed a bet at mini-baccarat. Based on these facts, the Appellant cheated, as defined by RCW 9.46.196. Therefore, the Appellant, in May and June of 2016, violated RCW 9.46.190.
- 5.11. The Appellant contends he had no knowledge of any conspiracy to cheat going on while he was gambling at mini-baccarat. The undersigned administrative law judge disagrees. The Appellant testified he rarely gambled. Rather, he usually just watched his spouse, Yen Trinh, gamble or else he slept at the table. However, based on the video evidence, he not only played, but aggressive matched the wagering by his spouse, when the cheating was going on. Further, he also placed early wagers, in concert with the other players, to ensure the cards were dealt 'face down', in order to allow the exposing of cards to occur. The taking turns by the players, including the Appellant, demonstrates the players were working as a group to conduct the cheating scheme. Finally, Thachly Heng and the Appellant's spouse, Yen Trinh, requested Macau Casino security staff to not stand so close to the mini-baccarat table, while they were 'gambling'. The undersigned administrative law judge is skeptical the Appellant knew nothing about his spouse and fellow player, Heng, going to security with the request, which was just a guise to allow the cheating scheme to continue.
- 5.12. Based on these facts, the undersigned administrative law judge is convinced the Appellant worked with his spouse and several other players to cheat at mini-baccarat thereby defrauding two casinos in May and June 2016. As a result, the Appellant engaged in a 'criminal conspiracy', consistent with RCW 9A.28.040.
- 5.13. Based on the above-cited 'Findings of Fact' and 'Conclusions of Law', the Appellant has failed to demonstrate by 'clear and convincing evidence' that he is qualified for licensure, consistent with RCW 9.46.153(1).
- 5.14. As a result, the Appellant, Dung N. Huynh' gambling license is revoked in accordance with RCW 9.46.075(1),(2),(8), & (10) and WAC 230-03-085(1),(3) & (8).

**6. INITIAL ORDER**

**IT IS HEREBY ORDERED THAT:**

6.1. **Yes.** The Appellant/Licensee, Dung N. Huynh, in May 2016 and June 2016 engaged in cheating in violation of RCW 9.46.196 and in a cheating conspiracy in violation of RCW 9.46.190.

6.2. **Affirmed.** Dung N. Huynh's gambling license is revoked in accordance with RCW 9.46.075(1),(2),(8),&(10) and WAC 230-03-085(1),(3) &(8).

Issued from Tacoma, Washington on the date of mailing.



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TJ Martin  
Administrative Law Judge  
Office of Administrative Hearings

**CERTIFICATE OF SERVICE ATTACHED**

## PETITION FOR REVIEW

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

Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504

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

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

**CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 06-2017-GMB-00023**

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

<p>Dung N. Huynh 34703 30th Avenue SW Federal Way, WA 98023 <b>Appellant</b></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>Justin Jensen Timothy Tran Tran Law Group, PS 787 Maynard Ave S. Seattle, WA 98104-2987 <b>Appellant Representative</b></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>Gregory J. Rosen, AAG Office of the Attorney General MS: 40100 PO Box 40100 Olympia, WA 98504 <b>Agency Representative</b></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>
<p>Haylee Mills, WSGC MS: 42400 PO Box 42400 Olympia, WA 98504 <b>Agency Representative</b></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, May 07, 2018

OFFICE OF ADMINISTRATIVE HEARINGS



Ricci Frisk  
Legal Administrative Manager



STATE OF WASHINGTON  
GAMBLING COMMISSION

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

September 20, 2018

DUNG N. HUYNH  
34703 30<sup>TH</sup> AVENUE SW  
FEDERAL WA WA 98023

**RE: ADMINISTRATIVE ACTION; CR 2016-01285, 2016-01570**

Dear Mr. Huynh:

Enclosed is a Final Order on Petition for Review entered by the Commission on September 14, 2018, affirming the Administrative Law Judge's Initial Order.

You have the right to move for reconsideration of this Order. If you do so, we must receive your request by the 10<sup>th</sup> day after the Order was mailed. Your motion must include the specific grounds upon which relief is requested and must be submitted to:

Washington State Gambling Commission  
Attention: Legal & Records Division  
P.O. Box 42400  
Olympia, WA 98504-2400

You also have the right to submit a Petition for Judicial Review. If you do this, you must submit it within 30 days of the date the Order was mailed. See RCW 34.05.542 for additional information.

This is not meant to be a full explanation of all the statutes and regulations you would need to understand a Motion for Reconsideration or Petition for Judicial Review. Please call me at (800) 345-2529, extension 3475, with any questions.

Sincerely,

Haylee P. Mills, Staff Attorney  
Legal & Records Division

Enclosure

CC: Justin Jensen, Tran Law Group



**BEFORE THE WASHINGTON STATE GAMBLING COMMISSION**

In the Matter of the Summary Suspension  
of the License to Operate Gambling  
Activities of:

DUNG N. HUYNH

License No. 68-21679

Licensee.

OAH NO. 06-2017-GMB-00023

GMB NO. CR 2016-01285, 2016-01570

~~PROPOSED~~ FINAL ORDER ON  
PETITION FOR REVIEW

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THIS MATTER came on for hearing before the undersigned Commissioners of the Washington State Gambling Commission at the Commission's regularly scheduled meeting on September 14, 2018 in Spokane, Washington, on Licensee Dung N. Huynh's Petition For Administrative Review of Administrative Law Judge T.J. Martin's Initial Order revoking Dung Huynh's gambling license. The Licensee was represented by attorney Justin Jensen. Agency Staff was represented by Senior Counsel Gregory J. Rosen. The Commission had before it the entire record of the proceedings that were previously before the Administrative Law Judge, as well as Mr. Huynh's Petition For Review and Agency's Staff's Response To Petition For Review.

Following argument by counsel and review of the record, the Commission finds that the record in this matter is sufficient to issue this FINAL ORDER and hereby Orders as follows:

IT IS ORDERED that the Administrative Law Judge's Initial Order revoking Dung Huynh's gambling license heretofore made and entered in this matter be, and the same hereby is, AFFIRMED.

DATED this 14 day of September, 2018.



  
BUD SIZEMORE, CHAIR

  
JULIA PATTERSON, VICE-CHAIR

  
CHRIS STEARNS, COMMISSIONER

  
ALICIA LEVY, COMMISSIONER

ED TROYER, COMMISSIONER

NOTICE: RECONSIDERATION

PURSUANT TO THE PROVISIONS OF RCW 34.05.470 AND WAC 230-17-140 YOU MAY FILE A PETITION FOR RECONSIDERATION WITH THE COMMISSION WITHIN TEN (10) DAYS FROM THE DATE THIS FINAL ORDER IS SERVED UPON YOU. ANY REQUEST FOR RECONSIDERATION MUST STATE THE SPECIFIC GROUNDS FOR THE RELIEF REQUESTED. PETITIONS MUST BE DELIVERED OR MAILED TO:

WASHINGTON STATE GAMBLING COMMISSION  
P.O. BOX 42400  
OLYMPIA, WA 98504-2400

NOTICE: PETITION FOR JUDICIAL REVIEW

YOU ALSO HAVE THE RIGHT TO APPEAL THIS FINAL ORDER TO SUPERIOR COURT, PURSUANT TO THE PETITION FOR JUDICIAL REVIEW PROVISIONS OF RCW 34.05.542. ANY PETITION FOR JUDICIAL REVIEW OF THIS FINAL ORDER MUST BE FILED WITH THE COURT AND ALSO SERVED UPON BOTH THE COMMISSION AND THE OFFICE OF THE ATTORNEY GENERAL WITHIN THIRTY (30) DAYS AFTER THE DATE THIS FINAL ORDER IS SERVED UPON YOU.


**CERTIFICATE OF SERVICE**

I certify that on the date below I served a copy of the foregoing document by USPS regular mail  
to the following:

DUNG N. HUYNH  
34703 30<sup>TH</sup> AVENUE SW  
FEDERAL WA WA 98023

JUSTIN JENSEN  
TRAN LAW GROUP  
787 MAYNARD AVE S  
SEATTLE WA 98104-2987

EXECUTED this 20 day of September, 2018, at Lacey, Washington

  
\_\_\_\_\_  
Haylee P. Mills  
Staff Attorney