



**Rule Petition to Amend and Adopt New Rules
 Authorizing Centralized Surveillance
 New and amended rules to WAC Chapter 230-03, 230-05, and 230-15**

**January 2025 – Discussion & Possible Filing
 February 2024 – Initiate Rule Making**

Tab 5: January 2025 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Vicki Christopherson on behalf of Maverick Gaming	
Background	
<p>BOLD = Changes made since February 2024 Commission Meeting</p> <p>Vicki Christopherson on behalf of Maverick Gaming is requesting to create a regulatory structure to allow centralized surveillance of house-banked card rooms under common ownership.</p> <p>The petitioner stated this change can help house-banked card rooms with common ownership:</p> <ul style="list-style-type: none"> • Ensure compliance with regulations • Maintain a safe and secure environment for guests and staff • Protect gaming operations and the public. <p>The petitioner seeks to update the WAC to reflect the advancements in technology and opportunity for house-banked card rooms under common ownership to implement centralized surveillance monitoring systems designed to ensure that gaming is conducted in an honest, competitive, and safe environment.</p> <p>In November 2021, a petition was received from Tim Merrill of Maverick Gaming to authorize centralized surveillance. In January 2022, the Commission chose to initiate rule-making that would address policy considerations outlined by staff. In February 2023, staff recommended withdrawing rulemaking due to the policy concerns outlined by staff. At the February 2023 commission meeting, the petitioner withdrew their petition with the understanding that staff would work with them on this topic over the next 18 months.</p> <p>At the January 2024 commission meeting, staff provided an update on the discussions with Maverick Gaming and research done to date on the topic. Maverick Gaming also provided an update on their research done to date.</p> <p>The purpose of surveillance systems is to, in a way that is not publicly accessible, document events that:</p> <ul style="list-style-type: none"> • Ensure the licensed gambling activities are conducted honestly and free of criminal elements and activities, • Protect the public and employees, and • Safeguard the licensee’s assets. <p>Currently, rules require Class F and house-banked card room licensees to maintain analog or digital closed-circuit television (CCTV) systems within their licensed premises that are monitored by the licensee’s card room employees.</p>	

Attachments:

- Petition.
- January 2024 Commission staff PowerPoint Presentation.
- January 2024 Maverick Gaming PowerPoint Presentation.
- **Proposed new and amended rule language.**

At the February 2024 commission meeting, Commissioners initiated rulemaking to explore authorizing centralized surveillance systems.

Since the February 2024 commission meeting, staff has worked to develop or amended the attached rules related to the authorization of centralized surveillance systems. These rules create a regulatory framework for centralized surveillance systems and include licensing standards, technical specifications, staffing obligations, testing requirements, and disruption procedures.

Staff created these rules by starting with the language of the petition, which asks the Gambling Commission to “develop a regulatory framework to allow for centralized surveillance for cardrooms under common ownership.” Staff then used existing surveillance rules as a basis for the new rules related to centralized surveillance. These existing rules have been tried and tested in Washington State, have proven effective, and are generally well understood by licensees. The existing rules require licensees to maintain their own surveillance departments and do not allow those obligations to be passed on to third parties. New rules regarding centralized surveillance would not change these requirements, but would allow licensees with multiple cardrooms under common ownership to house surveillance departments in a centralized off-site location rather than on-site locations.

Policy Considerations

Staff did not find any jurisdiction in the U.S. currently allowing for centralized surveillance rooms for card room activities by rule or regulation. The petitioner has received special permission in Colorado and Nevada to operate a centralized surveillance room.

Staff confirmed that Maverick Gaming operates centralized surveillance in Nevada through a variance granted by Nevada Gaming Control Board (NGCB) Chair. The variance was granted to the NGCB casino surveillance standard requirements under Regulation 5.160. The circumstances for which variances are authorized are not outlined in statute or regulation.

Staff confirmed that Maverick Gaming operates centralized surveillance in Colorado as authorized under Division of Gaming’s Internal Control Minimum Procedures, Section 13, Surveillance system standards, which requires each casino to have an “in-house” surveillance room, except for commonly owned casinos within the same county. They also authorize licensees to seek variances related to surveillance.

Staff have the following policy concerns:

- Location of centralized surveillance room, i.e., in-state, out-of-state, within the same county of card rooms being monitored, etc.
- The number of card rooms the centralized surveillance room can monitor and staffing requirements.
- Licensure of the centralized surveillance room and its employees.
- Network and operating requirements of the centralized surveillance rooms.
- Access to surveillance video by our staff and law enforcement.

- Ability to keep the surveillance system as a CCTV with the ability to view surveillance showing fluid motion and detail, without interruption.
- Type of security encryption used to transmit surveillance video.
- Communication between the card room and the centralized surveillance room.
- Responsibility for violations in the centralized surveillance room when they are tied to multiple licensed card rooms.
- **Rules in Colorado and Nevada allow centralized surveillance systems by exception or variance, but centralized surveillance systems are not specifically authorized by rule in any jurisdiction.**

Attachments:

- Letters requesting approval for centralized surveillance in Nevada.
- Colorado Division of Gaming Internal Control Minimum Procedures Variance Request Forms.

Public and Tribal Partner Feedback

On February 5, 2024, the petitioner provided an email (attached) sharing their thoughts on possible components of a regulatory structure for centralized surveillance rules.

On September 5, 2024, staff met with licensees, interested parties, and other members of the public to discuss feedback and general concerns with the proposed rules. Eric Persson, CEO of Maverick Gaming, asked if the rule changes apply to both house banked and non-house banked cardrooms. Staff responded that they do. Mr. Persson also commented that implementing a centralized surveillance system would require significant investment; therefore, he would not be in favor of a sunset clause in these rules. Finally, Mr. Persson asked if a type of dual license would be available allowing, in the event that there is a disruption in the centralized surveillance video feed, an individual who is licensed in a non-surveillance role to perform surveillance duties in the onsite room until a certified person is available. Staff responded that required internal controls and license types will remain the same and rules will continue to require independent departments.

Staff held consultation sessions with tribal partners on September 3, 2024, and September 24, 2024. Staff agreed to share the following concerns communicated by Tribal partner representatives during those meetings:

- **Rules are progressing for cardroom licensees when a tribe had been denied similar abilities in the past. Staff shared the history of this rule and how it fits in the rule making process.**
- **If or when an onsite room would require staffing, ensuring the staff assigned did not have incompatible functions that could compromise the operation. Staff responded that the individuals staffing the surveillance rooms must be licensed and the surveillance department must be independent from other departments.**
- **A surveillance employee monitoring too many tables at once may not be able to monitor all areas, including key functions and locations such as the cage, effectively.**

- The risk of compromising the operation by transmitting live video of a gaming area offsite, the specific technical standards to be used for security testing and risk assessments, and the licensing process for security testing companies of the centralized surveillance systems was unclear.

Staff Recommendation

The actions available to Commissioners include:

- File the attached language for further discussion, or
- Seek alternative language and/or continue discussion in future meetings, or
- Deny the petition in writing a) stating the reasons for denial and specifically address the concerns stated in the petition, or (b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

WAC 230-15-261 Defining "Surveillance system." For the purposes of this chapter, a "surveillance system" means a system containing video cameras, monitors, digital recording equipment, servers, switches, and/or ancillary equipment.

WAC 230-15-262 Defining "closed circuit television" (CCTV). For the purposes of this chapter, "closed circuit television" (CCTV) means a surveillance system that uses wired surveillance cameras connected to equipment secured in a surveillance room for monitoring and recording purposes and which video signals are not publicly distributed or accessible.

WAC 230-15-263 Defining "surveillance room." For the purposes of this chapter, a "surveillance room" means a secure location(s) on the premises of a licensed card room that houses a portion of the surveillance system including monitors, digital recording equipment, servers, switches, and/or ancillary equipment.

CENTRALIZED SURVEILLANCE REQUIREMENTS

WAC 230-15-800 Defining "centralized surveillance monitoring location." For the purposes of this chapter, a "centralized surveillance monitoring location" means a secure room at a licensed house-banked card room with remote access to surveillance systems of

multiple licensed card rooms owned and controlled by the same parent company. Access to surveillance systems includes, but not limited to, the viewing of video data signals from cameras.

WAC 230-15-805 Approving centralized surveillance monitoring

locations House-banked card game licensees must receive written approval from us before utilizing or operating a centralized surveillance monitoring location. The following conditions must be met:

(1) Before a house-banked or Class F card room is allowed to be monitored by a centralized surveillance monitoring location, they must submit internal controls to us in the format we require; and

(2) The house-banked card room that houses the centralized surveillance monitoring location must submit internal controls to us in the format we require; and

(3) The centralized surveillance monitoring location must pass a preoperational inspection.

WAC 230-15-810 Closed circuit television surveillance systems

required Any house-banked or Class F card room being monitored by a centralized surveillance monitoring location must have a closed circuit television (CCTV) system on their premises and adhere to all applicable rules.

WAC 230-15-815 Centralized surveillance monitoring location

requirements Centralized surveillance monitoring locations must:

(1) Be located on the licensed premises of a house-banked card room; and

(2) Have at least one "monitoring station" for each surveillance department employee working in the room. A "monitoring station" is a designated area for one surveillance department employee to work at which includes at least:

(a) A computer connected to one or more monitored card rooms that is capable of pulling up all cameras of a monitored card room and reviewing playback of recorded video to include forward, reverse, slow motion, and frame-by frame; and

(b) A controller to utilize pan tilt zoom (i.e. PTZ) cameras. The centralized surveillance monitoring location may have PTZ override capabilities over the monitored card room's surveillance room; and

(c) Video monitors to view surveillance cameras and ability to listen to required audio; and

(d) Dedicated method of communication (e.g. phone) to communicate between monitored card rooms and centralized surveillance monitoring location; and

(3) Have a sufficient number of video monitors at each monitoring station to simultaneously view multiple gambling tables, the cashier's cage, and count room activities; and

(4) Have an alarm device that signals centralized surveillance monitoring location employees when any count room door of a monitored card room is opened; and

(5) Have an alarm device that signals centralized surveillance monitoring location employees when the cage cashier manually triggers a silent alarm in the cage of a monitored card room; and

(6) Have an alarm device that signals centralized surveillance monitoring location employees when any surveillance room door of a monitored card room is opened; and

(7) Have a failure notification system for each monitored card room that provides immediate notification for any digital recording equipment system failure.

WAC 230-15-820 Staffing requirements for centralized surveillance monitoring locations. The licensee who houses the centralized surveillance monitoring location must ensure that at least two surveillance department employees are present in the room and monitoring activities whenever one or more monitored card rooms are

conducting gambling and during the count process. In addition, the licensee must:

(1) Control access to the room so that only licensed surveillance department employees use the room. Approved supervisory or management personnel may also enter the room to review activities, but only if they are licensed at each house-banked card room the centralized surveillance monitoring location monitors; and

(2) Have at least one surveillance department employee for every 15 house-banked gambling tables open for play with at least one dedicated surveillance department employee to observe the transporting of drop boxes of a house-banked card room or when the count takes place. For example, if there are seven house-banked card rooms being monitored with 45 house-banked gambling tables open for play then three surveillance department employees would be required. However, if there were also four soft counts taking place at the same time, at least four surveillance department employees would be required in the room.

WAC 230-15-825 Additional requirements of licensees that house a centralized surveillance monitoring location. Licensed locations that house a centralized surveillance monitoring location must ensure that:

(1) Surveillance department employees are licensed at each card room monitored by the centralized surveillance monitoring location; and

(2) A sign-in log, in the format we require, is maintained to document anyone entering or leaving the room; and

(3) Surveillance department employees keep a log of all surveillance activities, in the format we require, for each card room monitored by the centralized surveillance monitoring location; and

(4) Breaks for surveillance department employees are limited to thirty minutes or less per shift; and

(5) Any time a winning wager, a jackpot, or bonus pay out greater than three thousand dollars is won, surveillance department employees use pan-tilt-zoom (PTZ) cameras to verify:

- (a) Winning hands; and
- (b) Amounts of the wager; and
- (c) Amounts of the pay out; and
- (d) Players who won the prize.

WAC 230-15-830 Centralized surveillance monitoring location

disruptions. In the event that the centralized surveillance monitoring location is unable to view any camera that covers required gambling areas at a monitored card room, the following conditions must be met:

(1) Immediately notify supervisory personnel at the monitored card room; and

(2) The monitored house banked card room must shut down gambling operations in specific areas of the card room not covered by a required camera until the camera feed is restored. Alternatively, if the onsite surveillance room is capable of viewing the required camera, they may operate in the specific area once a licensed employee, as approved in the internal controls, staffs the surveillance room. For example, if a gambling table is not covered by a surveillance camera, the monitored card room must shut down the gambling table but may continue to operate other gambling tables at the card room where the surveillance system is operational; and

(3) The centralized surveillance monitoring location must document the disruptions in a malfunction log in the format we require; and

(4) Report the issue to us within twenty-four hours.

WAC 230-15-835 Surveillance room requirements for monitored card rooms. House-banked and Class F card room licensees that utilize a centralized surveillance monitoring location must:

(1) Have a surveillance camera installed in the surveillance room(s) that views the surveillance equipment to include the digital

recording equipment, computers, and monitors. The centralized surveillance monitoring location must have remote access to the camera viewing the onsite surveillance room(s) ; and

(2) Grant us access to the surveillance room within thirty minutes. A licensed authorized card room employee, as approved in the internal controls, who is knowledgeable in the operation of the surveillance system must be available to assist us.

WAC 230-15-840 Security for centralized surveillance monitoring locations access of closed circuit television surveillance systems.

Centralized surveillance monitoring locations may remotely access live or recorded surveillance footage from licensed card rooms under the following conditions:

(1) Remote viewing requires a dedicated and secure communication protocol or application utilizing encryption. Any communication must be secured from intrusion, interference, and eavesdropping; and

(2) Ensure security for all communications and data to prevent unauthorized access. These security measures should include, but are not limited to, current encryption standards for critical information, isolation from public networks, and use of firewalls; and

(3) Laptops or computers used for remote viewing must meet the following requirements:

(a) Be dedicated to the closed circuit television surveillance systems being monitored; and

(b) Have a mechanism to detect and prevent installation of spyware, key loggers, hacking tools, or other malicious software; and

(c) Have regularly updated antivirus software protection; and

(d) Employ active firewall software; and

(e) Have hardened operating system; and

(f) Have security vulnerability patching; and

(4) Ensure that access protocols are embedded in the system software that prohibit users from rewriting over storage discs, changing system configurations, or otherwise making changes such as to cause the integrity of the system or the historical data to be called into question; and

(5) Prior to offering centralized surveillance and annually thereafter, the licensee must have an independent technical expert and licensed service supplier perform a system integrity and security assessment of the surveillance system. The scope of the security assessment must include vulnerability and penetration testing. The independent technical expert's report will be submitted to us and must include (a) the scope of the review, (b) name and company affiliation

of the individuals who conducted the assessment, (c) date of assessment, (d) findings, (e) recommended corrective action, if applicable, and (f) the licensee's response to the findings and recommended corrective action if applicable; and

(6) Report any system security breach to us within twenty-four hours.

WAC 230-15-845 Remote viewing of monitored card rooms

surveillance video. Centralized surveillance monitoring locations must be able to remotely access all surveillance camera views and required saved video files from licensed card rooms they monitor. The following video monitoring conditions must be met:

(1) There must be adequate bandwidth capacity and transmission speed to ensure all monitored cameras have minimal live view latency (less than a one second delay); and

(2) Each camera view or saved video file called up for remote viewing at a centralized monitoring location must have:

(a) Sufficient bandwidth speeds to show fluid motion equivalent to 25 FPS or better.

(b) Sufficient clarity to clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game; and

(3) Each camera view and required saved video files at a monitored card room must be capable of having its video picture displayed on all video monitors at a centralized surveillance monitoring location.

AMENDATORY SECTION (Amending WSR 22-01-182, filed 12/20/21, effective 1/20/22)

WAC 230-03-210 Applying for a gambling service supplier license.

(1) You must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation:

(a) Consulting or advisory services regarding gambling activities; or

(b) Gambling management services; or

(c) Financing for more than one licensee for purchases or leases of gambling equipment or financing for providing infrastructure or facilities, or equipment that supports gambling operations:

(i) Once you have financed more than one licensee, you must be a licensed gambling service supplier until all loans with licensees or previous licensees are paid; or

(ii) Once you have been a licensed gambling service supplier, you must be licensed as a gambling service supplier again before financing purchases or leases for any licensee; or

(d) Acting as a lending agent, or loan servicer, or placement agent; or

(e) Providing the assembly of components for gambling equipment under a contract with a licensed manufacturer or entering into an ongoing financial arrangement for gambling related software with a licensed manufacturer; or

(f) Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; or

(g) Training individuals to conduct authorized gambling activities; or

(h) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission; or

(i) Performing the testing and certification of tribal lottery systems and sports wagering systems in meeting requirements specified in tribal-state compact; or

(j) Performing the testing and certification of gambling equipment as required by Title 230 WAC; or

(k) Performing the system integrity and security assessment of a surveillance system used by a centralized surveillance monitoring location; or

(l) Providing nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services exceed \$30,000 during any permit period or license year.

(2) You do not need a gambling service supplier license if you are:

(a) A bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution; or

(b) A university or college regulated by the Washington state board of community and technical colleges and the higher education coordinating board that trains individuals to conduct authorized gambling activities; or

(c) An attorney, accountant, or governmental affairs consultant whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; or

(d) A person who only provides nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services do not exceed \$30,000 during any permit period; or

(e) A person who provides names, images, artwork or associated copyrights, or trademarks, or patent use, or other features that do not affect the results or outcome of the game, for use in gambling equipment; or

(f) Regulated lending institutions; or

(g) A licensed distributor who provides any of the following services for compensation:

(i) Training to licensed and potential punch board/pull-tab operators; or

(ii) Providing assistance to gambling license applicants or licensees seeking gambling license renewal.

WAC 230-15-320 Surveillance room requirements for house-banked card game licensees. House-banked card game licensees must maintain one or more surveillance rooms. They must:

(1) Control access to the surveillance room so that only surveillance department employees use the room. Owners or their approved supervisory or management personnel may also enter the surveillance room to monitor activities. Licensees may allow authorized personnel to escort any other person into the surveillance room for educational, investigative, or maintenance purposes; and

(2) Ensure that surveillance room entrances are not easily observed from the gambling floor; and

(3) Ensure that a surveillance department employee is present in the room and monitoring activities using the equipment any time the card room is conducting gambling and during the count process. However, subject to subsection (4) of this section, licensees may operate the surveillance room without staff only in the following limited circumstances:

(a) For routine breaks that are less than thirty minutes per shift; or

(b) When only nonhouse-banked card games are operated with wager limits of forty dollars or less and such limits are documented in their internal controls; or

(c) When the house-banked card room is being monitored by an approved centralized surveillance monitoring location.

(4) Ensure that any time a winning wager, a jackpot, or bonus pay out greater than three thousand dollars is won, they use pan-tilt-zoom (PTZ) cameras to verify:

- (a) Winning hands; and
- (b) Amounts of the wager; and
- (c) Amounts of the pay out; and
- (d) Players who won the prize.

WAC 230-15-267 Remote access of closed circuit television surveillance systems. House-banked and Class F card game licensees must strictly control digital closed circuit television (CCTV) systems. Licensees may allow remote access to the CCTV system under the following conditions:

(1) Licensed gambling service suppliers that install and maintain closed circuit television (CCTV) surveillance systems may remotely access digital CCTV systems for maintenance or repair under the following provisions:

- (a) The card room licensee must notify us before the remote access occurs; and
- (b) The card room licensee must document any remote access in their surveillance log; and
- (c) Remote access will only be enabled for the duration of the maintenance or repair and the connection terminated immediately after; and

(2) Centralized surveillance monitoring locations approved in the internal controls may access the digital CCTV system.

WAC 230-05-112 Defining "gross gambling receipts."

(1) "Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.

(2) The amounts must be stated in U.S. currency.

(3) The value must be before any deductions for prizes or other expenses, such as over/short.

(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."

(5) Gross gambling receipts for authorized activities

Activity:	Gross gambling receipts include amounts due to any operator for:
(a) Punch board and pull-tab	Purchasing chances to play.
(b) Raffles and enhanced raffles	Purchasing chances to enter.
(c) Electronic raffles	Purchasing chances to enter.
(d) Bingo	Fees or purchase of cards to participate.
(e) Amusement games	Amounts paid to play amusement games.
(f) Card games	<ul style="list-style-type: none"> • "Net win" from house-banked card games; • Tournament entry fees; • Administrative fees from player-supported jackpots; • Fees to participate in nonhouse-banked card games.
(g) Manufacturers and distributors	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Bingo paper or bingo cards; • Punch boards and pull-tabs; • Devices for dispensing pull-tabs;