



# STRATEGIC PLAN 2018-2022



Washington State

**GAMBLING**  
COMMISSION

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

P.O. Box 42400 Olympia, WA 98504 | [www.wsgc.wa.gov](http://www.wsgc.wa.gov)

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## Introduction

This Strategic Plan is both the commissioners' and staff's plan. The Strategic Plan provides the agency leadership agenda for the next five years. The agency director's job is to lead the formulation of the plan and then lead its overall implementation.

Strategic planning is "the process of identifying and aligning the significant factors within an organization's control in order to more effectively accomplish its mission in the face of environmental factors that are not within its control." It is comprehensive, significant, and forward-looking.

As part of the process of preparing this plan, the Commission conducted a SWOT analysis. SWOT is an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats. A SWOT analysis is an organized list of the Commission's greatest strengths, weaknesses, opportunities, and threats.

Strengths and weaknesses are internal to the agency. We can change them over time but not without some work. Opportunities and threats are external. They are out there in the market, happening whether we like it or not. We cannot change them.

The commissioners met with agency leadership to formulate goals for the Commission to accomplish over the course of the next five years. These goals are the major initiatives the Commission must undertake to accomplish its mission. To accomplish these goals, the commissioners defined a number of objectives with a series of tactics to implement these objectives.

## Message from Commission Chair Bud Sizemore



Strategic planning is an arduous but necessary component of successful organizations. The investment of both thought and heart by staff leaders and commissioners while preparing this Strategic Plan is a testament to this agency's desire to be an industry leader. We have laid out some aggressive goals, and as always, our success is dependent on the work of our very competent staff and ongoing support of the Commission. I am very confident in this agency accomplishing what it sets out to do, and pledge the support of each and every commissioner!

## Message from Director Dave Trujillo



I am pleased to present the Washington State Gambling Commission's Strategic Plan for 2018-2022. The plan sets forth the agency's long-term strategic goals for meeting new and challenging issues, while meeting its public safety mission to protect the public by ensuring gambling is legal and honest. It also identifies factors outside the agency's control that could potentially affect goal achievement. The strategic plan describes the objectives and tactics that will be employed in pursuit of the long-term goals. The agency will pursue the short-term objectives and tactics through an annual implementation plan established each year by the agency's Leadership Team. Progress on achievement of the goals within the strategic plan will be reported periodically to commissioners, and a progress report will be presented to the Commission at a public meeting after each fiscal year ends.

For 45 years, the agency has carried out its public safety mission, maintained public confidence, and remained committed to government-to-government relations with our Washington tribal partners. This strategic plan will set the foundation for the next 45 years.

## Meet our Commissioners

### **Bud Sizemore, Chair**



Commissioner Sizemore is a former Mayor Pro Tempore and member of the Covington City Council, and Legislative Liaison for the Washington State Council of Fire Fighters. He is currently a fire fighter with the Kent Fire Department Regional Fire Authority.

Term Expires: Jun 30, 2019

### **Julia Patterson, Vice-Chair**



Commissioner Patterson is a former member of the Metropolitan King County Council, Washington State Senate, Washington State House of Representatives and the SeaTac City Council. Her public service career spans 24 years.

Term Expires: Jun 30, 2024

### **Chris Stearns, Commissioner**



Commissioner Stearns is an attorney specializing in Indian law. He previously served four years as Counsel to the U.S. House Committee on Natural Resources and was the first-ever Director of Indian Affairs for the U.S. Department of Energy. He is also the past Chairman of the Seattle Human Rights Commission.

Term Expires: Jun 30, 2021

### **Ed Troyer, Commissioner**



Commissioner Troyer has been with the Pierce County Sheriff's Department for over 30 years and is their Media Relations and Public Information Officer. He is also the Executive Director of Pierce County Crime Stoppers and Board Chair of TAPCO Credit Union.

Term Expires: Jun 30, 2020

### **Alicia Levy, Commissioner**



Commissioner Levy is an attorney specializing in business law, estate planning and real estate law. She completed her undergraduate work at Washington State University in 2003 and graduated from Gonzaga University School of Law in 2010. Commissioner Levy gained experience working in larger law firms in the region before starting her own firm in Spokane in 2015.

Term Expires: Jun 30, 2023

## Organizational Structure

The Washington State Gambling Commission (WSGC) is an accredited, limited-jurisdiction law enforcement agency and the only statewide agency devoted to gambling licensing, regulation and enforcement.

Through collaboration with local, state, federal, tribal and international law enforcement agencies, we work to fulfill the legislative declaration of: (1) Keeping the criminal element out of gambling, and (2) Promoting social welfare through strict regulation and control.

The Commission is composed of five commissioners appointed by the Governor to six-year terms. The Commission holds regular public meetings, makes policy and budget decisions and takes action on administrative matters. Four members of the Legislature serve as ex-officio members and vote to approve or amend tribal-state Class III gaming compacts. They play an important liaison role between the Commission and the Legislature.

Led by the Director, who is appointed by the Commission, the WSGC has approximately 114 full-time employees at the Commission's headquarters in Lacey, WA, two regional offices in Spokane and Renton, and in home-based offices. The WSGC staff is split between Administration and Operations. Administration oversees two divisions, Human Resources and Business Operations. Administration also oversees Tribal Negotiations and the Tribal Liaison. Operations oversees two divisions and two units, the Licensing, Regulation and Enforcement Division, Information Technology Division, Tribal Gaming Unit and the Professional Standards and Training Unit, to accomplish the WSGC's mission and support the Commission's vision.

## Mission

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

## Vision

We will maintain public confidence by:

- Conducting a fair and effective gambling regulatory and enforcement program.
- Investigating illegal activities.
- Building positive partnerships and relationships.
- Providing a workplace that allows employees to excel at their jobs.
- Anticipating and responding to the evolving gambling industry.

## Values

We value integrity, professionalism, respect, and diversity.



## **Accomplishments from our 2014 - 2018 Strategic Plan**

The Commission's 2014-2018 Strategic Plan identified 18 projects designed to support the Commission's five goals. These goals were: 1) detect and remove the criminal element from gambling; 2) maintain a regulatory environment that promotes compliance; 3) develop, retain, and value our employees; 4) provide accurate and timely information to the Legislature, public, and other stakeholders; and 5) pursue improvements and innovations in agency programs and processes.

Significant progress was made on each of these projects. Of the 18 total projects; 12 were completed, 2 were determined not to be needed, 3 are still in process, and one has been deferred. The execution of these projects was the result of many hours of work by the dedicated Commission staff and reflect the commitment of staff to fulfill the Commission's mission to "protect the public by ensuring that gambling is legal and honest."

## **Commission Business Initiatives**

The following infographic illustrates the various business initiatives that the Commission is engaged in currently and for the next several years. It serves to demonstrate that the Commission is a multi-faceted organization that is continually evolving to serve the needs of its stakeholders. Ultimately, it shows that the Commission truly embraces its mission "to protect the public by ensuring that gambling is legal in honest."

# WSGC BUSINESS INITIATIVES



**Fee Simplification**  
(27 Project Sub-Teams)

Modernize Info Management Systems

Re-establish Intelligence Unit

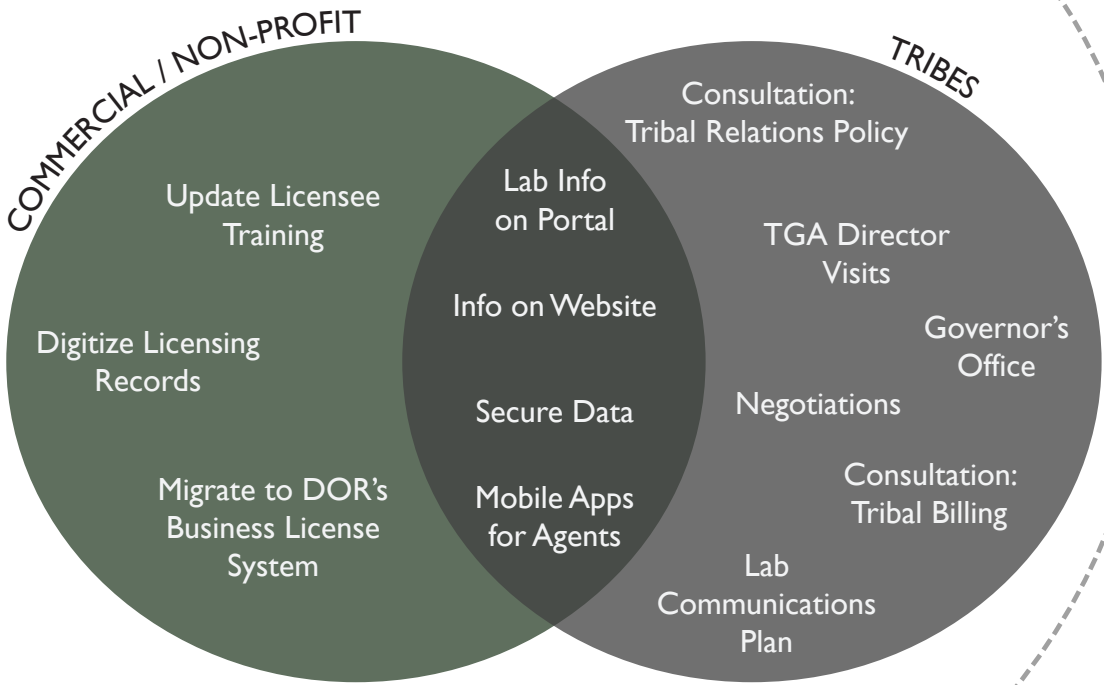
Headquarters Restack

Increase Criminal Case Clearance Rate

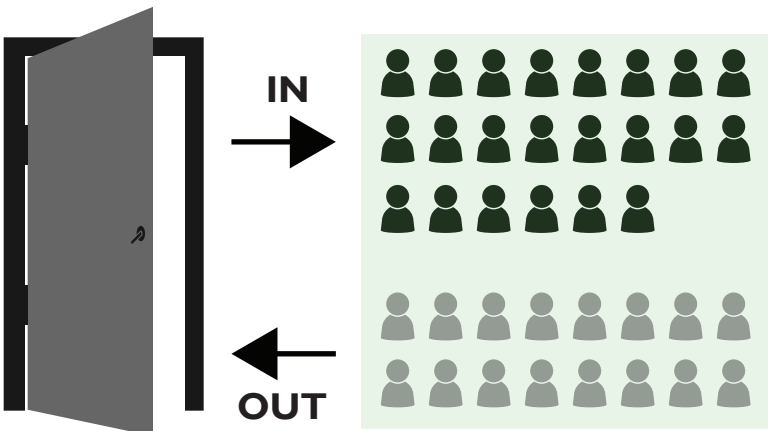
Launch Money Laundering Initiative

Problem Gambling

**FOCUSED ON STAKEHOLDERS**



22 New Hires, 16 Separations: Jan 2017 - Feb 2018  
16 Vacancies as of Feb 2018



**36%** of supervisors are new to the role



**HIRING A GAMBLING SPECIAL AGENT: 5 - 6 Month Process | 7 Vacant Positions: Feb 2018**





# Ensuring gambling is legal & honest



## LICENSING

The Licensing Unit processes more than 20,000 gambling licenses and certifications each year. To determine if new and current businesses are qualified to hold a gambling license, WSGC staff:

- 1) conduct criminal background checks on nearly everyone involved in the business, and
- 2) source funds to ensure money is from a legitimate sources without ties to criminal activities

New Applications Processed	3,523
Renewals Processed	13,309
Criminal History Checks Conducted	18,903
Licenses Revoked	29
New Applicants Who Didn't Qualify, Withdrew or Submitted Incomplete Application	126

Period: July 1, 2017 - May 1, 2018

## TRIBAL GAMING UNIT

Under state law, our director is responsible for negotiating Class III gaming compacts. All 29 federally recognized tribes in Washington have a gaming compact, with 27 casinos in operation.

- 16 tribes operate one casino each
- 4 tribes operate two casinos each
- 1 tribe operates three casinos

We have a cooperative regulatory partnership with tribal gaming agencies, and provide on-site monitoring of Tribal-State compact terms. Each year, we provide new agent training for approximately 60 tribal gaming agency employees.

On-site Visits	781
Violations Found	224
Repeat Violations	28
Complaints Received	72
Average Days to Respond to Complaints	0.51

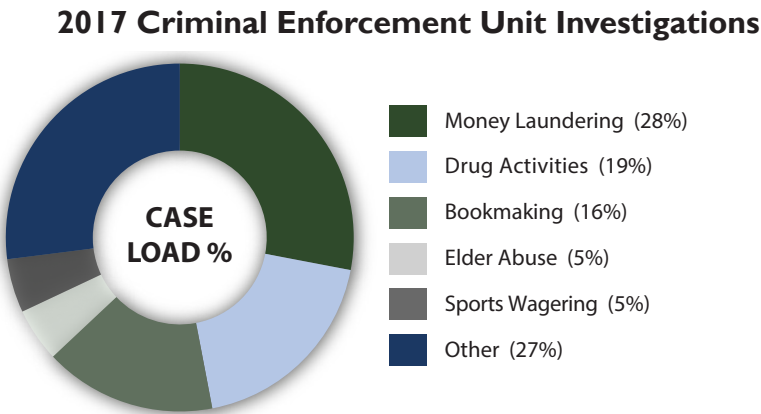
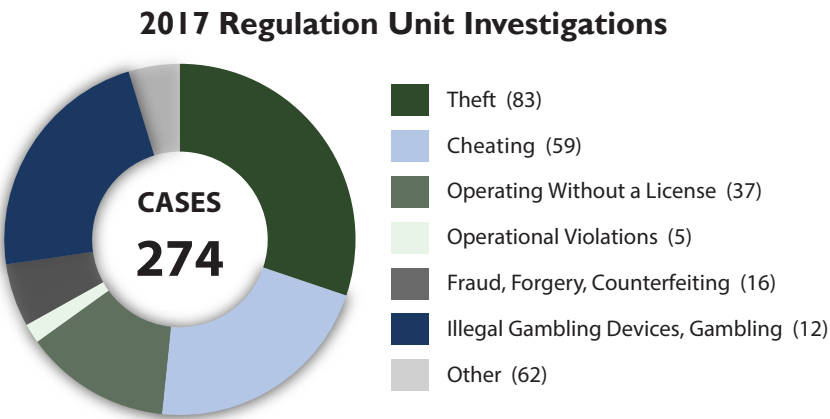
Period: July 1, 2017 - May 1, 2018

## REGULATION & ENFORCEMENT

WSGC agents enforce state gambling laws and rules for licensed and unlicensed activities, and also conduct undercover investigations into gambling activities that are illegal in Washington.

CASE EXAMPLE: Regulation Unit agents arrested two licensed card room employees who conspired to cheat by prearranging decks of cards and placing them into the output of the shuffle machine instead of the input. The loss to the two casinos was approximately \$56,000. The suspects were charged with, and pleaded guilty to, cheating.

CASE EXAMPLE: Criminal Enforcement Unit agents investigated multiple cases of financial exploitation involving elderly victims, two of which were featured in a news story by KOMO TV on elder abuse. In both cases, the suspects withdrew money from the victims' bank accounts using cash machines at local casinos. Charges of theft in the first degree were referred to the prosecutor's office.



## ELECTRONIC GAMBLING LAB

0 overdue submissions in 2017

## TRAINING FOR LAW ENFORCEMENT AGENCIES & LICENSEES

Law Enforcement Academy Recruits:	
Illegal Gambling; Blue-on-Blue Shootings	466
Non-Profit Licensees:	
How to Conduct Gambling Activities	454
Commercial Licensees:	
How to Conduct Gambling Activities	46
Anti Money Laundering Regulations	80

Number of trainees July 1, 2017 - May 1, 2018



## WASHINGTON ASSOCIATION OF SHERIFFS & POLICE CHIEFS ACCREDITED AGENCY

Our agency completed the Washington Association of Sheriffs & Police Chiefs' re-accreditation process in 2018 and received a re-accreditation award at WASPC's annual conference in Spokane. WSGC received its original WASPC accreditation in 2014.





## Commission Goals for 2018 - 2022

### **1. Increase the Commission's role in helping people who are suffering from gambling disorders.**

The Commission desires to take a more proactive role in helping those in Washington State suffering from gambling related disorders in conjunction with the industry and behavioral health professionals.

### **2. Strengthen legislative relationships.**

The Commission has maintained a positive relationship with the state Legislature. We are looking for ways to strengthen that relationship by making more policy recommendations on gambling topics and issues.

### **3. Staff continuity and succession planning.**

The Commission has a dedicated and talented workforce that provides for efficient agency operations. Our workforce is continually evolving because of new hires or employees leaving the Commission to seek other opportunities or to enjoy retirement. We must plan for changes to ensure operations continue to run smoothly. We must also plan for the next generation of leaders in the Commission.

### **4. Strengthen stakeholder relationships.**

The Commission wants to develop and maintain strong relationships with its various stakeholders, such as Tribes, licensees, and gambling equipment manufacturers.

## Goal 1: Increase the Commission's role in helping people who are suffering from gambling disorders

Objectives	Tactics
<b>1. Complete and present problem gambling study to Legislature in February 2019 that looks at ensuring those who need treatment receive treatment in Washington</b>	<ul style="list-style-type: none"> <li>• Secure funding for the study.</li> <li>• Present study to Legislature no later than February 15, 2019.</li> </ul>
<b>2. Increase public awareness around problem gambling</b>	<ul style="list-style-type: none"> <li>• Update agency problem gambling literature.</li> <li>• Post agency problem gambling literature prominently on our website.</li> <li>• Bring awareness to problem gambling events occurring in our state during Problem Gambling Awareness month and at other times, as needed.</li> <li>• Partner with the Horse Racing Commission and the Lottery Commission on problem gambling outreach efforts.</li> </ul>
<b>3. Seek additional funding for problem gambling awareness and focus prevention of problem gambling on minors and youths</b>	<ul style="list-style-type: none"> <li>• Obtain funding through Legislative action beginning after 2019.</li> <li>• Depending on 2019 Problem Gambling study results; seek additional funds through Tribal negotiations.</li> <li>• Work with the appropriate state agency to account for current problem gambling revenue stream received from the state's Business and Occupation tax.</li> <li>• Depending on 2019 Problem Gambling study results, have an Awareness Study related to minors and youth.</li> <li>• Develop problem gambling literature targeted towards minors and youths.</li> </ul>
<b>4. Explore the option of revising RCW 9.46 to increase agency problem gambling responsibility</b>	<ul style="list-style-type: none"> <li>• Determine if agency request legislation is needed to clarify Commission's problem gambling role and, if so prepare, agency request legislation.</li> </ul>
<b>5. Involve all stakeholders in problem gambling processes, e.g. Tribes, licensees, health care professionals etc.</b>	<ul style="list-style-type: none"> <li>• Depending on the results of the 2019 study, the Commission may be involved in a statewide problem gambling taskforce.</li> <li>• Provide opportunities for Tribal and non-Tribal operators to share information on their problem gambling programs.</li> <li>• Develop a Self-Exclusion program that can be applied to Tribal and non-tribal gambling sectors.</li> </ul>



## Goal 2: Strengthen legislative relationships

Objectives	Tactics
<b>1. Prepare an annual report to the Legislature about Commission activities</b>	<ul style="list-style-type: none"> <li>• Assemble staff/stakeholder workgroup with cross representation to prepare legislative report in advance of the 2020 legislative session and annually thereafter.</li> <li>• Publish fiscal year end annual report on the Commission website beginning in 2019.</li> <li>• Update annual legislative media brochure with Commission activity highlights.</li> </ul>
<b>2. Share emerging issues and solutions through white paper process</b>	<ul style="list-style-type: none"> <li>• Sports betting, loot boxes and skins gambling are topics that staff are working on.</li> <li>• Form internal team to keep abreast of emerging issues, determine what issues to focus on, and forecast topics for lawmakers.</li> <li>• Seek Legislative input on topics.</li> </ul>
<b>3. Build coalitions and involve stakeholders in presenting information to the Legislature</b>	<ul style="list-style-type: none"> <li>• Hold periodic meetings that facilitate communications between public, Legislature, Tribes, licensees and other stakeholders.</li> </ul>
<b>4. Encourage Legislative committees to hold educational work sessions</b>	<ul style="list-style-type: none"> <li>• Once whitepapers are written, share with Legislature; and seek annual educational works sessions.</li> <li>• Commission legislative team will monitor gambling related bills dropped and determine how best to educate lawmakers on the subject.</li> <li>• Better utilize Commission Ex Officios as a resource.</li> </ul>
<b>5. Develop position for general fund appropriations for criminal enforcement work</b>	<ul style="list-style-type: none"> <li>• Engage Tribes, licensees, and law enforcement in support of general fund appropriations for criminal enforcement work.</li> </ul>

### Goal 3: Staff continuity and succession planning

Objectives	Tactics
<b>1. Establish agency leadership pathways</b>	<ul style="list-style-type: none"><li>• Reevaluate prior Leadership Development Program and consider reinstating it and provide opportunities for staff to determine if they want to pursue leadership.</li><li>• Provide opportunities for staff to get a feel for leadership through job shadowing, participating on agency teams, and being involved with external organizations.</li><li>• Cross train staff where appropriate.</li><li>• Develop individual training plans that support opportunities for leadership development.</li></ul>
<b>2. Evaluate each division for potential leadership transitions and identify staff that can take over and plan for “back-up” on key positions</b>	<ul style="list-style-type: none"><li>• Identify staff who may be leaving for retirement or other opportunities and determine the future vacancies to be filled.</li><li>• Have conversations with staff regarding their goals.</li><li>• Provide cross training.</li><li>• Update job requirements, including competencies, for key positions.</li></ul>
<b>3. Understand that not all great employees want to be leaders</b>	<ul style="list-style-type: none"><li>• Provide training opportunities for staff that want to be subject matter and technical experts and do not have the desire to be supervisors.</li><li>• Talk to staff about their goals and what motivates them.</li><li>• Retain people where they are successful as subject matter experts.</li></ul>
<b>4. Be employer of choice</b>	<ul style="list-style-type: none"><li>• Highlight state and agency benefits during recruitment and stress what this agency offers, such as flexible schedules, telework opportunities, etc.</li><li>• Where feasible, provide for a flexible and modern work environment.</li><li>• Develop methods to reach a diverse pool of job candidates.</li><li>• Provide meaningful recognition to staff.</li></ul>

## Goal 4: Strengthen stakeholder relationships

Objectives	Tactics
<b>1. Improve Tribal billing system and Tribal Relations policy</b>	<ul style="list-style-type: none"> <li>• Conduct formal and informal Tribal consultation meetings.</li> <li>• Use WIGA (Washington Indian Gaming Association) to help share information and identify workgroup members.</li> <li>• Build relationships with Tribal Gaming Commissions, Tribal Gaming Agencies, casino operations, and others.</li> </ul>
<b>2. Utilize stakeholders &amp; other experts when presenting information</b>	<ul style="list-style-type: none"> <li>• Send staff to, or request to have a representative at, licensee trade organization meetings.</li> <li>• Increase visits to state non-profit conventions.</li> <li>• Provide the ability for stakeholders to add Commission meeting agenda topics on emerging gambling issues.</li> </ul>
<b>3. Obtain feedback on fee simplification from stakeholders</b>	<ul style="list-style-type: none"> <li>• Conduct online surveys, town hall meetings, as well as talk to individual licensees to gauge effectiveness of fee simplification on stakeholders.</li> <li>• Follow Tribal consultation process to obtain feedback from Tribal stakeholders.</li> </ul>
<b>4. Work on raffle rules and build better relationships with non-profits</b>	<ul style="list-style-type: none"> <li>• Identify the changes the agency is willing to accept/consider.</li> <li>• Determine scope of any potential rule changes.</li> <li>• Identify staff who are subject matter experts to work on raffle rule project.</li> </ul>
<b>5. Coordinate a gambling summit to discuss various gambling related topics</b>	<ul style="list-style-type: none"> <li>• Follow a process similar to Tribal consultation to prepare a summit that includes entire gaming industry.</li> <li>• Engage stakeholders and ask them to contribute ideas for the summit.</li> </ul>

## Assessment of External Challenges and Opportunities

There are many factors outside of the Commission's control that have significant impacts on the Commission's ability to complete its mission. After conducting a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, the Commission identified the following external factors that are expected impact the Commission over the next five years:

### Technology

Technology impacts the activity being regulated (gambling) and the tools and methodology used to regulate the activity. Changes in technology will be one of the most important factors impacting the Commission's programs over the next few years. Key areas include:

- Innovations in information technology that will change the way we do our work (investigations, monitoring, collection and dissemination of public information, communication with licensees and law enforcement);
- Automation of records and reports of regulated activities;
- Advances in Internet technology and the availability of legal and illegal online gambling; and
- Continuous and increasing pressure to allow new technology in gaming activities.

### Government

The Commission can be impacted by the decisions of other governmental and judicial bodies. Those that have the potential for the greatest impact are:

- Judicial decisions at the state or federal level may interpret the law in a manner that expands or restricts the scope of gambling activities in Washington;
- The United States Supreme Court recently ruled that the Professional and Amateur Sports Protection Act of 1992, also known as PASPA was unconstitutional, which now allows states to legalize sports betting;
- Tax revenues from new or existing gambling activities may be an attractive option for state and local governments that need to make up for budgetary shortfalls;
- Cities and counties may allow or prohibit authorized gambling activities;
- Tribal governments are seeking alternatives to current billing methods and the state's current regulatory role; and
- Litigation is expected to continue or increase related to machine gambling and other regulatory issues.

### Government-to-Government Relationships with Tribes

The Commission participates in all Tribal-State Centennial Accord meetings and is committed to consulting with tribes on issues that affect our respective governments. The agency will continue to strengthen government-to-government relationships with each Washington Indian Tribe consistent with the RCW 43.376, the Centennial Accord, and the co-regulatory partnership outlined in the Tribal-State Class III Gaming Compacts.

### Market Trends

Various market trends impact the Commission's ability to complete its mission. Among those are:

- Continued pressure from gambling industry competitors to obtain authorization for new forms of electronic gambling;
- Tribal casinos are increasingly popular for gambling;
- Illegal and legal gambling equipment and related activities have proliferated; and
- Gambling has increased in popularity among young people.

### State Economy

Washington State's economy continues to grow, and is forecasted to outperform U.S. economic growth over

the next four years. Forecasted revenue growth is not likely to meet current demands on the state's resources. Washington continues to face a structural budget gap because the state's tax and revenue system does not keep pace with the increasing demands for services of a growing population.

Washington's economy is cyclical, and the current growth cycle will eventually slow. The members of the Governor's Council of Economic Advisors believe the probability of a recession by 2023 to be about 88 percent.

## Assessment of Internal Capacity and Financial Health

### Internal Capacity

Many factors affect the Commission's internal capacity and its ability to accomplish its mission, goals, and objectives. Among these is the Commission's ability to:

- Recruit, train, and retain a diverse and knowledgeable workforce;
- Utilize technology to more fully automate business processes;
- Offer online transaction options for our licensees; and
- Maintain up-to-date technology.

### Financial Health

Because the Commission is a non-appropriated agency, its financial health is directly related to maintaining sufficient revenue and working capital balance to ensure it can cover expenses during periods of revenue fluctuation, and absorb any statewide changes such as salary and benefit increases. Therefore, it is critical that the Commission ensures an adequate level of funding from its primary revenue sources of license fees and Tribal regulation reimbursements.



## **Washington State Gambling Commission**

4565 7th Avenue SE  
PO Box 42400  
Olympia, WA 98504-2400  
360-486-3440  
800-345-2529  
[www.wsgc.wa.gov](http://www.wsgc.wa.gov)

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