

Chair Sizemore:

Good morning everyone. We would like to welcome you to our June meeting of the Washington State Gambling Commission. This is day one of two. We have a very packed agenda for the next couple of days. I want to remind everyone that even though we have been in virtual world for quite some time, sometimes we forget to keep ourselves muted and struggle with the platform a little bit, but we'll certainly do our best to give grace to folks to try to work through the process. I will let you know that during our normal aspects of the meeting, we will be having all in commissioners and ex officios and staff that will be participating until a point in time where I request public comment. If you could please keep yourself muted until then, I'll remind everyone that this meeting is being recorded for the public record, and we are also being broadcast on TBW. All that I again, thank you everyone for joining us. I will ask the interim director to please call the roll.

Interim Director Griffin:

Okay. Vice Chair Patterson.

Vice Chair Patterson:

Here.

Interim Director Griffin:

Commissioner Levy.

Chair Sizemore:

Excused.

Interim Director Griffin:

Commissioner King.

Chair Sizemore:

Excused.

Interim Director Griffin:

Commissioner Reeves.

Commissioner Reeves:

Present.

Interim Director Griffin:

Senator Conway. Senator Conway.

Senator Conway:

Here.

Interim Director Griffin:

Thank you. Senator Holy.

Senator Holy:

I'm here.

Interim Director Griffin:

Thank you. Representative Kloba.

Representative Kloba:

Here.

Interim Director Griffin:

Thank you. Representative Vick.

Chair Sizemore:

I end up believe he is also excused.

Interim Director Griffin:

Okay. Chair Sizemore.

Chair Sizemore:

Here. It appears that we have a quorum for both commissioners and of the entire nine member including ex officios. With that, we will be able to proceed and I'll start with once again, this past month we have seen the risk and sacrifice that law enforcement officers across the country, including our special agents are willing to make for the public good, and for that reason, I would like to take just a moment of silence to recognize those law enforcement officers that we've lost in the line of duty since we've last met, so please join me.

Chair Sizemore:

Thank you. With that, we'll get right into the agenda. The first item on our agenda is the Suquamish Tribe Proposed Compact Amendment 5. We will have the Honorable Leonard Forsman, Chair, and Rion Ramirez, the CEO of Port Madison Enterprises, joining our Interim Director, Tina Griffin, and our Tribal Liaison, Julie Lies. I will turn it over to you, Tina, to get us started.

Interim Director Griffin:

Okay. Thank you. Next slide please. Thank you. Our commissioners, the five commissioners appointed by the Governor, with consent of the Senate for a six-year term. Next slide please. Our ex officios by statute participate in the votes of the tribal-state compacts on whether to return the proposed compact to the director for further instructions and further negotiations or to vote for the proposed compact to the governor for final execution. Next slide, please. The Indian Gaming Regulatory Act sets the foundation for Class III gaming on Indian lands and are conducted in conformance with the tribal-state compact. Next slide, please. IGRA sets out the topics that can be negotiated in tribal-state compacts. Congress outlines in IGRA gaming activities on tribal lands that are a means for generating tribal government

revenue and remote tribal economic development, tribal self sufficiency, and a strong tribal government.

Interim Director Griffin:

Since gaming activity is a means for generating revenue for the tribes government, we have shared interests. Next slide please. Oh, we're a few slides I think behind. Next slide, please. There we go. Our mission is to ensure gambling is legal and honest. Next slide, please. With the tribes our shared interests, we want to ensure that we have no criminal involvement in gaming, that gaming is limited to authorized activities only, and that we minimize the negative impacts on local law enforcement and communities around us. Next slide, please. With that, I will turn it over to Chair Forsman and Rion Ramirez.

Leonard Forsman:

[foreign language 00:06:23]Thank you. I'm Leonard Forsman and I'm Chairman of the Suquamish Tribe, and like the thing a Chair Sizemore and the rest of the commission for have given us the opportunity to present our Fifth Amendment to the Suquamish Tribe Gaming Compact, and I'm joined by Rion Ramirez, who's Chief Executive Officer of our business arm of the Port Madison Enterprises, which is a board appointed by tribal council, includes one tribal council member that oversee our gaming and other business enterprises. Next slide please. You may know the Suquamish tribe as the People of the Clear Salt water, that's the name. Suquamish comes from the beach in front of the Old Man House Park, passage where one of our major village is located. Our traditional language is Lushootseed, and it's a language that's spoken primarily in Southern in the Northern parts of Puget Sound or the Salish Sea as we call it today.

Leonard Forsman:

Chief Seattle is half Suquamish. His father is Suquamish, his mother was from a village on the White River in Kent, and was a signatory to the 1855 Treaty Appoint Elliott on behalf of our tribes, and that treaty established the Port Madison Indian reservation, where we reside today. Our winter villages went of course stretched beyond just the Old Man House village, which was on a reservation included villages and [inaudible 00:08:09] that was on our reservation, now what's now known as Poulsb and Silverdale and Chico, Colby, Bolin, Olalla, Point White on Bainbridge, which center on Bainbridge, Port Madison Valley just to mention a few of those, nearly over 30 recorded villages. It's primarily on the Kitsap Peninsula. Next slide.

Leonard Forsman:

We have a map here that shows our location for those that aren't familiar. You could see Bainbridge Island here and in the red, you can see our reservation as I said before, established by the Treaty enlarged five years after ratification, enlarged again in 2013 to include the Lifeless Golf Course. This map actually has to be modified to include whatever the change in our boundary. As you know we're very close to us Seattle by ferry, and I'm very proud of what we've been able to accomplish here the last few decades since our economic cultural resurgence. Next slide.

Leonard Forsman:

Our Clearwater Casino Resort here on our homeland, and our name Agate Pass, you can see the Agate Pass bridge here that connects us to Bainbridge island. We began as a tent. We were very adamant and focused on running this business arm of the tribe as an independent operation that was financed

completely by private lenders and no management firms. It took us a little longer because we had to wait to buy and to finally find the financing that was acceptable to us and we opened in '95. We started to employ our people and we learned the business firsthand on the job. We have many people that are in management positions that are members of the tribe that began in the tent. Since then we've built a 78,000 square foot casino at the resort. Very proud, happy and pleased to be able to have this enterprise right on the land of ancestors. Go to next slide. I'd like to turn it over to Rion Ramirez to take the patient on from here. Thank you.

Rion Ramirez:

Thank you, Chairman. Thank you to the Gambling Commission, Chair Sizemore, and Director Griffin, thank you for the opportunity to present to you here today is truly an honor to follow up on all the good work that we've charted on together. Port Madison Enterprises during pre-pandemic times as over 1,000 employees, fields ranging in technology to hospitality, to construction. The Suquamish owned company and its subsidiaries are now the second the largest employer in a greater Kitsap County. We offer competitive compensation packages, including medical, dental, vision, 401k. During the pandemic we're really proud of the work that we here at the tribe and as a governmental agency of the tribe did in terms of protecting and working with our employees. We offered quarterly bonuses. In terms of the pandemic the tribal government did a phenomenal job of vaccinating its essential workers here at PME.

Rion Ramirez:

Currently we're sitting at all of our enterprises tribe wide at over 82% of our employees are fully vaccinated in that regard, and we're really, really proud of the work that the tribe did there as well as the fact that they were able to offer vaccination to elders in our community, all elders non-Indian, Indian alike. The tribe also made very early on the decision to vaccinate the teachers in our region and we're just really, really proud of the work that the tribal government and PME has been able to do for the broader community as well as our employees. Next slide.

Rion Ramirez:

The benefits of governmental gaming are really profound in Indian country. It provides us the opportunity to provide protection to our Treaty Rights, including co-management of natural resources, allows us to fund our elders programs, allows us to maintain a wellness center, tribal housing, early learning center for our youth, a museum, the establishment of revitalization and commitment back to culture in terms of House of Awaken Culture, as well as our tribal police in tribal courts. Next slide please.

Rion Ramirez:

In terms of our charitable giving we're really proud, in terms of we've already contributed over \$2.5 million in the last five years alone. Our contributions include organizations like the Marvin Williams Recreational Center in Bremerton, which I don't know. I think Marvin Williams has done a tremendous job out there in terms of all the diverse group of youth that you can see out there practicing and working on their game of basketball and the like, and just into the community in general, Kitsap County Regional Library, Kitsap County Foundation, including the Kitsap Strong Initiative. The Kitsap Strong Initiative really lines up I would say the overall ethic of the tribe and treating the whole person in that regard.

Rion Ramirez:

That's something that's very important in terms of an enforcement our tribal council is just in terms of when you look at treatment, you really want to focus on the whole person in that regard, because they usually have a number of different maladies that are associated with some of the struggles that they're having, pandemic relief to a broader community, including as I said two vaccinations for the Kitsap County teachers and elders, a regional health center to open in 2021. That's going to be open to community members alike. I don't know if I'm supposed to take Commissioner Patterson's question now or wait until the end.

Chair Sizemore:

I was just going to ask you if you'd take her question please or comment.

Vice Chair Patterson:

Sure. Very quick question. I don't want to interrupt your train of thought, but a clarification, you said that your charitable and community contributions total over 25 million?

Rion Ramirez:

No. 2.5 million.

Vice Chair Patterson:

2.5, all right. Thank you.

Rion Ramirez:

Yes ma'am.

Chair Sizemore:

Thank you, Vice Chair. Go ahead, Rion.

Rion Ramirez:

Next slide please. Chairman Forsman part of the problem gambling task force and participates in that he's I would say in terms of our tribal council, we have a deep commitment to problem gambling. Again, I would say one of the areas that we really focus on is the whole person in terms of holistic treatment of folks. There's usually, if they have a problem gambling issue, it's always associated with other things. I think the tribe is really committed to the whole person and in that regard I'm proud of the work that we do there. We contribute to the Evergreen Council on Problem Gambling. The Suquamish Wellness Center has, as I said before, a holistic approach. I guess I've used that term a few times, offer a problem gambling services, including assessments and individual family and group sessions where it's free to all community members, including non-Indians alike. Next slide.

Rion Ramirez:

Our fifth amendment is really an adoption of a number of the previous amendments that have gone on within the state in terms of catching up to some of the changes that have been made. We added terms that are already approved in other tribal compacts, including updating wagering limits, increased problem gambling contribution, updates to community, charitable contributions, extension of credit, adding registration for gaming employees and adding options for a pilot program in terms of alternative calculations, for in your regulatory fees one of the things that our current system puts in place is really

more of a confrontational relationship in terms of the hours worked side of things, and we feel like we're willing to work with the gambling commission and see if there's ways that we can come up with a better mousetrap. Next slide. Oop, that's it. Thank you. Any questions?

Chair Sizemore:

Yeah, I'll reiterate any questions from commissioners or ex-officios for Chair Forsman or Rion. All right. I guess this is probably for Chair Forsman. Can you give me a better, not a necessarily a census, but what are the demographics of the Suquamish tribe today?

Leonard Forsman:

We're hover around 1,250 members that are enrolled. Of course we have other non-member Indians that are part of our community, including Rion, but we also at about, I would say two thirds of those folks, maybe more, I would say more than that actually, live in either on the reservation or within the Kitsap County roughly, Kitsap Peninsula. A lot of our employees of course, with those many members, because we have over 400 employees here at the government and then another nearly how many Rion at the PME right now?

Rion Ramirez:

Currently we're at about 760. Currently.

Leonard Forsman:

Obviously we don't have enough people to cover all those jobs, but a lot of them are in engaging and fishing and gathering, because we are a fishing tribe. However, we do employ a lot of non-member Indians and then a lot of Washingtonians of course, as many of your other tribal leaders on here can attest to that we're as you know pretty key regional economic players here in Washington.

Chair Sizemore:

Kind of distribution of youth versus elders, do you have a small or large population in either one of those demographics?

Leonard Forsman:

It's about even right now, I think we probably have fewer youth than other tribes may have, but we're split about three ways. Elders are probably a third, the adults between 18 and 54, elders start at 55 is probably obviously the largest group.

Chair Sizemore:

Okay. Well thank you for that.

Leonard Forsman:

Thanks for the questions.

Chair Sizemore:

Commissioner Reeves.

Commissioner Reeves:

Thank you, Mr. Chairman. Mr. Chairman it's good to see you, Rion good to see you as well. Thank you for that presentation. As you know, I'm new to commission and so as I've been working to get up to speed, one of the questions I have for you is whether or not you can speak a little bit to this amendment's proposal around how you might envision implementing lines of credit in this scope of work and talk about kind of how your sovereign nation is thinking about doing that work.

Rion Ramirez:

For us right now, it's a matter of a catch-up in terms of just having that option, the way credit functionally works within the gaming industry are our markers, and it's not intended as any kind of like every day kind of common person situation. It's somebody who's going to come in and have more of a significant foothold in terms of what they want to be betting and doing. For us, we're going to start off with one just being in a position of being able to have larger pit amounts in terms of a high state pit one, even in terms of those, you still got to do the backgrounding in terms of ensuring that folks don't have problem gambling situations for us.

Rion Ramirez:

Then when and if we do move into a high stakes room or even offering credit, offering credit will be done in a situation again under a very limited scope, making it available for people who want to be able to have large sums to bet, so they don't have to carry it around for their own personal safety. They will have to be backgrounded both with a credit check, making sure that they don't have any problem gambling situations. There's four markers. There's no interest traditionally associated with that. It's not intended to being any kind of loan in that regard. It's just intended to be accessed for money, so you're a significant player and you don't want to carry around and run around with a bunch of money on you. You want to be in a situation where you can just sign for a marker, be safe and play the way you want to play.

Commissioner Reeves:

All right. Thank you very much, Rion. What I hear you saying is that this is really intended to be a safety mechanism from the tribe's perspective to ensure that your players have the capacity to participate in the activity while ensuring the safety of not to carry large sums of money around. Is that correct?

Rion Ramirez:

Yes. Ma'am. It's not intended to be any kind of loan. I mean, it's really a situation, like you said, safety, safety-based.

Commissioner Reeves:

Thank you very much.

Rion Ramirez:

Yes, ma'am.

Chair Sizemore:

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Thank you, Commissioner Reeves. Any further questions from commission or ex officios, or the tribal representatives? Seeing none, any chat or, well, I guess no, we wouldn't need that yet. I believe Julie Lies, our tribal liaison is next step. Welcome, Julie.

Julie Lies:

Good morning, Chair Sizemore, commissioners and ex officios. I am Julie Lies. I am the tribal liaison for the Gambling Commission. I'm not sure what I can add to Rion Ramirez's summary of the terms of the amendment. Thank you, Rion.

Chair Sizemore:

Julie, you got to do something. We can't give Rion that much credit. You got to add something.

Rion Ramirez:

Don't be too hard on me, buddy. Come on.

Julie Lies:

We still have one more presentation today, so we have still more opportunity. Unless the commission has specific questions for me, I would like to move on to public comment if that's all right, Chair.

Chair Sizemore:

Yeah, that works for me. I'm going to pause just for a moment and see if any commissioners or ex-officios raised their hands and seeing none, I do want to thank both our staff and tribal leaders for your presentation. I will open this tribal compact amendment up for public comment. A little rules of the road here. If you wish to make a public comment on this particular, this individual compact amendment, now would be the time. I'll ask that you either use the functionality out there which is the raise hand function or get our attention through the chat. Additionally, as usual, Julie Anderson, our staff here has her email and any other way, and maybe even just waving. Looking at that please make yourself known if you would like to make public comment on the Suquamish Tribe Proposed Compact to Amendment 5. I think I stretched that long enough to give everybody a chance. I am seeing no public comment.

Julie Lies:

Chair Sizemore, if I may?

Chair Sizemore:

You may.

Julie Lies:

There is also an opportunity for the public to provide comments through an email address that was provided in the press release. I just checked that email address and we received no comments on a Suquamish Tribes Fifth Amendment.

Chair Sizemore:

All right. Thank you. All right. Well, I believe that brings us to the point to where I would entertain. Oh, do you want to go over this, Julie?



Julie Lies:

So the next steps for this compact amendment hearing is for the vote and the options for the commission and ex-officio is to forward the proposed amendment to the Governor for review and final execution, or to return it to Director Griffin for further negotiations. With that, I am done.

Chair Sizemore:

All right. Thank you. I would entertain a motion. Commissioner Reeves, I think I saw a hand.

Commissioner Reeves:

Thank you, Mr. Chairman, at this time I'd like to move, to forward, and I'm sorry, I don't have the amendment number in front of me, but I'll just say the Suquamish Fifth Amendment to the Governor for signature. Is that the right way really?

Chair Sizemore:

Pretty close. Is there a second?

Vice Chair Patterson:

I'll second that Mr. Chair.

Chair Sizemore:

Okay. It's been moved by Commissioner Reeves and seconded by Vice Chair Patterson that we forward the proposed compact amendment to the Governor for review and final execution. Does that capture your motion, Commissioner Reeves? Okay. Any discussion from commissioners or ex-officios? Seeing no discussion, I will ask Interim Director Griffin to please call the roll.

Interim Director Griffin:

Vice Chair Patterson.

Vice Chair Patterson:

Aye.

Interim Director Griffin:

Commissioner Levy.

Chair Sizemore:

Excused

Interim Director Griffin:

Commissioner King.

Chair Sizemore:

Excused.

Interim Director Griffin:  
Commissioner Reeves.

Commissioner Reeves:  
Yes.

Interim Director Griffin:  
Senator Conway,

Senator Conway:  
Senator Conway votes aye.

Interim Director Griffin:  
Senator Holy.

Senator Holy:  
Holy votes aye.

Interim Director Griffin:  
Representative Kloba.

Representative Kloba:  
Kloba votes aye.

Interim Director Griffin:  
Representative Vick.

Chair Sizemore:  
Excused.

Interim Director Griffin:  
Chair Sizemore.

Chair Sizemore:  
Aye. It appears that the Suquamish Tribal Proposed Compact Amendment 5 has passed 6/0. I'd like to congratulate a Suquamish Tribe. Thank you so much and do you have any final words Chair Forsman

Leonard Forsman:  
[foreign language 00:29:05]. Thank you. We really appreciate the commission's support and also hands up staff who have worked very hard on the technical process of reviewing the language, et cetera, and also to the previous tribes that did a lot of work to get this amendment in a fashion that it is successful today. Once again, [foreign language 00:29:37]. Thank you.

Chair Sizemore:

Thank you, Chairman Forsman. I just wanted to check there's possibility that you may not be able to stick with us through the sports wagering. Is that correct or do you think you'll be around?

Leonard Forsman:

I'll probably will be leaving the room and re-entering so when I knock on the door please open for me.

Chair Sizemore:

Of course. All right. Thank you and congratulations.

Leonard Forsman:

Thank you.

Chair Sizemore:

With that, we will move to the next item on our agenda, which is step two for those of us playing along at home. This is the sports wagering proposed compact amendments. Again, maybe at the front side here, I'll go a little bit over the rules of the road, how we intend to proceed. The staff has put in a tremendous amount of effort into making sure that we not only provide a robust public process here but also to make sure that we hit all of our milestones that we need to along the way. I anticipate that we will go through a slide presentation.

Chair Sizemore:

There will be opportunity for tribes to make comments similar to what we heard earlier in the prior amendment that we just went over. During this entire period of time, certainly I support and suggest that commissioners, ex officios go ahead and raise your hand or a break in, and let's make sure we take questions and comments from commissioners and ex officios as we go along and we'll do all of those presentations. Then following those presentations, we will open the floor for public comments and the public will have an opportunity to either comment on a particular compact amendment that proposal, or make a comment to all of the compact amendments.

Chair Sizemore:

When we get to that point, I'll give you another reminder that you'll need to identify yourself and to which if not all of the compact amendments that you're speaking on and following that, we'll go through the process of making motions and having consideration on each one of those compact amendments for the 15 effected amendments. Did I miss anything?

Julie Anderson:

No.

Chair Sizemore:

All right. For this there are many tribal presenters I will introduce as we reach that portion of the presentation, but I believe we will again start with Interim Director, Griffin, Tribal Liaison, Julie Lies, and then in addition we have our Legal and Legislative Manager, Brian Considine, so if we can begin, thank you.

Interim Director Griffin:

Thank you, Chair. Commissioners, ex officios having gone through this presentation once, I'll just continue through the slides rather quickly. We do have five commissioners sitting currently. Next slide, please. Again, tribal compact amendments are an opportunity for ex officios by statute to participate in the votes either to return a compact to the director with instructions for further negotiations or to forward the proposed compact amendments to the Governor for signature. Next slide, please.

Interim Director Griffin:

The Indian Gaming Regulatory Act sets the foundation or class III gaming Indian land when conducted in conformance with tribal-state compacts. Next slide, please. IGRA also outlines the gaming activities on tribal lands on Indian lands are a means of generating tribal government revenue to promote to tribal economic development, self-sufficiency, and a strong government base. Next slide, please.

Interim Director Griffin:

There are certain topics that are outlined in IGRA that we can negotiate in tribal-state compacts as outlined here. Next slide, please. Our mission is to ensure that gambling is legal and honest. Next slide, please. Which coincides with the tribes interest as well and so together we want to ensure that we are protecting public interest by not having criminal involvement in the gambling activity, by ensuring that the gambling is limited to only authorized activities and by minimizing the impact on the communities, the surrounding communities and local law enforcement. Next slide, please. This, I will turn it over to Brian Considine.

Brian Considine:

Thank you, Mr. Chair. Members of the commission, ex-officio is Brian Considine, Legal Legislative Manager for the Gambling Commission. A quick background, as we probably all remember how did we go down this path? Well, House Bill 2638, which was signed by the Governor in March, 2020, authorized sports wagering, only a Class III Tribal Gaming Facility, subject to compact amendments areas to be negotiated were consistent with our recommended five pillars. Next slide, please.

Brian Considine:

Wagering was authorized in the bill, actually as initial background as we probably remember, but it's always good for me to remember it, is the constitution talks about gambling and Article II, Section 24, prohibits all forms of gambling unless expressly authorized by the legislature by a 60% vote. The legal framework that we start with is that it is prohibited unless authorized and some things were expressly authorized and then if things were still left silent, the gambling commission's position has been that whether it's in this activity and the activity that's prohibited. Wagering authorized professional sports, just generally covering the high level stuff, professional sports, collegiate sports except for in-state colleges, Olympic/international sports, e-sports, mobile/internet wagering on tribal casino premises. Wagering prohibited, high school youth sports, in-state collegiate sports, minor league sport, fantasy sports, mobile/internet, off tribal casino premises.

Brian Considine:

Also we worked very hard and very proud of the additional criminal and match fixing laws that got into our gambling act that are codified now. I don't know if there are many other states, if any other states that updated their match fixing laws like we did. We have many tools in our tool belt if that were to

come up along with illegal sports wagering, black market work. With that, I'm happy to answer any questions. Otherwise, my presentation is over

Chair Sizemore:

Any questions for Brian? Don't go far, Brian. I think you're off the hook for now, but I am sure we'll call you back in off the bench.

Brian Considine:

Thank you, sir.

Chair Sizemore:

Where are we headed next?

Interim Director Griffin:

Next, I believe we are ready for Julie Lies.

Chair Sizemore:

Yeah, that looks like Julie Area.

Julie Lies:

It seems like a Julie Area. Good morning, Chair Sizemore, commissioners and ex officios again. I am Julia Lies. I am the tribal liaison for the Gambling Commission. What I will be summarizing today is the provisions of the four unique compact amendments related to sports wagering. Although each of those four documents have slightly different language to fit within a tribe's unique operation, the base provisions are the same. The presentation I'll be providing to you is in the order of those five pillars that Brian Considine had mentioned and that was in the bill, and then also was carried forward in this RCW 9.46.0364.

Julie Lies:

The first pillar we'll discuss his licensing. As part of the appendix, we created three new vendor types related to sports wagering. Those are the major mid-level and ancillary. These three levels have to do with the type of work that each of these vendors would be doing and level of risk. The gaming employees and the non-sports wagering vendors will remain the same as far as licensing by the tribal gaming agency and the backgrounds certification eligibility registration that our agency would do with those individuals. With gaming employees there's not any real uniqueness to sports wagering. They could move throughout the facility in different capacities within gaming activities, so that is why they're still handled the same. If there's no questions, I'll continue.

Chair Sizemore:

Looks like you're free to move on.

Julie Lies:

Okay. I just want to make sure I give enough pause for people to jump in if the commissioners or ex officios have questions.

Chair Sizemore:

I agree.

Julie Lies:

Okay. All right. The next pillar is fees. Certification fees will be outlined in the WAC or Washington Administrative Code, our rules, and then start-up fees is included in the amendment, the actual cover amendment. For all tribes it talks about whatever the actual costs are of the start-up fee, the tribes will share in a prorated way. You may look at this date of March 30th and think that's a long ways out. Well, this start-up fees we're utilizing the loan that was provided to our agency for start-up of sports wagering, and the loan repayment is due in June of 2023. This also gives us an opportunity to have as many tribes as possible beginning operations and that start-up fee being shared amongst the most tribes at the time.

Julie Lies:

What you see in italics is a slightly different language change that was in the Suquamish, Kalispel, and Snoqualmie unique documents, that allows for an alternative distribution method if all the tribes come together and agree to a different distribution method that they all agreed to. We look at like an MOU where all the tribes sign, they provide us that MOU, and then we would invoice those start-up costs in that way. Any questions? Okay.

Chair Sizemore:

Doesn't appears.

Julie Lies:

Okay. Then we'll move onto the third pillar, which is the operation and regulation of the sports wagering activity. Wagering for sports on sports will be at the sports book. Think of that as like a lounge within the gaming facility, patrons of players would be able to place bets on kiosks that may be in the gaming facility, so that means like on the gaming floor or on the premises. That's outside an event center, those types of things or in a restaurant. Then there's also a mobile component that's within the premises of the gaming facility, and then that area is also going to be geo-fenced. We'll get into premises in a minute, servers for the sports wagering activity need to be within the gaming facility and if the tribe chooses to use cloud storage for backup, that cloud storage needs to be located in Washington and that has to do with our jurisdiction. Any questions?

Chair Sizemore:

You said so far-

Julie Lies:

Go ahead. Sorry.

Chair Sizemore:

No, I said you said so far.

Julie Lies:

Okay. During our legislative hearing, there was a lot of questions about premises and how we got to premises. This graphic is designed to kind of show how premise ended up being limited. Up top sports wagering is not statewide. The legislation identified it was for tribal only. The Indian Gaming Regulatory Act further narrows it where gaming has to be on Indian lands for gaming, so it has to be in trust for gaming. I'm going to jump down here at the bottom, so the in-person wagering is going to be in the gaming facility. That's the in-person like at a window or at a kiosk on the gaming floor. Then the premises was somewhere in between all Indian lands for gaming and just the facility itself. This is how I just graphically wanted to show how we narrowed the provisions that were given to us.

Chair Sizemore:

Senator Conway seems to have a question. Senator.

Senator Conway:

Thank you. I just want to... on the premises issue, that is specific for each compact with each tribe, right?

Julie Lies:

The premises will be determined with each individual tribe. It will be dependent upon their facility and what is around that particular facility. You look at any tribal casino, they are built in different ways and so we'll be working with each tribe to determine what that premise boundary is, and then also what the geo-fence will be.

Senator Conway:

So if a tribe changes, its mode of operation that's will lead to some adjustment of premises and negotiations?

Julie Lies:

If the premises somehow changes or is modified, one of the provisions within the appendix is that they will work with us to update that, and if we don't agree with the change that they provide, we have dispute resolution that's available to us in the compact.

Senator Conway:

Thank you.

Julie Lies:

Mm-hmm (affirmative).

Chair Sizemore:

Thank you, Senator.

Julie Lies:

All right. Then we'll actually get to the definition of premises. The language that was provided in the bill and that was carried forward into the RCW is that, the patron has to be physically present on the premises of that tribe's gaming facility. From that language, we have this definition that the premises is the gaming facility and adjacent or adjoining amenities such as hotels, restaurants, conference, or

entertainment spaces, common areas, parking lots, garages, and other improved areas. The two items that specifically we carved out were non-adjoining convenience stores and golf courses in the definition. How we got to this definition of premises is knowing that it wasn't going to be on all Indian lands. At least that was not the intent of the legislature. We looked at a lot of different references and what we ended up using was Black's Law dictionary on premises. Here's what it specifically says, and then we also used Merriam-Webster for context to get to this definition.

Chair Sizemore:

Senator Holy has his hand up. Senator, go ahead.

Senator Holy:

Well, thank you, Mr. Chair. I just wanted to applaud what staff has done to attempt to determine an appropriate definition for premises. It's not like in many situations that you have a uniform commercial code or a model code in other places that you can cut and paste from, and superpose definitions on legislation you're attempting to form in the legislature. A lot of times things have to be written necessarily vague to allow us to determine what the appropriate definition will be. As Senator Conway mentioned, this is something that's going to run in front of us a little bit, as we figure out how this will fit. Nonetheless, having something like this that was written in a general sense, allows us to function in the tribes to attempt to figure out exactly what the appropriate use of this is.

Senator Holy:

Also, I know that the legal staff has looked at, Council has looked at this measure. When you get to the point where you go all the way downstream, and you revert to a definition from Black's or one of the equivalent law dictionaries out there, ultimately what you end up with is something to where you don't have a lot of precedent or an authoritative definition in a holding someplace or a court decision someplace. This is an appropriate definition for the purpose we're attempting to accomplish here. I know that as we run out 24, 36 months to see how this applies this is something that we'll continue to discuss. It may as well be amended in the future, so I applaud this.

Chair Sizemore:

Thank you, Senator. Commissioner Reeves.

Commissioner Reeves:

Thank you, Mr. Chairman. I will echo Senator Holy's comments around staff work on this. I would ask Julie, can you help me understand that it is not the intent or at least my understanding is while we are currently focused on the intent of this work we are yet to understand the impact is this would be implemented post this meeting should it pass. My question is, can you talk to me a little bit about whether or not it is the agency's intent to exclude tribal smoke shops or tribal cannabis stores from the non-adjoining piece of this definition?

Julie Lies:

The smoke shops and cannabis shops were not items that we discussed during this definition. We didn't have that particular issue and if it's all right with Commissioner Reeves, I would like to give the tribes an opportunity to answer that question, because I think they're going to be in a better place to be able to answer that than me. If that's okay, Commissioner?



Commissioner Reeves:

That's perfect. Thank you.

Chair Sizemore:

I'm seeing a nod.

Julie Lies:

Okay. For the tribal representatives no, that that question will be coming your way during your portion.

Chair Sizemore:

I would imagine that there are no tribal smoke shops that are in trust for gaming, right?

Julie Lies:

I would not say that, Chairman and the reason I say is because land and trust for gaming, according to IGRA is anything that was in trust pre '88. They could have put a smoke shop on the reservation somewhere that was pre '88 trust land, so I don't think that's absolutely true.

Chair Sizemore:

Okay. I appreciate that. It looks like we do have Rion Ramirez willing to step in the line of fire here.

Rion Ramirez:

In the way of cannabis stores and smoke shop, to my knowledge, we don't have any that are connected if they were within the casino, that would be something that's different. Cannabis in particular is problematic for gaming because it's considered a criminal enterprise in that regard federally and so under Title 31, we have a lot of suspicious activity reporting requirements, and we functionally serve as in a broader context of bank in that regard. Unless cannabis is legalized federally, I think most of us on this call would probably agree it should be coming from Washington State, but it's currently not and that's something that would really prohibit us having any involvement with cannabis and our casinos. We would be in a position of being required to have pile suspicious activity reports.

Rion Ramirez:

It would be really, really problematic to mix gaming and cannabis in that regard. Our federal partners would have some serious problems with us and that's why you've seen fortunately in Washington we have Sahal and some other banking institutions that have made the bold step of doing the right thing and putting in place conventional banking opportunities. But in the casino context, it would be very, very problematic for us.

Chair Sizemore:

All right. Thank you for that addition. Back to you, Julie. Oops, actually, I have Glenn Gobin also. Welcome Glenn.

Glenn Gobin:

Can I just see what I can turn off and on here.

Chair Sizemore:

I hear you.

Glenn Gobin:

Just to Tulalip's perspective, that is not something that we even contemplated or our donor would anticipate. As far as the language is concerned, it's not excluded, but practicalities is indicating that we would not be moving in that area. The premises that we're talking about have always been under the casino's jurisdiction and we wouldn't see that happening either putting a smoke shop or a marijuana facility or sales facility there. There are legal and regulatory aspects as Rion pointed out, and then just the practicality of the business aspect. There's a certain reality even if it was possible. It may not make sense to do it at all.

Chair Sizemore:

All right. Thank you for that, Glen. Back to you Julie.

Julie Lies:

Okay. Is there any questions, any more questions on this particular slide related to premises? Hearing none. We'll go on to the next portion of operation and regulation of sports wagering. One of the things to remember also with player counts in some of the areas with the premises is that when we talk about premises, it's specifically related to mobile gaming and a player account that's unique to a player is going to be required for the mobile wagering. Also player accounts, before they can start placing mobile wagers, the individual will be required to come in in-person into the facility to be identified so that the tribe can confirm that they are the person that's opening the mobile account or the player account. There's also provisions in there to protect PII of the players that are opening these mobile accounts, and then there's also this provision that would allow a digital wallet for payments of wagers. But currently it's not connected to other portions of gaming, but that may happen in the future. Questions?

Chair Sizemore:

All right. So PII is Personal-

Julie Lies:

Identifiable Information, things like Social Security number things that people use for identity.

Chair Sizemore:

Okay. I just wanted to make sure we were clear. Then Senator Conway has his hand up. Senator?

Julie Lies:

I think Senator muted. Sorry.

Chair Sizemore:

He's working on it.

Julie Lies:

Okay.

Senator Conway:

In terms of the requirement for mobile, the age requirement is 18, is that right? Or is it 21?

Julie Lies:

The gambling age in the compact is 18. The 21 year olds, there's some provisions in the compact for on the gaming floor and then they have to follow liquor laws related to that, but the minimum age to gamble in a tribal casino is 18.

Senator Conway:

The tribes individually could make that higher if they want it, right?

Julie Lies:

And have over time in the facilities. We have some tribes that allow 18 year olds under certain conditions. Many tribes have chosen just to go with 21, but it's each of their individual choices.

Senator Conway:

Thank you.

Julie Lies:

Mm-hmm (affirmative).

Chair Sizemore:

Thank you, Senator. Go ahead, Julie.

Julie Lies:

Okay. The next section is authorized wagers. There's going to be an authorized wagering menu that our agency. SGA mean State Gaming Agency. That's how we're we are referred to in the compact. We'll be maintaining an authorized wagering menu that will have what's available because that menu could be so large and we want to get start-up moving as quickly as possible. We're going to work with each of the tribes to come up with an initial agreed upon list from another jurisdiction. For example, New Jersey or Colorado have these authorized menus already and if the tribes say that, "We want to use Colorado, or we want to use New Jersey," will auto-populate with what's already been approved within that list, of course, the prohibited bets which I'll get to next will not be included, but it'll help us get moving more quickly on sports wagering.

Julie Lies:

After that initial list is agreed upon each tribes, tribal gaming agency will approve any new wagers. any new sports governing bodies, new events, those types of things, and then they will send them to us for review, and then eventually inclusion in that authorized sports wagering menu.

Chair Sizemore:

All right. Representative Kloba, I see your hand.

Representative Kloba:

Yes. Thank you, Mr. Chair. Going back to the player accounts section of this slide, this is really not a consequential question, but I was wondering about with that setting up the player account, I understand you would go in person to set it up and to fund it, and so anytime after that, the funding of it is it like for instance my Starbucks card that I have linked to my credit cards so that if the balance goes under a certain amount, it will automatically tap into my credit card for that payment. That might be a little too much detail, maybe the tribes can tell me a little bit better what their intention is, but is that your understanding of how that would work or do you to go every time you want to refund it?

Julie Lies:

I don't believe it is automatic. I think there has to be an affirmative. How I understand it and how it's been explained to me, at least at this point in time, is there has to be some sort of affirmative step. So for example, you have the mobile app on your phone. You can access that app when you're not on premises and you can add money to that, you can take it off, those types of things. You just can't place the wager until you're within that geo-fence premise boundary. But from what I understand is that it's not automatic, there is an actual affirmative step that has to happen with with the player. I don't know, Director Griffin, if you have any additional, because you've experienced this. If you have any additional maybe information for representative Kloba.

Interim Director Griffin:

No, I think you accurately described it.

Representative Kloba:

Okay. Thank you. That's helpful.

Julie Lies:

Yeah. If the tribes representatives that are on the call, if we get to your portion have additional information you'd like to share, I think we could add that as well.

Chair Sizemore:

I saw a hand, Kevin Zenishek from Kalispel, actually raised his hand. Kevin, do you want to speak on this right now?

Julie Lies:

I can now if you'd prefer or later

Chair Sizemore:

Go ahead right now.

Kevin Zenishek:

Thank you. For the record, I'm Kevin Zenishek, I'm representing the Kalispel tribe of Indians. Just from my perspective and I've demoed probably 10 different products with several different companies, and then I've seen none of them operate that way, where there's an auto fund mechanism. They all require an action to fund an account.

Representative Kloba:

Okay. Thank you. From a problem gambling perspective, that gives me some comfort. Thank you.

Kevin Zenishek:

Thank you all.

Chair Sizemore:

Thank you for that.

Julie Lies:

All right. I'm going to move to the next slide. The next slide still we're continuing the discussion about operation and regulations. We're going to talk about prohibited wagers, and as outlined in the bill and in the law, the in-state collegiate sport events are not allowed, minor league sports are also not eligible for wagering and events where outcomes have already been determined is not an authorized wager. Which think about that and that's like, okay, well, that makes sense, because then it's not gambling if you already know the outcome. But that's in those amendments as well. Then Tulalip has a specific carve-out about underage participants that unless they're not going to wager on under age participants, unless they're overseen by some sort of sports governing body like the Olympics. If you think about the Olympics, a lot of the participants are going to be under the age of 18, but there's a sports governing body that usually oversees how that event occurs. One of the things that came up a lot is bracket pools. This is an automated slide.

Chair Sizemore:

Julie, hold on just a second. I'm going to ask everyone to glance up at your microphone and make sure that you're muted currently. We're getting a little feedback. If everyone can take a quick look, and sounds like somebody got it. Sorry for that interruption, Julie.

Julie Lies:

No, no, no. That's okay. I think it's good because if you can't hear me that doesn't help. The next slide is an automated slide, it's related to bracket pools and what kind of wagers would be accepted and what's not. This is automated. You'll see this is the most recent March madness. You'll have to two in-state colleges here. so it was Eastern Washington and Gonzaga that were part of this tournament, and because they were in that initial tournament, you could not bet on the outcome of the west bracket. You could bet on the outcome of the south and the midwest and the east, but you could not bet on the west. Then as Gonzaga continued to move forward you could bet on any other game outcome, except for the one that Gonzaga was involved in. Once Gonzaga got into the final four, you could bet on the, the Baylor Houston game, but you would not be able to bet on the Gonzaga UCLA, and then because Gonzaga was able to make it into the championship round, you would not be able to bet on the outcome of that as well.

Julie Lies:

This helped me from a graphic perspective, kind of understand where wagers could be made and where they couldn't and I wanted to make sure I shared that with the commission. Is there any questions?

Chair Sizemore:

No question.

Julie Lies:

All right. Moving on, also the appendix prohibits any type of proxy or agents to be betting on the other behalf's. We want the player account information going back to that it's for a single person and you're not going to have people making bets on behalf of you. Then we have this basically any individual that is in a position of authority or having nonpublic information about a particular sport event is a prohibited participant. Right now you look at this and you're like, "Well, athletes, most people know what the athletes look at, or they may know what the coach looks like," but some of these other folks they don't necessarily know. From talking to staff they're working on try finding a way to get this information out ahead of time for folks that they know who prohibited participants are. But this directly relates to the integrity of the sporting event. For Tulalip, Tulalip specifically carves out that they're prohibiting wagering if an individual is on the self-exclusion list. The other amendments have that prohibition will be included in their internal controls or in their responsible gaming policy. Any question on prohibited participants? Okay.

Chair Sizemore:

Yes, Vice Chair Patterson.

Julie Lies:

Okay.

Vice Chair Patterson:

Thanks Mr. Chair. Julie, could you help me go over the difference between Tulalip and the others again, with regard to the prohibition of wagering? I don't catch that.

Julie Lies:

In Tulalip's version of the amendment and appendix, as they have a specific line item in the amendment that talks about prohibiting wagering for folks that are on the self-exclusion list. The rest of the tribes still have that prohibition, but it's going to be in their internal controls or in their responsible gaming policy or it already is. Tulalip just happened to have it in their amendment, the others moved it to their policy and their ICs.

Vice Chair Patterson:

Okay. It's just essentially the same, just basic?

Julie Lies:

It's essentially the same, it's just where it's documented.

Vice Chair Patterson:

Thank you.

Julie Lies:

You're welcome. All right. Then the sports wagering system there is a standard, so GLI is the Gaming Laboratory. It's an independent test lab that does testing worldwide for gaming equipment. They have a standard that's called GLI-33, that is a well known standard. When we've talked to other independent

test labs, it's a standard that they have utilized when testing a sports wagering equipment. That is the requirement for the sports wagering systems in the appendix. The system is going to be tested by an Independent Test Lab, that's what an ITL is. Then it's going to be approved by the tribal gaming agency, so sports wagering systems are not unique to Washington. It's a little bit different than our tribal lottery system or the machines that you see.

Julie Lies:

The sports wagering systems are going to be the same as wherever they are in the country, so it'll be tested by the Independent Test Lab and then each TGA will approve the unique system for each tribe's location. Then there's going to be some coordinated training between the Tribal Gaming Agency and our own staff on the system so that we can work on that kind of co-regulatory program of the sports wagering systems. The training it's at agreed upon locations. We have a lab that's in our headquarters office in Lacey. That might be an agreed upon location to set up the system to test, the tribe may have a system that we can test out at their facility. We may have to go to the manufacturer's location to be trained on the system. But it'll be someplace that we mutually agree upon. Any questions about the sports wagering system?

Chair Sizemore:

Julie, in essence, our lab folks or traditionally lab folks will have the ability to be a proficient and I guess, expert in the operations of these systems. From the staff perspective, have we met the bar to where our folks that have traditionally worked in the lab or been responsible for testing in the TLS world are going to be able to have an expert level of understanding of all the systems operating in the State of Washington?

Julie Lies:

I would say that for sports wagering specifically, the expertise level will reside primarily in the tribal gaming unit, so the folks that report to Kathy. The lab in their testing and their expertise is very focused on the tribal lottery system and then other types of equipment and so for sports wagering, we will have expertise within the agency, but it will be primarily with the tribal gaming unit folks that worked for Kathy.

Chair Sizemore:

Okay, great. Thank you.

Julie Lies:

Absolutely. All right. I believe this is the last bit for operation/regulation. Each of the facilities will have a house rules that are posted, house rule information for the internal control, and they'll follow the internal control process that TGA approves and then our agency concurs. On reserve requirements, this is just the ability for a location to be able to cover any outstanding wagers they have related to sports wagering. This is going to take a lot of oversight by the tribes to make sure, I think we've talked about like the odds and, well, we haven't talked about that. But the way that the sports wagering is set up they're going to have to adjust odds and keep track of how many, how many wagers they have on each side of the game and be able to make sure that they can cover the winnings on those bets or on those wagers. Internal controls, there's quite a list of internal controls that we'll be working with each tribal gaming agency to get those finalized and it'll follow the compact process that we currently have. Any question?

Chair Sizemore:

Thank you Julie. Senator Conway, I see your hands.

Julie Lies:

Oh, okay.

Senator Conway:

I don't know whether this question is for you or for the director or acting director as a lot of these oversight group provisions require staffing and that gets converted into fees, that's my understanding. I'm just curious what your estimate is in terms of the agency's estimate, in terms of staffing for oversight here?

Interim Director Griffin:

We do not anticipate hiring any additional staff in the tribal gaming unit at this time.

Julie Lies:

The approval, just to build on what director Griffin had said is that the tribal gaming unit staff are very familiar with internal control reviews and concurrence. The Tribal Gaming Agency, I would say is the one that carries the bulk of this burden because they're the ones that do the initial approval and work on the internal controls. Our staff just review it with them, based on conversations with Kathy as the agent in charge of that unit, as Tina mentioned, doesn't anticipate needing additional staff at this point, they can absorb it within their current workload.

Chair Sizemore:

All right.

Julie Lies:

All right.

Chair Sizemore:

Excuse me, old school there. Commissioner Reeves.

Commissioner Reeves:

Thank you, Mr. Chair, but appreciate the slug of the tongue. Julie, feel free to point me in a different direction if this isn't the appropriate place to ask this question. But if my understanding is correct, assuming we move all of these compact amendments forward, and that they're all approved and accepted, that for the tribes that currently have authorization to do lines of credit in the regular gaming space, that lines of credit may also be applicable to sports wagering. Can you talk a little bit about where in this summary of provisions, that line of credit conversation may take place, if at all?

Julie Lies:

Within the sports wagering amendments there's not a discussion of extension of credit, because we only have right now after this morning five tribes that have brought forward that negotiation and that's been voted on and it's continuing on the process. We would be having those conversations with those five



tribes as far as extension of credit goes, not with anybody else that's not interested in that, and because extension of credit is funding for a wagering activity, it could be one of the ways to fund a player account. Now, how that works. We haven't quite worked that out yet, but I know that there's other tribal folks that may have some additional.

Chair Sizemore:

Julie, if I understand, extension of credit is an aspect of the base compact, so for those five tribes that have been approved for that, it's part of their base compact the appendix as are the particulars for sports wagering, but the base compact covers all aspects or the things that apply to everything. Is that a good way to think of it?

Julie Lies:

Yeah. The compact itself talks about forms of payment for wagers, and it goes through cash, cash equivalent, use the credit cards, all of those things. Then this piece for extension of credit has a separate set of provisions, but it's still a form of payment that they would be possibly utilizing in gaming. But yeah, it does not relate to this appendix related to sports wagering. Not all tribes the 15 tribes that you see coming forward today have extension of credit in their compacts, so we would just deal with them individually.

Chair Sizemore:

All right. Hopefully that was sufficient. Go ahead, Julie.

Julie Lies:

Okay. All right. We're moving on to criminal enforcement. Look, fourth pillar, we're almost to the end. We have the anti money laundering, anonymous wagers are only allowed up to \$2,000 and those wagers would be at the windows. The sports book or sports lounge, windows, and kiosks that are within the gaming floor itself in the facility. A player account, verification of the player would be required for off gaming floor kiosks. Those ones let's say they have an event in their event center, which is a football game, and they move a kiosk outside that event center, then we would need to know who is placing those bets on those kiosks. There's no anonymous amount that's related to those, and the tribes already follow federal anti-money laundering requirements, and then there's this reaffirmation in that for sports wagering in the appendix. Then they also will have details of that in their internal controls.

Julie Lies:

As far as integrity goes, there's going to be an integrity monitoring provider that's required. And then there's a notice requirement to our agency on suspicious wagering. Then as far as info sharing, which is kind of wraps up both the anti-money laundering or AML and integrity, there's compact provisions for information sharing already. Then we went ahead and took that and then added the info sharing requirements that are in 9.46.0364 that are related to AML and integrity

Chair Sizemore:

Representative Kloba, I see your hands.

Representative Kloba:

Thank you, Mr. Chair. Integrity, I always think of, there's kind of two pieces of it. There's the integrity of the system with which you are placing your bet and that all of those electronics are appropriate, and the suspicious wagering, there's algorithms that can detect that and so on, but this is about the side of integrity that has to do with the sport itself. I know we sort of in the compact, we leave a lot of that to the entity that regulates that specific sport and this may be a question that I need to ask someone else, but perhaps you can shed some light for me. When it's an e-sport, and I think about the ways that a person might cheat. Like if it's regular football that people play on a field with a ball, if that ball is say overinflated, and that could change the outcome of the particular football game, that's one thing, and we've seen how the regulatory organization of that kind of deals with that, whether it's satisfactory or not in the conclusion, that's up to people's own opinions, but say for instance, it's, e-sports football.

Representative Kloba:

The equivalent of how one might cheat in that and there's motivation because there's a lot of money behind all of it, that would have to be happening electronically within the software. I understand that we do a lot of monitoring or like checking the vendors and doing the equipment when it's say a machinery that's sitting on the gaming floor. Do we anticipate having to do anything like that with the software that is used to play the game of any of the e-sports, because it feels like that's sort of a hybrid between the integrity of the sport itself and the machinery that have the thing we're betting on. In the one case we, we do regulate that and in the e-sports thing, I don't know how much of that integrity stuff is contemplated. Can you just have some comment from me about that?

Julie Lies:

In both in this compact, we were trying to deal with both, the integrity of the event itself, as well as kind of the integrity of the wagering as well, so you have both sides. I was not part of conversations specifically like say about e-sports. I'm not sure if we have anybody on the call that might have from the tribe side that might have more info.

Interim Director Griffin:

E-sports will involve individual players with software, so it's not going to be a virtual, so they can't play on virtual events, which could through random number generator have a predisposed outcome where you're just watching a game and there's no participation of an individual. There's no contest. You're just watching a soccer match between red team and blue team, and you were wagering on which team is going to win, and the determination is based on a random number generator that would be virtual sports. That's out there, but that's not authorized in this compact for wagering.

Interim Director Griffin:

E-sports, those are your competitions where you're going to have teams or individual players playing with software video game software, so there could be some component in that. But for the most part, that's where the integrity monitoring providers are going to come in, that third party where they're going to be watching not only the wagering for suspicious activity or unusual activity, but then all of those factors, not only with the governing board for that, because nobody wants to have a bad light shed on their particular sporting industry. With those three combinations together, I think we feel like we have covered it and then also following what other state regulators are doing throughout the country as well.

Representative Kloba:

Thank you.

Interim Director Griffin:

Does that help?

Representative Kloba:

Yeah, that does thank you.

Julie Lies:

Thank you, Tina.

Chair Sizemore:

Thank you.

Julie Lies:

We have in front of us, the last pillar that's responsible on problem gambling. In the document we have a sports wagering net win is included in the problem gambling contribution, so that specifically included. There is a responsible gaming, annual training and creating a policy. There's some for mobile and player accounts offering self-imposed limits to the players on mobile gaming and kiosk displaying some, it says commitment to responsible gaming. What does that look like? That's the hotline number who to call if you think you have a problem, that kind of information. so it's accessible. There's also the self exclusion program that our agency has been working on statewide for non-tribal operators, and there's this consideration for the tribe to participate in that. The tribes already have their own self-exclusion programs, so this would be in addition to what they already do. Then also considering the problem gambling task force results, when that report is finished. What I will say on a lot of these provisions is they reaffirmed what the tribes were already doing, and just adding that sports wagering component to it specifically on the mobile and the kiosks. The one difference-

Chair Sizemore:

As the-

Julie Lies:

Sorry, go ahead.

Chair Sizemore:

Oh, Vice Chair Patterson has her hand up.

Julie Lies:

Okay.

Chair Sizemore:

Go ahead, Vice Chair.

Vice Chair Patterson:

Thanks Mr. Chair. Julie, I'm just kind of curious. I'm going to get a little bit into the weeds here, but with regard to the display on the kiosks and the offering of self-imposed limits, will we be able to take a look at the way in which that is done to determine... I mean, understand with advertising, how you advertise or how you make information available where that information is made available, the size of the print, where it's placed on the screen makes a huge difference with regard to whether or not people actually see it. Will we be able to look at that and feel comfortable with the fact that players are aware that that offer is being made? I'd like to know that that offer is being made in such a way that's obvious to anyone looking at it.

Julie Lies:

We did not get into the specific method of display within the appendix itself, and I think maybe what might be helpful is that the tribal representatives could address that question for you as we go through their portions. I think they're better equipped to answer that question than I am.

Vice Chair Patterson:

I thank you all. Remember to ask again then.

Julie Lies:

Thank you. Last thing on this slide for Kalispel, they have a very well developed Camas Path Program. There's information in their appendix related to Camas path, and when it talks about the self-imposed limit information, they want to rely on best practices based on their behavioral health providers. That additional information is included in their appendix. With that, I am done going through the provisions of the appendix. Is there any questions?

Chair Sizemore:

All right. Any more questions? I don't want to lose momentum. I am not seeing any questions. I think this is going to be a long day for many of us, and so I asked for continued patience. I think it would be smart for us to take a break right now for about 15 minutes. I will, if Julie and staff, if you could be prepared for any questions that folks have thought of over the next 15 minutes, we'll start again, kind of go back one slide and we'll start there, provide opportunity for any additional staff questions and then we'll move into the tribal presentations. Does that work for everyone? All right. Not seeing any opposition, so we will go on a break until 11:15. I assume technicality this is all going to just stay up. We're just going to go on mute and off camera.

Julie Lies:

I'll take it off the display until we come back. If that's all right, Chair?

Chair Sizemore:

Okay.

Julie Lies:

Okay.

Chair Sizemore:

Yeah. Back in about 15 minutes.

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Bud Sizemore, Commissioner:

Welcome back everyone. We'll give everybody a minute or two to rejoin us.

Bud Sizemore, Commissioner:

I hope everyone had a tasty, at least snack while we were away. [crosstalk 00:00:27].

Bud Sizemore, Commissioner:

Okay. We'll start with a quick roll call, again; see who we have with us.

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Yes, I'm here.

Tina Griffin, Interim Director:

Thank you.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Here.

Tina Griffin, Interim Director:

Commissioner Levy?

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

[inaudible 00:01:16]

Tina Griffin, Interim Director:

Senator Conway?

Bud Sizemore, Commissioner:

Muted, but I see him. So, yes.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Still here.

Tina Griffin, Interim Director:

Thank you.

Tina Griffin, Interim Director:

Representative Kloba? Kloba?

Shelley Kloba:

Yes. Here.

Tina Griffin, Interim Director:

Thank you.

Tina Griffin, Interim Director:

Representative Vick?

Bud Sizemore, Commissioner:

And, if he doesn't come on, Representative Vick and Commissioner Levy are both excused.

Tina Griffin, Interim Director:

Okay.

Bud Sizemore, Commissioner:

All right.

Bud Sizemore, Commissioner:

So, with that, I want to thank everyone for you staying powers, so far. I think we're nearing the halfway point of our day. Hopefully we're well past the halfway point of our day, but at this point we will now be moving for consideration of these 15 proposed compact amendments.

Bud Sizemore, Commissioner:

And I think to make it clean, I will begin with the four negotiating tribes. And, I will take any motions that you have in regards to those, and then we'll move through in alphabetical order, I believe it is, for those additional tribes. And, there will be certainly an opportunity once a motion's made to have a conversation, if we need to.

Bud Sizemore, Commissioner:

So, with that, let's begin with the Tulalip tribe of Washington. Is there a motion?

Kristine Reeves, Commissioner:

Mister Chairman?

Bud Sizemore, Commissioner:

Yes.

Kristine Reeves, Commissioner:

I would like to [inaudible 00:03:03] we forward the proposed Compact Amendment for the Tulalip Tribe to the governor [inaudible 00:03:09] for execution.

Bud Sizemore, Commissioner:

Is there a Second?

Ms King, Commissioner:

This is Commissioner King. I second.

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

It's been moved by Commissioner Reeves, seconded by Commissioner King, to forward the proposed Compact Amendment for Tulalip Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Hearing none, I will ask the Interim Director to call the roll, please?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.



Tina Griffin, Interim Director:  
Senator Conway?

Steve Conway, Senator:  
Senator Conway votes aye.

Tina Griffin, Interim Director:  
Senator Holy?

Jeff Holy, Senator:  
Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
Commissioner or, Chair Sizemore?

Bud Sizemore, Commissioner:  
Votes aye.

Tina Griffin, Interim Director:  
Seven ayes.

Bud Sizemore, Commissioner:  
Two excused. [crosstalk 00:04:16]

Tina Griffin, Interim Director:  
Two excused.

Bud Sizemore, Commissioner:  
Seven ayes, two excused.

Bud Sizemore, Commissioner:  
Okay, thank you.

Bud Sizemore, Commissioner:  
We will now move to the Suquamish Tribe. Is there a motion?

Julia Patterson, Commissioner:

Mister Chair?

Bud Sizemore, Commissioner:

Yes.

Julia Patterson, Commissioner:

This is Patterson. I move to forward the proposed Compact Amendment to the governor for review and final execution, for the Suquamish Tribe.

Steve Conway, Senator:

Second.

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

It's been moved by Vice-Chair Patterson, and seconded by Senator Conway, to forward the proposed Compact Amendment with Suquamish Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Hearing none, will the Director please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:  
Senator Conway?

Steve Conway, Senator:  
Aye.

Tina Griffin, Interim Director:  
Senator Holy?

Jeff Holy, Senator:  
Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
Seven ayes, two excused.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Seven to zero, with two excused.

Bud Sizemore, Commissioner:  
Next, we'll consider Snoqualmie Indian tribe. Is there a motion?

Ms King, Commissioner:  
[crosstalk 00:05:53] This is Commissioner King. [crosstalk 00:05:53]

Bud Sizemore, Commissioner:  
Commissioner King! [crosstalk 00:05:55].

Kristine Reeves, Commissioner:

[crosstalk 00:05:54] All right go for it.

Ms King, Commissioner:

I move we forward the proposed Compact Amendment to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there a second?

Julia Patterson, Commissioner:

Second.

Bud Sizemore, Commissioner:

Second by Vice-Chair.

Bud Sizemore, Commissioner:

Motion by Commissioner King, second by Vice-Chair Patterson, to forward the proposed Compact Amendment to the governor for review and final execution for Snoqualmie Indian Tribe.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Hearing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:  
Conway votes aye.

Tina Griffin, Interim Director:  
Senator Holy?

Jeff Holy, Senator:  
Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
Seven... oh, with two excused. So, the vote is seven to zero, to forward.

Bud Sizemore, Commissioner:  
Seven to zero, with two excused, to forward.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Next, Kalispel Tribe of Indians. Is there a motion?

Julia Patterson, Commissioner:  
I'd be glad to do that, Mister Chair.

Bud Sizemore, Commissioner:  
Okay, Vice-Chair.

Julia Patterson, Commissioner:

I move we forward the proposed Compact Amendment to the governor for review and final execution, and that's with the Kalispel Tribe.

Bud Sizemore, Commissioner:

Okay, is there a second?

Jeff Holy, Senator:

Second.

Bud Sizemore, Commissioner:

Second.

Bud Sizemore, Commissioner:

So, motion by Vice-Chair Patterson, second by Senator Holy, to forward the proposed Compact Amendment to the governor for review and final execution, with Kalispel Tribe of Indians.

Bud Sizemore, Commissioner:

Any discussion?

Bud Sizemore, Commissioner:

Hearing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Conway votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?

Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

Two excused, motion to forward, seven to zero.

Bud Sizemore, Commissioner:

Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Now, moving from the four negotiating tribes, the following 11 tribes, I believe it is, the following tribes will be adopting the Suquamish Tribe's Compact Amendment Language.

Bud Sizemore, Commissioner:

We'll begin with the Confederated Tribes of the Colville Reservation. Is there a motion?

Kristine Reeves, Commissioner:

Mister Chair?

Bud Sizemore, Commissioner:

Commissioner Reeves.

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Kristine Reeves, Commissioner:

I move [inaudible 00:09:00] forward the proposed Compact Amendment for the Confederated Tribes of the Colville Reservation to the governor, for review and execution.

Bud Sizemore, Commissioner:

Is there a second?

Jeff Holy, Senator:

I'll second.

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

It's been moved by Commissioner Reeves, seconded by Senator Holy, to forward the proposed Compact Amendment with Confederated Tribes of the Colville Reservation to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing no hands, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:



Senator Conway?

Steve Conway, Senator:

Votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?

Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

And, Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

Two excused... motion, seven to zero, to move forward.

Bud Sizemore, Commissioner:

Okay. Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Next, we'll consider Cowlitz Indian Tribe. Is there a motion?

Ms King, Commissioner:

This is Commissioner King. I move we forward the proposed Compact Amendment to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there a second?

Steve Conway, Senator:

I second.

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

It's been moved by Commissioner King and seconded by Senator Conway, to forward the proposed Compact Amendment with Cowlitz Indian Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Conway votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
And Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
With two excused, the motion is seven to zero, to forward. Excuse me! The vote was seven to zero.

Bud Sizemore, Commissioner:  
Okay.

Bud Sizemore, Commissioner:  
Motion passes, seven to zero, to forward Cowlitz Indian Tribe.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Next, we'll consider Jamestown S'Klallam Tribe. Is there a motion?

Julia Patterson, Commissioner:  
Mister Chair?

Bud Sizemore, Commissioner:  
Yes, Vice-Chair.

Julia Patterson, Commissioner:  
Thank you.

Julia Patterson, Commissioner:  
I move we forward the proposed Compact Amendment to the governor for review and final execution, and this is for Jamestown S'Klallam.

Bud Sizemore, Commissioner:

Is there a second?

Ms King, Commissioner:

This is Commissioner King. I second.

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

It's been moved by Vice-Chair Patterson and seconded by Commissioner King, that we forward the proposed Compact Amendment with Jamestown S'Klallam Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Senator Conway votes aye.

Tina Griffin, Interim Director:  
Senator Holy?

Jeff Holy, Senator:  
Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
With two excused, seven to zero.

Bud Sizemore, Commissioner:  
The motion carries seven to zero, with two excused.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Next, under consideration will be Lummi Nation.

Bud Sizemore, Commissioner:  
Is there a motion?

Kristine Reeves, Commissioner:  
Chair?

Bud Sizemore, Commissioner:  
Commissioner Reeves.

Kristine Reeves, Commissioner:  
I move that we forward the proposed Compact Amendment, for the Lummi Nation, to the governor for review and [inaudible 00:13:07] execution.

Bud Sizemore, Commissioner:

Is there a second?

Julia Patterson, Commissioner:

Second. [crosstalk 00:13:14].

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

It has been moved by Commissioner Reeves and seconded by Vice-Chair Patterson, that we forward the proposed Compact Amendment, with Lummi Nation, to the governor for review and final execution. [crosstalk 00:13:32]

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing none, could you please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Votes aye.

Tina Griffin, Interim Director:  
Senator Holy?

Jeff Holy, Senator:  
Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Votes aye.

Tina Griffin, Interim Director:  
And, Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
That was seven to zero, with two excused.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:  
Next, under consideration is Muckleshoot Indian Tribe. Is there a motion?

Ms King, Commissioner:  
This is Commissioner King. I move we forward the proposed Compact Amendment for the Muckleshoot Indian Tribe to the governor for review and final execution.

Steve Conway, Senator:  
Second. [crosstalk 00:14:37]

Bud Sizemore, Commissioner:  
[crosstalk 00:14:37] Is there a second?

Bud Sizemore, Commissioner:  
And seconded by Senator Conway.

Bud Sizemore, Commissioner:

So, moved by Commissioner King and seconded by Senator Conway, that we forward the proposed Compact Amendment with Muckleshoot Indian Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Hearing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?



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Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

With two excused, the vote is seven to zero.

Bud Sizemore, Commissioner:

All right.

Bud Sizemore, Commissioner:

Motion passes seven to zero, with two excused.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Next, we will consider Puyallup Tribe of Indians. Is there a motion?

Julia Patterson, Commissioner:

Mister Chair?

Bud Sizemore, Commissioner:

Vice-Chair Patterson.

Julia Patterson, Commissioner:

Thank you. I move we forward the proposed Compact Amendment to the governor for review and final execution, and this one is with the Puyallup Tribe of Indians.

Steve Conway, Senator:

Senator Conway [crosstalk 00:15:53] seconds.

Bud Sizemore, Commissioner:

[crosstalk 00:15:53] Is there a second? [crosstalk 00:15:54]

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

Vice-Chair Patterson moves and Senator Conway seconds that we move, that we forward the proposed Compact Amendment, with the Puyallup Tribe of Indians, to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing none, would you please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Conway votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?

Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

With two excused, vote is seven to zero, aye.

Bud Sizemore, Commissioner:

Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Next, we will consider Shoalwater Bay Indian [crosstalk 00:16:51] Tribe.

Bud Sizemore, Commissioner:

Bless you.

Bud Sizemore, Commissioner:

Is there a motion?

Kristine Reeves, Commissioner:

Mister Chair?

Bud Sizemore, Commissioner:

Commissioner Reeves.

Kristine Reeves, Commissioner:

I move that we forward the proposed Compact Amendment for the Shoalwater Bay Indian Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Is there a second?

Steve Conway, Senator:

[crosstalk 00:17:15] Second [crosstalk 00:17:17].

Bud Sizemore, Commissioner:

I'm going to go... Commissioner? [inaudible 00:17:21] [crosstalk 00:17:21].

Julia Patterson, Commissioner:

Give it to Conway. Let Conway have it. [crosstalk 00:17:24].

Bud Sizemore, Commissioner:

All right. Very compassionate.

Bud Sizemore, Commissioner:

So, moved by Commissioner Reeves and seconded by Senator Conway, that we forward the proposed Compact Amendment with Shoalwater Bay Indian Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

Any discussion?

Bud Sizemore, Commissioner:

Seeing none, could you please call roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

My vote's aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?

Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

With two excused, the vote is seven to zero, aye.

Bud Sizemore, Commissioner:

Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Next, we will consider Spokane Tribe. Is there a motion?

Ms King, Commissioner:

This is Commissioner King. I move that we forward the proposed Compact Amendment for the Spokane Tribe to the governor for review and final execution.

Bud Sizemore, Commissioner:

[crosstalk 00:18:38] Okay. [crosstalk 00:18:38]

Jeff Holy, Senator:

Holy seconds!

Bud Sizemore, Commissioner:

All right.

Bud Sizemore, Commissioner:

It's been moved by Commissioner King and seconded by Senator Holy, that we forward the proposed Compact Amendment, with Spokane Tribe, to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
With two excused, seven to zero, was the vote.

Bud Sizemore, Commissioner:  
Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Next, we'll consider Squaxin Island Tribe. Is there a motion?

Julia Patterson, Commissioner:  
Mister Chair?

Bud Sizemore, Commissioner:  
Vice-Chair Patterson.

Julia Patterson, Commissioner:  
Thank you. I move we forward the proposed Compact Amendment, with the Squaxin Island Tribe, to the governor for review and final execution.

Bud Sizemore, Commissioner:  
Is there a second?

Ms King, Commissioner:  
This is Commissioner King. I second.

Bud Sizemore, Commissioner:  
Okay.

Bud Sizemore, Commissioner:

It's been moved by Vice-Chair Patterson and seconded by Commissioner King, that we forwarded the proposed Compact Amendment, with Squaxin Island Tribe, to the governor for review and final execution.

Bud Sizemore, Commissioner:

Any discussion?

Bud Sizemore, Commissioner:

Seeing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson.

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?



Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

And, Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

With two excused, vote is seven to zero.

Bud Sizemore, Commissioner:

Motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:

Thank you.

Bud Sizemore, Commissioner:

Next, we'll consider Stillaguamish Tribe of Indians. Is there a motion?

Kristine Reeves, Commissioner:

Mister Chair?

Bud Sizemore, Commissioner:

Commissioner Reeves.

Kristine Reeves, Commissioner:

[inaudible 00:21:00] I move that we forward the proposed Compact Amendment for the Stillaguamish Tribe of Indians to the governor for review and final execution [inaudible 00:21:07].

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

I think what I heard you say is that you would like to move we forward the proposed Compact Amendment, with Stillaguamish Tribe of Indians, to the governor for review and final execution? Is that correct?

Kristine Reeves, Commissioner:

Yeah. [crosstalk 00:21:21]

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

Is there a second? [crosstalk 00:21:22].

Steve Conway, Senator:

Second [crosstalk 00:21:22].

Bud Sizemore, Commissioner:

Okay.

Bud Sizemore, Commissioner:

Moved by Commissioner Reeves and seconded by Senator Conway.

Bud Sizemore, Commissioner:

Is there any discussion on this motion?

Bud Sizemore, Commissioner:

Seeing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Conway votes aye.

Tina Griffin, Interim Director:  
Senator Holy?

Jeff Holy, Senator:  
Holy votes aye.

Tina Griffin, Interim Director:  
Representative Kloba?

Shelley Kloba:  
Kloba votes aye.

Tina Griffin, Interim Director:  
Chair Sizemore?

Bud Sizemore, Commissioner:  
Aye.

Tina Griffin, Interim Director:  
With two excused, the vote is seven to zero, aye.

Bud Sizemore, Commissioner:  
All right.

Bud Sizemore, Commissioner:  
The motion passes, seven to zero, with two excused.

Bud Sizemore, Commissioner:  
Thank you.

Bud Sizemore, Commissioner:  
Next, we will consider Swinomish Indian Tribal Community. Is there a motion?

Ms King, Commissioner:  
This is Commissioner King. I move we forward the proposed Compact Amendment, with the Swinomish Indian Tribal Community, to the governor for review and final execution.

Bud Sizemore, Commissioner:  
Is there a second? [crosstalk 00:22:29]

Julia Patterson, Commissioner:  
Patterson seconds.

Bud Sizemore, Commissioner:

It's been moved by Commissioner King and seconded by Vice-Chair Patterson, that we forward the proposed Compact Amendment, with the Swinomish Indian Tribal Community, to the governor for review and final execution.

Bud Sizemore, Commissioner:

Is there any discussion?

Bud Sizemore, Commissioner:

Seeing none, please call the roll?

Tina Griffin, Interim Director:

Vice-Chair Patterson?

Julia Patterson, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner King?

Ms King, Commissioner:

Aye.

Tina Griffin, Interim Director:

Commissioner Reeves?

Kristine Reeves, Commissioner:

Aye.

Tina Griffin, Interim Director:

Senator Conway?

Steve Conway, Senator:

Conway votes aye.

Tina Griffin, Interim Director:

Senator Holy?

Jeff Holy, Senator:

Holy votes aye.

Tina Griffin, Interim Director:

Representative Kloba?

Shelley Kloba:

Kloba votes aye.

Tina Griffin, Interim Director:

And, Chair Sizemore?

Bud Sizemore, Commissioner:

Aye.

Tina Griffin, Interim Director:

With two excused, the vote is seven to zero, aye.

Bud Sizemore, Commissioner:

Motion carries, seven to zero, with two excused.

Bud Sizemore, Commissioner:

So, now I am going to check with my Interim Director: did we miss anybody?

Tina Griffin, Interim Director:

We have them all.

Bud Sizemore, Commissioner:

All right.

Bud Sizemore, Commissioner:

I want to commend the Commission, our Ex-Officios, and the Tribal Leaders, and sticking through this process. I think this is a pretty amazing accomplishment, and I know there's a ton of work that went into it. I think a little bit later in the day, we're going to take the opportunity to certainly list out and name the folks from the agency that none of this would have been possible. So, I want to thank all, everyone involved in this process.

Bud Sizemore, Commissioner:

So, with that, we have 15 Sports Wagering Amendments going to the governor's office.

Bud Sizemore, Commissioner:

So, with that, we can move on into our agenda.

Bud Sizemore, Commissioner:

Tab three of our agenda is our Sports Wagering Rules. And that presentation will be by Brian Considine, our Legal and Legislative Manager, [crosstalk 00:24:55] excuse me, that we saw earlier in the meeting, but it seems like a week ago now.

Bud Sizemore, Commissioner:

So, Brian...

PART 1 OF 4 ENDS [00:25:04]

Bud Sizemore, Commissioner:

...here at the meeting, but it seems like a week ago now. Brian, are you there?

Bud Sizemore, Commissioner:

There you are.

Brian Considine:

Yes. Thank you, Mr. Chair. There was a bit of a delay on my end. I don't know if that's coming through or not.

Bud Sizemore, Commissioner:

We've got you now.

Brian Considine:

Okay, good. Yes. So, tab three in your packet are proposed sports wagering rules. This dovetails, segues, whatever word you'd like to use nicely from everything that you heard. Ultimately what my plan is, is to identify the general documents that are before you, go through some introductory information that you may know, but because we have a large audience, it might be good just to go through to make sure we get it into the record. I think we'll start with a presentation related to the licensing fees and how they came about. And then we can go through the general topics that go through the rules if that works for you, Mr. Chair.

Bud Sizemore, Commissioner:

Absolutely, without objection.

Brian Considine:

All right. So there's three parts of the document that you would have received a couple of days ago. What went out in the initial commission packet has been replaced with an updated tab where you would have received from me, I want to say two days ago, it's also updated online. We double-checked what those updates were. There's an update to the summary sheet, there are updates to the proposed draft rules, and then you have the comments that we received. The updates are based off of the fact that this is going at a bit of a quicker clip than what we would normally do with rules of this magnitude. But we're trying to meet timelines that we know both commissioners and leadership [inaudible 00:27:06] launch in the fall.

Brian Considine:

Excuse me. So staff continues to try and clean up and make technical edits and make changes. These rules that were presented, or were sent to you a couple of days ago, do not reflect requested changes in comments. We have not gotten there yet. We have reviewed all of the comments. We have a pretty good idea, I think, where both there were comments, questions, very good comments, very good questions, some technical edits, concerns. Staff has gone through those, but because we had to prepare

for today's meeting, we haven't quite gotten there. And so as we get to the end of this presentation, I'll discuss what staff's request will be. But our hope is that we can continue to review those comments and make the proper changes as needed, so that we can have a better draft set of rules that we can file.

Brian Considine:

The fortunate part is, is we still have a little bit of time. This meeting is a little bit earlier in the month than the last few meetings, and I think we have maybe an extra week at this month, so the coach advisor's deadline isn't next Wednesday. I think it's the following Wednesday, so we have some time to make sure that we can clean these up and address comments as needed. But also just to set the background, our rules look to develop and define a regulatory relationship with our forthcoming licensees. These rules, or proposed rules, are an extension of our authority under the Gambling Act, including updated authority and provisions that came under House Bill 2638. And those are all now incorporated in the Gambling Act. This is just the initial review under the Administrative Procedures Act, or what you've heard either Ashley or myself referred to as the CR 102. This is really just the initial, review by commissioners. This is not a final decision as has been our practice for at least as long as I've been here.

Brian Considine:

We try and provide draft rules to stakeholders before we actually get to the quote-unquote official comment period that is provided under the administrative procedure act. And so to help navigate the pathways and get initial input, usually what we would do is we'd probably take these to you and then we'd wait another month for a vote, but we just don't have that sort of time. So that's why we're moving the way that we are. And we are moving, trying to move quickly as just, for the record, to meet the end of August effective date that has been requested. And doing our best to try and keep to those timelines. Generally looking today to work through the draft rule topics with an eye that changes still need to be made, and to receive input from you. And of course, this is also an opportunity for additional public comment and to be able to incorporate that.

Brian Considine:

And then after today, my team and leadership will look to see what changes we can make, probably starting tomorrow afternoon and then into next week. However, this is still very important. As a reminder, the AP, our Administrative Procedures Act requires that the final rules not be substantially different from the rules that are filed. That's why it's important to have discussion now, make any substantive decisions, if the commissioners wish to make substantive decisions, and then do our best to address what we can before we file it. Because once it's filed and it's published, substantive changes would require us to essentially refile all the rules again. Which will have as miss the, finalizing them on the July 28th deadline, and kick it probably six to eight weeks down the road. Depending on what the filing deadlines look like with the new substantive differences.

Brian Considine:

So, as a baseline of what staff attempted to do was lineup these rules, these proposed rules, with current practice, and then incorporate changes as needed and consistent with this new activity compacts in state law. And with that happy to answer any background presentations. And then if not, I'll ask Chris Stanley to come on board, and he can give his fee presentation.

Bud Sizemore, Commissioner:

All right. Any questions for Brian's intro here? Not seeing any hands, so we can, yeah, move to Chris. Welcome Chris Stanley, our CFO. Looks like you're getting a presentation ready for us.

Bud Sizemore, Commissioner:

Nope, now you're muted.

Chris Stanley:

Thank you, Chair. It's a pleasure to speak to you on this auspicious occasion. I am Christopher Stanley, for the record. I'm your Chief Financial Officer presenting this morning, this afternoon about sports wagering licensing fees. First, let's review the authority that we have to set sports wagering licensing fees. RCW 9.46.070 states clearly that the commission shall have the following powers and duties, which includes fees to cover not less than an amount of money adequate to cover all costs incurred by the commission. These fees are set by rule under the Washington State Administrative Procedures Act, which Brian just walked you through. And pursuant to rural and tribal state compacts, fees are assessed on all sports wagering vendors and individuals. One of the questions that I know a lot of folks have is how did we set, how did we come up with these proposed fees?

Chris Stanley:

It hasn't happened in a void. A team of folks from a cross section of our agency has worked for almost two years to come up with an estimated amount of work that would be necessary to implement and regulate sports wagering. And the figures have gone through a number of iterations, and we landed at what we finally believed to be the base amount of work for regulation. So we are estimating that there will be five total FTEs necessary to regulate this activity: three licensing FTEs, and two criminal enforcement FTEs. Projected salaries and benefits of approximately \$535,000 with our standard goods and services and admin overhead calculations and travel, bringing the total amount to \$900,000. Now, the question of, "What happens if these license fees are too low or too high?" I'll switch to that, next slide. Well, we're going to take a look, you know? We're going to look at it a year from now and say, "How'd we do?" Is that five FTE estimate accurate?

Chris Stanley:

We'll have to take a look over the next year. This is our best guess. So in a year, we're going to reevaluate and see if we're bringing in enough revenue to cover the costs. So, given our estimates of the amount of work and the estimates of the number of licensees we'll have in each class, we are estimating a fee of \$85,000 for major sports wagering vendor licensees. This includes managers, consultants, risk management providers, manufacturers, distributors. We've got \$10,000 projected for a mid-level sports wagering license. This includes those licensees who provide services or equipment related to data security and integrity, such as integrity monitoring, data to set odds, geo-fence compliance, sports wagering, account management, and storage of data.

Chris Stanley:

And then finally we have a projection of \$5,000 per license for those ancillary sports wagering vendors. Those are folks who provide sports wagering support services, such as mobile payment processors, identity verification services, and marketing affiliates with revenue share agreements. For as far as individual licenses are concerned, fees, they're staying consistent with the other individual licenses that we have. So sports wagering vendor employees are set at \$275 and class three sports wagering employees are set at \$255.



Chris Stanley:

So those are the anticipated licensing fees. And I've walked you through how we arrived at the estimate of work. So with that, I can take any questions that you have.

Bud Sizemore, Commissioner:

Any questions for Chris?

Bud Sizemore, Commissioner:

Commissioner Reeves saying yeah.

Reeves:

Thank you.

Bud Sizemore, Commissioner:

Back at you.

Reeves:

Thank you, Mr. Chairman. Hi. Chris Stanley, thank you for that presentation. Really quick, can you go back to the slide that lists the \$900,000? Can you share a little bit about the construct around the percentage of licensing revenue that this actually represents overall for the agency?

Chris Stanley:

So our annual budget of 16 and a half million dollars, and this is a small fraction of the work. So an additional five FTEs on top of the 119 that we're budgeted at... Just doing some quick math in my head, maybe a, what a 5% increase in work.

Reeves:

Perfect. Thank you!

Chris Stanley:

Mm-hmm (affirmative)

Bud Sizemore, Commissioner:

Any additional questions? So I have one quick one. Chris, your question there that sits on this slide. I mean, really the inputs are number of licensees and the number of FTEs that we end up needing to do the work. Is that how that works?

Chris Stanley:

Yep.

Bud Sizemore, Commissioner:

So, over the first whatever, 24 months or so, we should have a pretty solid sense of whether there's a ramp up and a drop off? I mean, I certainly see that there is going to continue to be illegal bookmaking

that occurs around the state that our criminal enforcement folks are going to have to be taking care of. So, all right, I just wanted to make sure that I understood that those were the two inputs that really affected what we needed to generate for revenue.

Chris Stanley:

Yes, you are correct.

Bud Sizemore, Commissioner:

Good. All right, thanks. Senator Conway?

Chris Stanley:

Senator, I believe you're muted, sir.

Bud Sizemore, Commissioner:

Yep, still got you on...

Conway:

The criminal enforcement, obviously, is that dealing with integrity issues as well?

Brian Considine:

No, I believe the two criminal enforcement officers are, there's an additional money laundering individual, and I believe there's another, would you like to speak to that, Tina? I see you had your hand raised.

Tina Griffin:

The tasks that they will be doing, yes, would be in regards to money laundering and the integrity component.

Bud Sizemore, Commissioner:

All right. It's okay to tag team the answers-

Reeves:

Yes.

Bud Sizemore, Commissioner:

-I think so.

Chris Stanley:

Team the whole team together.

Bud Sizemore, Commissioner:

All right. Any other questions for Chris? I don't know if we're releasing you for the day yet, Chris, but thank you for your presentation. Brian?

Brian Considine:

Thank you, Mr. Chair. And again, Brian Considine legal and legislative manager. I think the other thing to point out that, you know, most of the people who have been working with us and have been in the state understand, but it has been good to bring it up when having conversations with potential future licensees, is just a reminder that, this agency is a bit different than most other state regulatory agencies, where we do not receive general fund. We do not receive money from the legislature to support our agency. Our agency is fully funded through licensing fees and then on the tribal gaming unit costs or reimbursement rates.

Brian Considine:

And so that's a bit different. And why we go through this every time with commissioners, is because we're trying to capture the full cost of our side of the regulation that we think is our best, our best guess going forward. And Chris has been mapping this with economic models for many, many weeks, many months now. So we're, we feel this is the right starting point on that going forward, but we can talk about that a little bit more. I'll identify where it is in the rules as we get moving forward.

Brian Considine:

I forgot my apologies was in your summary sheet, but it's good to call it out, as we did send out the first version that you received in your packet to stakeholders and tribal leaders. Asked for responses by June 7th because, we, I think sent them out on May 27, asked for responses by June 7th, for being able to get them into your packet and have our ability to look them over before we get to today. And by no means was that ever meant to stop comments. It was just, we had to set a deadline so we could prep for this meeting, as you know. Comments will still be welcomed and accepted in this process moving forward. But as of right now, we have, the comments that are in your packet, and make up most of the packet, I believe are from BetMGM, the Cowlitz Tribal Gaming Authority, DraftKings, FanDuel, Rush Street Interactive, Sightline Payments, Sportradar, and the Suquamish tribe.

Brian Considine:

And we'll let you know of any other comments that come in as we go along in this process. And of course we still, Mr. Chair, I expect you'll open it up for public comments after we work through this. [crosstalk 00:42:30]

Brian Considine:

So ultimately what we looked at doing, what you have in your packet, are changes. Either amendments, and there's about 50 rules that are either being repealed, amended, or are sometimes new rules, but really just moving them from different places. But anyways, we have 2.30.03 in our rule section, which you're all probably at least somewhat familiar with. It has our pre-licensing and licensing set of rules. We have 2.30.05, which really are the rules that we worked on a few years ago. And we became very familiar with when we were changing up our licensing fee system. And that's where your quarterly reporting and your licensing laws lie.

Brian Considine:

And then there's 2.30.06, which we have additional rules post-licensing, and going forward for all licensees. And we'll go through those. And then 2.30.19, it's on the new set of rules that we think are important to create and matches what our current system is. Which is, we usually look at our rules, you

get through the first series, and then we have a set of rules that are activity-specific. Whether it's raffles, amusement games, et cetera. And so this kind of follows that. I think originally we had sent out 2.30.17 because we were considering potentially trying to move our hearing rules to 2.30.19, but that's more of a legally logistic problem. And so we're just going to drop them in 2.30.19 and feel that that's the right place for them. If it works, Mr. Chair, I'll just quickly go over what's in 2.30.03. I won't go through the language unless you want me to scroll through it. I just want to hit the topics.

Bud Sizemore, Commissioner:

Unless I hear different, I like your plan.

Brian Considine:

And you're welcome, if I miss something, you're welcome to point it out. If you think we've not hit something, or if you have a question, whether it's commissioners or ex-officios. On this, it is really only the commissioners who vote, but we always welcome comments from our legislative ex-officios too, which, I just want to point that out there. So .03, which is the licensing pre-licensing process. Really, in all of these rules, sports wagering isn't part of that. So we, in many places, had to figure out, is this, do we add? If it says all licensees, are we good? Do we have to add sports wagering vendors? Do we have to remove, do we have to remove them? Some things that do apply for certain licensees, we may have to remove to be consistent with decisions that we've been making in relation to the compacts you just heard, along with state law and otherwise.

Brian Considine:

And so there are changes to applying for a license, a substantial interest holder information needed related to the license, including contracts, which is consistent with what we currently do now. The big things, the changes, the new rules that come in are the different types and requirements. So as you saw on the screen with Chris, we're going to have the major sports wagering vendor license type. We're going to have the mid-level sports wagering license type. And we're going to have the ancillary sports wagering license type. And those are going to be very specific areas that companies or businesses will fall into. We think, at least in my experience, I don't know if they're identical to what exists in other states, but I think they're pretty similar. But we know we'll continue to have conversations and provide explanations to the stakeholder comments as we can to try and clear up any confusion.

Brian Considine:

Also with those, then there are licensed representatives that attach to those vendors. And so we created the three classes of representatives, which just mirror the major, mid-level, and ancillary. Create those types and those licensing requirements. Really licensing application requirements. We renumbered a couple of rules so that we could fit these in, in a way that made sense to staff and how we like to see things flow through the rule. Doesn't always work perfect, but there's, I think two rules that we would just remember, we don't do anything other than that. And then we repeal a rule that we created back with license simplification, felt that it would create confusion. It's not actually applicable anymore and just felt that it would create some confusion if we kept it in there. We don't need it in there, so let's remove any confusion as it's dealing with dates and times as we were trying to transition into the new licensing fee, and now everybody's fully into it. So those are the general overview of what we're doing in 2.30 There's any questions?

Bud Sizemore, Commissioner:

Any questions so far for Brian? Representative Kloba?

Rep. Kloba:

Thank you. I am going to scroll really quick here and see if I can find the part of the proposed rule that I want to reference. This is kind of picking up on a previous point of interest that I was discussing with regard to considering the software for the game that is the e-sport. And in WAC 2.30.0 3.200, it talks about gambling equipment and how we license it. This isn't necessarily a question I expect you to answer to today, but it's something that I hope we will take into consideration and give some thought to. And that is whether or not this software that is used to conduct the game, the e-sports games, should be included.

Rep. Kloba:

Because that part does include the equipment, if you will, for other types of gambling activities. Such as the gambling chips, the cards, the dice, shuffling machines, roulette, wheels, Keno equipment, all of those things that are physical equipment to conduct the game. But I want to make sure that we're giving some consideration to whether or not the software that's used to conduct e-sports game is something we should include on this list, or maybe there's reasons why we wouldn't need to, but I'm just hoping that we can give that some consideration.

Brian Considine:

Thank you, Representative Kloba. And first, thank you for pointing this out. I managed to, in my mind, not realize that this is in .03, and for some reason, my brain kept telling me it was in one of the other rules. So.

PART 2 OF 4 ENDS [00:50:04]

Brian Considine:

For some reason, my brain kept telling me it was in one of the other rules, so this is actually a good thing to point out. We do have a definition of gambling equipment. It is quite long. The one that you pointed out is 230-03-200, so really, as a definition, when we use the term "gambling equipment" in our rules, what we did was just to amend and mirror how we currently have it set out and add this new activity in the two places that they tend to exist currently in the rule. I think personally, this may be a definition we want to take a look at, at some point. It's becoming a bit unwieldy, but that is not where we're at today and it would go beyond the scope of what we're trying to do. I think to your point, I think it's a really good thing to point out.

Brian Considine:

What I would say is in my time thinking about esports for the last five years, what I would say is, and this isn't to detract from what you're saying. I think it's trying to figure out what bucket does it go in is the video game systems that are being used to play are no different than the athletic fields that are being used to play NFL MLB or otherwise. What the gambling side of it is is people using a sports wagering platform to gamble on those esports players and their outcomes. Whether it is as a team or whether it is as a member. We're not, at least in this process with sports wagering, we're not the gambling commission, I should say, not the kind of testing process or review process of anything that would say non esports related. And so for me, I think it would be difficult to put it into kind of the esports what X-Box is doing or what valve is doing or what those sorts of things are doing.

Brian Considine:

I do though think that it could, it does fall under our jurisdiction though, if there is match fixing. So there is unfortunately a higher incident of match fixing and game manipulation within esports. There's been multiple reports that have come out over the last year on that that would be no different than how we would deal with like match fixing and the NFL or college football. If it relates to something that's happening in our state or wagers that are being offered in our state, we would look at it from that sort of contest manipulation side. And then of course, if it led to further investigation, not just us, I I'm talking about us, cause that's who I can talk about. The tribal gaming agencies is not to be omit them, that they're they're separate and apart and have a very important role and also would be involved in that just from the state gaming side, we would look at that, we'd do our investigation.

Brian Considine:

And if that led us to the systems that the there's something in the system that somehow Sony or some other company had baked something into the system for a team to give them an advantage, I think then that would take our investigation. I can further into that also as a reminder, what we did do under the bill that's now act is we did cross over jurisdiction into not just a match fixing for the gambling side of it, but because a lot of times match fixing real cheating does have either a direct nexus or does impact gambling. All of the illegal cheating laws that are in title RCW 67, whether it's baseball or otherwise are not cross-referenced in the gambling act. So if we got there and there's not a gambling wagering problem, but there's still a cheating problem that still of course affects the gambling industry.

Brian Considine:

Now that it's regulated. So we would have the ability to look into that as well, but as far as being able to review and kind of approve the systems, that probably one, I think that's outside of both the compact and, and kind of our authority and kind of how we're thinking about it. We'd probably have to have conversations on the legislative side, but if it existed from a testing, that'd be the way the compacts work is that they were in the initial approval is going to go through the tribal gaming agency. And that would be something that our tribal gaming unit we're work closely with them on.

Rep. Kloba:

Okay. That makes sense to me. I appreciate the differentiation then between the sports wagering systems, which is something that we have direct control over versus the gaming field, if you will, whether it's virtual or physical. And that being our interest there is with respect to the cheating. And we have some rules on the books in RCW 67, but that would be where we would regulate that. And it would be somewhat in partnership with whatever the regulatory agency is over that particular esports for instance, or if it were not virtual, but real like the NFL or the NBA or MLB or whatever sports thing. And that, that, I think that's, I think I get what you're saying. So I appreciate your willingness to have that conversation. Thank you.

Brian Considine:

Oh, of course. And we may need to look at the laws that are entitled 67 to make sure these kind of newer, more modern types of sports are covered. You know, that may be an issue, but I don't think that that's, this is probably the appropriate place for it, but I do appreciate the questions and the conversation. I do think it's important to continue to discuss esports as it's probably one of the fastest growing parts of the sports wagering market.

Rep. Kloba:

Thank you.

Brian Considine:

Thank you. And again, thank you for pointing out the change, the game length and definition. Any questions on additional questions on the role changes in black, 230-03

Bud Sizemore, Commissioner:

Not seeing any other hands, Brian?

Brian Considine:

Let me give patience so I can get myself down to 05.

Speaker 1:

Okay, sir. 5-230-05

Brian Considine:

E5-230-05 which is really our reporting and fee rules related to both. We set it up a few years ago, the quarterly reporting and the quarterly licensing fees. What is being proposed to you for an initial you and approval to date is would continue quarterly reporting. And I know there were some comments on that quarterly reporting to us is important so that we can continue to get that up on what actual economic activity is happening in the, in the space, what Chris, with our current quarterly reporting order, he's plugging that information into economic models to see kind of where we're at. You've you've been the beneficiaries of that through the pandemic. So he would update you on all the, kind of the highs and lows of where we're at. And I think our goal would be to do the same thing on sports wagering.

Brian Considine:

And after a couple of quarters, if we can start to project, if we've missed the mark one way or the other on our fee rules, we can maybe try and figure out how to adjust sooner rather than later, because as you know, the rural process does take a little bit of time and we want to be mindful of what we're doing while we may think that, hey, we've hit the mark. And also I know, and I think Mr. Chair is something that you're, you've at least said in the past, which is you want the quarterly licensing reporting and fees to be something that we kind of fold all our licenses into. So I think it, or at least my expectation is I think staff's expectation is, is once we do it this way with a single, sorry, the difference is my apologies.

Brian Considine:

I pick up ahead of myself. The difference is not the quarterly reporting. The differences is the one-time lump sum upon either application or renewal that will go into the rule that Chris provided you, those licensing fees to cover our costs. I think the goal will be to see, I mean, we just don't have enough data right now, but we'll hopefully be collecting it and continue to have conversations with the industry and with travel leaders, is that folding them into what we had always envisioned the quarterly licensing fee, which is a smaller upfront cost upon renewal with a percentage and each percentage for each type that we have, whether it's non-profit, whether it's a manufacturer, whether it's a [inaudible 00:59:01] card room was created in stakeholder groups, but also with years of data to help us figure out what do we think we need to have? What do we think that percentage should be on the quarterly basis?

Brian Considine:

And if there's a cap, what should that cap be? And how's that going to work? Those quarterly licensing reports, one will get everybody into the groove of, of submitting them and get used to that. We'll get the information, but also, hopefully we can use that information to fold our new sports wagering vendors into the quarterly reporting. If that is still the wish of the commissioners and less, I hear the otherwise, that's kind of how we'll continue to look at these. So that's, that's generally where we're at now for the organizations, the vendors, the sports wagering vendors. So you'll see those added to gross gambling receipts, because that's what we asked to be reported on. The receipts won't relate one rules don't apply to our tribal partners. So it's really related to what they are going to be doing as our current set of manufacturers, distributors, service suppliers, and, and others do in the state.

Brian Considine:

And then we'll take that going forward. We're recommending one license fee payment upfront for now. Now there are also additional licensing fees that are set for the vendor representative. So for each licensee representative type that we talk the major, the mid-level and the ancillary, there'll also be a representative fee. And that was, is going to be the same as the current, as the current fees that kind of exist in similar types of categories. So we're not, not changing those. You'll see those, those a lot of 275s, I think. And you'll see kind of how that works, where we're, we're just extending what those current payments are.

Bud Sizemore, Commissioner:

So Brian, so since you took a breath there. I want to I want to thank you, Chris the rest of the staff for the work, certainly in this section, I know that I guess a year ago or so I envisioned us being able to, to set up a system that mirrors the salary or not salary, excuse me, the fee simplification process that we did to where we had this kind of dialed in, and we knew what a first quarter licensing fees should be and then be able to determine kind of the good percentage of gross gambling receipts and, and look at what a cap should be. I think you all made it very abundantly clear to me that it would be preemptive for us to try to do that in this burgeoning, beginning, early market.

Bud Sizemore, Commissioner:

So I appreciate the staffs' work and kind of determining based on the best information we have, what a flat fee for these particular vendor categories and individual categories would be. But I think it would be irresponsible for us to be, even though it's a flat fee at this point, I think it would be really irresponsible of us to essentially stay willfully in the dark on what activity is occurring in each one of these kind of silos of activity. So I think it's, it's critically important that we maintain that reporting so that we know what's going on within this industry, how it is changing.

Bud Sizemore, Commissioner:

I think back to when I first started in the commission, and I think we had just gone through a period of time where manufacturers were gobbling each other up, and we went from multiples down to just a few and had a very impactful, it was very impactful on our, our budgets and really got us on a whack on where the revenues were coming versus what revenues were generated from the activities in the state. So all of that, I guess to say that I think the approach that staff is bringing forward to us is a very valid and I'm supportive of it.

Rep. Kloba:



Thank you, Mr. Chair,

Brian Considine:

Any other questions, clarification, comments, concerns on the 05 series before I moved to 06?

Bud Sizemore, Commissioner:

Not seeing any Brian.

Brian Considine:

Okay.

Bud Sizemore, Commissioner:

We can always come back. If somebody..

Brian Considine:

We can, of course we can. 2-30-06 are, I think our rules titled additional rules for all licensees. These kinds of catch. Sometimes they're an applied to everyone rule. Sometimes they're a bit more specific when you get into these rules series, but there a definitely a series of rules that we felt were, were good to, to take a look at. And so you'll see we're adding and removing sports wagering vendors from current requirements to keep sure that they're consistent with what we think is going to work moving forward or what we're currently doing. Any modifications that we think are probably what's better moving forward, or of course, what we've as an agency have agreed to do in the compacts that you just heard and approved. There is I know one rule that there was some comments on related to contracts and we are looking to amend that to make it more consistent with what's in 03 and then any additional changes as needed. I think that was just one of those that kind of got lost in the shuffle. So that for sure will happen. I think I forget which one that is.

Brian Considine:

I'll remember it when I get to it. I think the big thing that you may remember, or you may notice yeah, 2-30-06-0-8-4, and that's something that we do currently with other types of licensees anyways, the trade show rule. So what is ending up in 2-30-06 in the trade show rule; it's going to appear as a new section, a new rule. I think we have it as 2-30-06-1-1-6, but ultimately what we do is we, as you probably remember, we already have a trade show rule. What we're looking to do is that trade show rule currently exists in our manufacturer distributor and service supplier rules, and only really pertains to them. These are a new set of licensing types, licensee types. We're not going to go into those rules that exist in 2-30-16, we are not going into 2-30-16 on the sports wagering vendor rules that would create too big of an issue for staff and for the regulation side.

Brian Considine:

That's why we are recommending creating a new 2-30-19, but also it needs to apply to at this point, the trade show rule needs to apply to more than just those manufacturers, distributors, and service suppliers. And we felt the best place to put it, and we looked at a couple different options was coming down to 2-30-06, no rules for our licensees and putting it in there. And then any modifications that are in the trade show rule are simply meant to fold in sports wagering vendors. And so you'll see, we just say licensees at that point, moving forward, instead of just calling out manufacturers, distributors and

service suppliers like we do in 2-30-16. So that's why that rule is there in the short form, it's basically cut and paste from the current rule to this new place so that it can also apply and include this new category of licensees.

Brian Considine:

And with that, I think 2-30-06 is mostly...I'm sorry, Mr. Chair I'm looking to make sure I haven't missed something. I don't think I have. So I think I'm done with 2-30-06 at this time. I'm happy to answer any question.

Bud Sizemore, Commissioner:

Okay. Any questions in the 05 or 06 section? Alright, not seeing any Brian ... to 19.

Brian Considine:

So 230-19, this will be a new chapter in our sports wagers...sorry a new chapter in our rule sets, it'll be titled, I'm pretty sure we have it just titled as sports wagering. It has multiple new sections, but I'll quickly go through those and definitely had a lot of good comments on these. And I think there's probably still some room to work on, but staff does feel that they, there needs to be a separate section to help define some of these things both as to expectation of the agency moving forward to there's something in role, but also expectations of licensees consistent with both law and compact. So we start with 230-19-005, which are definitions. Those definitions should look familiar because they are mostly pulled from either statute, if we felt that was necessary or compact, so that we're using consistent terms with both in our licensed structure or at our rural structure, but also make sure more importantly that, that what we're using there is consistent in terminology in our compacts, because those are going to be worth a lot of this takes place primarily on our Trump gaming unit side.

Brian Considine:

So, and then we also have kind of recordkeeping sections. Those sections are consistent and similar, if not nearly identical to sections we currently have for manufacturers, distributors and service suppliers in 2-30-16, we've made some modifications. We've gotten a lot of good comments on these and are looking to probably continue to refine them, to have them meet the purpose for both us and what we're envisioning for sports wagering. I think it is good to note that this record keeping isn't something that is submitted to us on some sort of schedule or our specific basis like annually, what these really are. These are the records that we use it for if, and when we audit a licensee or if we have an investigation, as you know, I do the legal side of things too. Before I had my staff attorney Adam Teal, I was working a lot, the cases directly, and I know of several cases where having those records were very helpful in determining administrative sanctions or looking into civil or criminal penalties, but also the lack of having them also signaled quite a bit. And so we'll continue to talk with those who have provided comments on these record keeping, but we do feel that is something that is important and consistent with our current practice, with what is currently enrolled. And we'll look to refine them as we think is appropriate or pointed out to us as what is legally necessary.

Brian Considine:

In addition, we have a quick rule, I think, on the sports wagering menu, that a lot of them questions on that, that that's not something that we approve, that's done through the compact process for simply laying out what it's going to look like on our end, in case there's any issues. And if we're going to put something on our website and we're going to do something, we need to make sure that we have a rule

that kind of relates to that and sets aside what our requirements are of us or what your requirements are of staff along with licensees. That's why I keep forgetting to say that these are really your rules as commissioners, that you're setting for the agency and staff to abide by and to utilize along with our potential future licensees there's provisions related to integrity that's meant to mirror both state law and what we envision kind of what our relationship is with our licensees.

Brian Considine:

This isn't meant to circumvent compacts. I think some of the comments tried to assert what it is, is not everything's going to happen on a tribal property. There's going to be wagering that occurs. This is a very, it's not a very static system nationally. We're still working closely or trying to work closely with other jurisdictions on many different things. But ultimately let's say if there's wagering, that's happening in Arizona and there's a nexus to a sporting event that's not going to be wagering that's happening on a tribal property, but it is something that's going to have an access to our jurisdiction and something that we're going to want to make sure we have some rules on cause absent of rules means that we have to default to the criminal and civil statutory provisions in the gambling act. Same thing with integrity, monitoring providers the integrity monitor providers are discussed and compact, but also we are looking for the ability to utilize that service until we have a better understanding on how to look at suspicious, unusual activity.

Brian Considine:

And again, information that's coming out of other states with our vendors or with a vendor licensees going to those. And it's a pretty standard requirement and most states at this point. And so these rules should look pretty familiar. I know to most of our potential vendors because they are similar to what's in Colorado, and New Jersey, but also of what was in the compact that we agreed to on the tribal operation side, same thing with sports wagering system requirements. I think we're looking to continue to fine tune these as best as we can, but think that it's good to, to set something out on our side in case something falls outside of the compacts and then seeing what thing, things geo-fence geolocation, if something happens outside of geo-fence or geolocation, it's most likely going to occur on in the state of probably off tribal reservation and so want to make sure that we have something there in case that comes up and we know it has come up in other states and it has actually come up recently, a few other states because it just kind of some of the glitches that occur in the systems, a very, very, very good system, but nothing is perfect.

Brian Considine:

Same thing with sports wagering accounts, we continue to look at the comments and see how we can refine this but similar sort of need to me make sure that we're setting out and we'll put it in. And again, just to reiterate, we're not approving any of these.

PART 3 OF 4 ENDS [01:15:04]

Brian Considine:

Setting up. And again, just to reiterate, we're not approving any of these systems. There's nothing in there. At least we're trying not to put anything out there until there's some sort of approval.

Brian Considine:

This is really after the fact. If something pops up and it's not something that's going to be defined by Tribal Gaming Agency and our Tribal Gaming Unit. If it falls outside of that then we have a rule that we can work with.

Brian Considine:

And then, I know, everyone's most fun rule at the end is records retention. I know it's not everyone's most fun rule, but as somebody who does records management for the agency it's, unfortunately, very key and critical.

Brian Considine:

What we have typically done is we have typically kind of sprinkled these record retention requirements through the rules. This was my kind of thought was let's put it in one place that we can cite to.

Brian Considine:

I don't know if it works the best, but we're going to try it because personally trying to remember what each record's retention is and finding that rule versus having one place to go to seemed like maybe a better approach or an attempt at a better approach.

Brian Considine:

So that is my general overview and coverage of the rules, all the new rules that we're proposing for 230-19. I'm up to answer any questions?

Bud Sizemore, Commissioner:

All right, anybody got any questions for the 230-19 section or on Brian's entire presentation? All right, I'm not seeing any questions Brian, it seems like this might be a good time to do a little open public comment. Is there anything else we need to do?

Brian Considine:

I think public comments, this is a great place for it. And then after the public comment I can let you know what staff's request is moving forward and see if that works for the commissioners.

Bud Sizemore, Commissioner:

Okay, sounds great. So we will now open the floor to public comment. So I will remind everyone that we'll do our best to utilize the platform. So use the raise hand function. If you're having trouble, certainly, just go ahead and unmute yourself and try to grab my attention.

Bud Sizemore, Commissioner:

If you're going to make a public comment I'd ask that you get on camera, unmute yourself, and then identify yourself for the record.

Bud Sizemore, Commissioner:

So I think I stretched that long enough to allow folks to raise their hand if they would like. All right, any email or chat or any other, anybody trying any other ways of making a public comment?

Julia Patterson, Commissioner:

Nope.

Bud Sizemore, Commissioner:

Okay. All right, well, then I will close public comment with none provided. Brian, if you want to give us next steps and staff needs?

Brian Considine:

Certainly, so next steps is filing draft rules. It's for the official, actually, public comment period under the Administrative Procedures Act that occurs between this meeting and our next meeting.

Brian Considine:

What we're recommending to keep with the timeline of trying to have these rules [inaudible 01:18:39] to form effective by the end of August is to have a special meeting on July 28.

Brian Considine:

And so what happens is, I want to say July 7, is when the rules will be published. The Administrative Procedures Act requires us to wait 20 days before any action is taken, any final action is taken on the rules.

Brian Considine:

And so if we get the best version draft, hopefully addressing what comments we can to the code reviser in time, which we will be certain to do if you approve it today, then that'll be published on July 7 and then July 27 would be, I think the first day that action could be taken July 28, leadership already had our commission planning meeting, and so it works best, and hopefully it works well with the commissioners.

Brian Considine:

And then at that meeting we will review the final draft language and decide if it's ready for a final vote, and then publication 31 or not publication, effectiveness 31 days after.

Brian Considine:

So, because these rules are still a bit of a work in progress what my request to you, commissioners, today is that we file these draft rules, but allow for additional staff technical edits and changes related to comments as needed.

Brian Considine:

And if we don't have any public comments today or any additional input or direction from you, that's a bit, a little unusual, I think it's appropriate because I would like to continue to fine tune this draft before we publish it, or before we file it in 10 days.

Bud Sizemore, Commissioner:

All right, thank you Brian. So would anyone like to make a motion that would allow staff flexibility to incorporate public input, and to file the draft language with the code reviser for further discussion?

Julia Patterson, Commissioner:

I can do that Mr. Chair.

Bud Sizemore, Commissioner:

Okay, Vice Chair Patterson.

Julia Patterson, Commissioner:

So the motion would not include language regarding staff's need. I think I would simply make the motion that I move to file draft language with the code reviser for further discussion.

Bud Sizemore, Commissioner:

Okay, is there a second?

Holy:

Holy will second.

Bud Sizemore, Commissioner:

I'm sorry, Senator Holy, I cannot accept your second on this action, on the rules action.

Brian Considine:

We appreciate your support senator.

Bud Sizemore, Commissioner:

I'm going to make an assumption here, Commissioner Reeves, that you were seconding the motion? Yeah, I can't, you're hard to hear.

Bud Sizemore, Commissioner:

So there was a motion by Vice Chair Patterson and seconded by Commissioner Reeves to file draft language with the code reviser for further discussion.

Bud Sizemore, Commissioner:

So with that let's have a discussion on the motion, and Brian if you would ask the clarifying question of Vice Chair Patterson to make sure you understand if her motion gives you what you need.

Brian Considine:

Yes, I would ask Commissioner Patterson, is it your intent that your motion reflect that staff can make additional technical edits or changes to these rules consistent with public comments or need by staff as we clean these up?

Julia Patterson, Commissioner:

That's exactly what my intent is.

Brian Considine:

Thank-you.

Bud Sizemore, Commissioner:

And Commissioner Reeves as seconder is that your intention as well? Yes, I got a thumbs up. All right, any further discussion then on the motion?

Bud Sizemore, Commissioner:

Seeing no one raised their hand we'll do a voice vote and this will be the four commissioners, and I'll do my best to hear and look for thumbs-up. All those in favor of filing draft language with code reviser for further discussion, please say, aye.

Reeves:

Aye.

Bud Sizemore, Commissioner:

Aye. Any opposed? Motion carries four to zero.

Brian Considine:

Thank you, Mr. Chair. Just so everyone can hear it from me, what my intent will be is that once we feel like we get into a spot with the draft language to be ready for filing I'll make sure that that gets to the commissioners, along with it goes back out to the stakeholders that we had sent the original language to, along with anybody else who wishes to receive it.

Brian Considine:

And with that I appreciate your time and your patience with me on this, and I don't think I need anything additional, thank-you.

Brian Considine:

Oh, I would say Mr. Chair, I think it's good to get the commissioners to commit to the July 28 special meeting. If that's something you wish to do.

Bud Sizemore, Commissioner:

Okay. I can-

Brian Considine:

Just so it's on the record and then we can set it up as needed.

Bud Sizemore, Commissioner:

Okay. We'll loop around that before we get out of here today or tomorrow, we'll do that.

Brian Considine:

Thank-you.

Bud Sizemore, Commissioner:

So based on that, Brian, do you know off the top of your head when these would need to be filed? You said around 10 days, but you-

Brian Considine:

Yup, let me look at a calendar real quick. I don't know exactly, I just got to see the-

Bud Sizemore, Commissioner:

And then we should just see him a couple of days before that, or a day or two at least.

Brian Considine:

Well, and we try not to wait until the final-

Bud Sizemore, Commissioner:

At least, right.

Brian Considine:

So these are going to be due for filing with the code reviser by noon on Wednesday, June 23.

Bud Sizemore, Commissioner:

Okay.

Brian Considine:

So my hope is that we look through these next week, so that if there's any last second things they're going to be pretty easy to deal with. And probably try and get them out to you all on the 21 or 22 before they're filed.

Brian Considine:

And then of course it doesn't stop the public comment period, it actually kicks off the official public comment period, and so we will know if there's additional public comments. We will provide those to you at the next time we hear these rules.

Bud Sizemore, Commissioner:

Okay. All right.

Brian Considine:

Thank-you.

Bud Sizemore, Commissioner:

All right, so I believe that other than general public comment period, and maybe a discussion, or a confirmation that July 28 works, and a little recognition for the tremendous work that's gone on in sports wagering we'll be able to wrap up our day.

Bud Sizemore, Commissioner:



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So next, let's kind of check in with commissioners on a July 28, and I guess Commissioner Reeves and Patterson does a July 28 special meeting work for you guys?

Julia Patterson, Commissioner:

That works for me.

Bud Sizemore, Commissioner:

Okay. Yeah, your audio is... Actually your video and audio are frozen. Oh, there you go. Try again.

Reeves:

It's either my wifi or my iPad, sorry. Just to confirm Mr. Chairman that on the 28th, the current timeframe is 1:00 to 3:00, is that correct?

Bud Sizemore, Commissioner:

I believe so.

Reeves:

Great.

Tina Griffin, Interim Director:

It could be adjusted.

Bud Sizemore, Commissioner:

Okay, all right so-

Julia Patterson, Commissioner:

Mr. Chairman, I'm sorry I missed that, do we have a time? Is it 1:00 to 3:00?

Bud Sizemore, Commissioner:

1:00 to 3:00, I think, is what's being proposed.

Julia Patterson, Commissioner:

Okay. Thank you.

Bud Sizemore, Commissioner:

So, all right, and Brian, I guess I'll ask that you reach out or have someone reach out to Commissioner Levy and see how it works for her.

Bud Sizemore, Commissioner:

So, all right, so that's that. So now I would like to move into a public comment period for general topics.

Bud Sizemore, Commissioner:

So anyone that would like to address the commission, kind of a big deal day for sure, feels like to me, so if there was anyone that was like to make public comment now would be the time.

Bud Sizemore, Commissioner:

We'll provide this opportunity again tomorrow should folks like to hold off until then. But if you would like to make a public comment please use the functionality of the Microsoft Teams or unmute yourself and gain my attention that way if you need to. Any general public comment? Not hearing any.

Bud Sizemore, Commissioner:

So with that, I think, before we leave today that we should recognize the work that has gone into sports wagering and to get us to this point.

Bud Sizemore, Commissioner:

And I think of, even two years ago that our staff was out on the road trying to become educated, to learn this industry, and that was just an anticipation that the legislature might do something. So I am incredibly proud to be able to be a small little part of this agency.

Bud Sizemore, Commissioner:

And it's really pretty remarkable that we've gotten to this point and 15 tribes have now had a compact amendment approved that's going to the governor's office.

Bud Sizemore, Commissioner:

And I think that is quite momentous. So I'm going to ask Interim Director, Tina Griffin, to go ahead and identify those folks that have put in so many hours on this effort.

Tina Griffin, Interim Director:

Thank-you Chair. So yes, we have over 40 names of staff who have contributed in various ways, whether it's helping draft the rules, helping with travel negotiations, and/or with IT work in developing the pre-licensing online system, or prepping for the license process with pre-licensing, et cetera.

Tina Griffin, Interim Director:

So many different activities went into this, and so I appreciate staff's time in working this in with everything else that they had going on as well.

Tina Griffin, Interim Director:

So I'd like to recognize Ashley Layden, Brian Considine, Brian Pinger, Bryce Mack, Kathy Harvey, Chris Hunter, Chris Rainey, Chris Stanley, Dan Buckley, Dan Fry, Dan Legonist, Dave Trujillo, Des Desahan, Doug Fairley, Gary Drumheller, Jamie Doherty, excuse me, Jamie Douty, my apologies Jamie, Jeannine Stikomodo, Jeannette Suguy, Jennifer Lamont, Jenny Cap, John Chen, Julie Anderson, Julie Lies, a big shout out to Julie Lies.

Bud Sizemore, Commissioner:

Yes.

Tina Griffin, Interim Director:

Keith Cam, Kelly Maine, Leanne Larue, Lisa Chen, Logan Blason, my apologies Logan, Lisa, or excuse me, Melissa Chicon, Michelle Vancor, Mike Boone, Patty Nixon, Paulette [inaudible 00:01:31:45], Rodney Jobear, [inaudible 00:16:47], Sarah Whitcombe, Sharon James, she's with the AEG's office, but we consider her one of our own, especially with as much time as we have worked together in the last year, Tony Zar, Tony Hughes, Tyna Antoninson, and Tyson Wilson. Thank-you.

Bud Sizemore, Commissioner:

Did I hear Tina Griffin?

Tina Griffin, Interim Director:

No.

Bud Sizemore, Commissioner:

And Tina Griffin.

Tina Griffin, Interim Director:

Thank-you all. Chair also served on a negotiation's team, so thank you. And thank-you to all the tribal leaders and tribal representatives for working with us so diligently. It's been almost, probably exactly a year if not just a tad bit more.

Tina Griffin, Interim Director:

But staff does appreciate working with you over the course of this period of time, and also commissioners and ex-officios for your support and guidance. Thank-you all.

Bud Sizemore, Commissioner:

All right, thank you. And Senator Conway,

CONway:

Thank-you. I just want to add to your comments Bud, and from the legislature here. Sports betting came as a proposal to us and we wrote a bill, and we always don't put everything in a bill that we should.

CONway:

We think we're doing great work, but sometimes we don't, and it really takes a great administrative staff, the Gambling Commission to try and interpret the work we do and to implement the ideas that we have.

CONway:

And I can't help but thank the Gambling Commission members here for their long tedious work. And I think in negotiating these compacts there were a number of issues there that were not laid out very well in the bill and required a lot of activity and interpretation on the part of the commission, as well as staff, to realize where we got today. And I can't help, but thank all of you for your work.

CONway:

I mean, from the Senate side, as I said before, we often write bills, but we don't always put everything that we need into those bills. And I especially thank Brian for his openness in working with the ex-officios and for his basic homework that he's done on sports betting.

COnway:

I don't know of anyone who had a more comprehensive look at sports betting than what Brian brought to the legislature. So with all that in mind, I also want to point out this is a brave new world. We're entering a new age of gambling in our state.

COnway:

The people who do sports betting are not necessarily the ones who go to casinos. And so we need to recognize that we are, I think our old director said, "This is one of the biggest steps in gambling in recent state history." I guess the development of our casinos was one of those steps, but certainly sports betting is a major, major change in direction in gambling in our state.

COnway:

And I think we all need to recognize that it's a brave new world here. We're going to be working with a whole new different group of people in gambling and with the problem gaming issues associated with that.

COnway:

So I want to again, reiterate my thanks for all your work and putting up with the ex-officios as well. So thank-you very much.

Bud Sizemore, Commissioner:

Thank-you, Senator. I wouldn't say we're putting up with you, we gained the benefit of your seasoned leadership. All right, so with that I believe we've come to the end of our agenda for today, unless there are any final questions or comments? Oh, Vice Chair Patterson.

Julia Patterson, Commissioner:

Thanks Mr. Chair, I just wondered if Commissioner King will be with us tomorrow?

Bud Sizemore, Commissioner:

I'll let her answer.

King:

Yes, I'll be present.

Julia Patterson, Commissioner:

Okay, thank-you. I have nothing else. Thank-you.

Bud Sizemore, Commissioner:

All right, so with that I believe we begin at 9:30 A.M. sharp tomorrow. So we will adjourn until 9:30, June 11. Thank-you all.

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Julia Patterson, Commissioner:

Thank-you.

PART 4 OF 4 ENDS [01:36:49]

Chairman:

I will call the June meeting of the Washington State Gambling Commission back to order. Day two of our June meetings. I want to welcome everyone. And we have some business to take care of right away. We may move around a little bit in our agenda. But I would like to welcome everyone and ask the director to please call the roll to confirm a quorum.

Director:

Vice-chair Patterson?

Julia Patterson:

I'm here.

Director:

Commissioner. Levee?

Chairman:

Excused

Director:

Thank you. Commissioner King?

King:

I'm here.

Director:

Thank you. Commissioner Reeves?

Reeves:

Here.

Director:

I'm having some issues. Senator Conway?

CO Conway:

Present.

Director:

Senator Holy?

Chairman:

Excused.

Director:

Representative [Plua 00:00:56]?

Chairman:

Excused.

Director:

Representative Vic?

Chairman:

Excused.

Director:

And [inaudible 00:01:04]

Chairman:

Speaker is present.

Director:

[inaudible 00:01:09] do see that.

Chairman:

All right, so we have a quorum. We have RAAG today is Matt Curnet, who will be assisting us, and We will go right into the petition for review, which is a 2010 Toyota Tundra, case number 2018-00771, we should have AAG Chad Standifer. Chad are you with us?

Chad Standifer:

I am. Good Morning, Mr. Chairman and members of the committee.

Chairman:

Thank you. And Charles Steinberg, the attorney for claimant, I think I see you, sir. Are will still up against the 10:30 ... Okay, great. Matt do you need to outline anything for us.

Matt Curnet:

No Chair, this is the staff's petition, but that's it. No outline as of yet.

Chairman:

Okay. And so if that is the case, staff's petition, they would go first and have the ability to reserve time. Is that ...

Matt Curnet:

Correct.

Chairman:

Okay. Thank you. So, I will check with council. Is 10 minutes aside for oral arguments okay? Adequate?

Chad Standifer:

Yes, yeah.

Matt Curnet:

Okay. Well then, we will get right to it and I will ask you, Mr. Standifer, to go ahead and start us out.

Chad Standifer:

Thank you again, Mr. Chair and members of the commission. For the record, Chad Standifer, assistant attorney general representing the commission staff in this matter. Thank you for the opportunity to present this position. I'm going to try to reserve about three minutes of my time for rebuff today. I do, of course, welcome your questions, even during my presentation if you do have a burning question that you'd like to ask.

Chad Standifer:

Staff are respectfully requesting that you reverse the decision of the administrative law judge in this matter and affirm the gambling staff's forfeiture of a truck belonging to the claimant in this matter, Francisco Cuevas-Suarez.

Chad Standifer:

Now the basic facts in this case are not in dispute, and they were not disputed below before the ALJ in this case. And that made an evidentiary hearing not necessary. And here are the basic facts, Mr. Cuevas-Suarez pled guilty to professional gambling in the second degree and to money laundering. His guilty plea was the culmination of a meticulous three and a half year investigation by commission staff. Mr. Cuevas-Suarez conducted an illegal sports wagering operation from his business, and that included accepting 62 sports wagers from undercover special agents. His criminal conduct is more than sufficient to uphold to forfeiture of his 2010 Toyota Tundra because that vehicle was used to facilitate his illegal sports wagering operation. And the administrative law judge did err by disregarding the gambling acts forfeiture standard and instead finding in error that a forfeiture is proper only where personal property is solely devoted to illegal gambling activity.

Chad Standifer:

Let me take a step back and walk this case in a little more detail. Mr. Cuevas-Suarez, again, admitted that his Futbol-Era Soccer Store was a place where individuals could place weekly illicit bets on soccer matches, where they could pick up weekly betting sheets listing selections for those matches and where they could obtain payouts if they were a weekly winner. Put simply, Mr. Cuevas-Suarez has admitted to running an illegal, and by extension, totally unregulated sports wagering operation from his business. Part of his motivation for that operation, as he stated during his guilty plea, was to boost sales at his own soccer store. And that really intertwined the legitimate and illegitimate portions of his business affairs.

Chad Standifer:

It's important for you to be mindful, that the ultimate decision in this case does rest with you, as a commission, and not with the ALJ who initially heard this case. The primary job of an ALJ is to be a fact finder and the ALJ did that here, but you get to make the final decision about the law. The statute that



the legislator has tasked you as a commission with interpreting is found in RCW 9.46.231 paren 1C and I'd like to try and share that with you now, because I think that the words of the statute are what really is critical to making a final decision in this case.

Chad Standifer:

So, if you bear with me here. Now, are you able to see my screen at all here?

Chairman:

Yes.

Chad Standifer:

Okay. So, as you can see here, what the Statute provides is that all vehicles used or intended for use in any manner to facilitate the promotion or operation of a professional gambling activity are subject to forfeiture.

Chad Standifer:

I'm going to go ahead and stop sharing my screen now.

Chairman:

Okay.

Chad Standifer:

And I would encourage you to really look at that statutory language, which is in the commission staff's petition for review, which I just pulled up for you on page six. Basically when someone operates and illegal gambling scheme, they do forfeit all vehicles used in any manner in furtherance of that scheme. A vehicle used in any manner, that is the key phrase for you today, the members of the commission. However, the ALJ when he issued his decision, failed to apply that statutory language. Instead he recommended invalidating the forfeiture because the vehicle was not used to transport persons solely for purpose of perpetuating illegal gambling. But the word solely, as you just saw, is nowhere in that forfeiture statute.

Chad Standifer:

The statute does not restrict forfeitures to circumstances where a vehicle is exclusively devoted to illegal gambling. So by inserting the word solely into the statute, the ALJ, in effect, substituted a higher standard for forfeiture than what is in the law. If the ALJ standard was correct, it would be frankly difficult to imagine how this commission could ever seize a vehicle because, as you know, vehicles are always going to have multiple uses. That doesn't mean they can't be subject to forfeiture where is one of those uses was to, as here, drive that car daily or that truck daily to an illegal gambling operation.

Chad Standifer:

Now, in arguing that this forfeiture should be denied, what Mr.s Cuevas-Suarez mostly points to is his economic situation, his current situation. But that is not a factor that the legislature put forth in the statute for you to consider. The fundamental purpose of forfeiture, a fundamental purpose, is to deter criminal activity. In another part of your statute, RCW 9.46.010, it states that it is the public policy of our state to "Keep the criminal element out of gambling" and to do so "by strict regulation and control."

Now despite his criminal conduct, you may feel some sympathy for Mr. Cuevas-Suarez, and perhaps the ALJ did as well. But what you are tasked with really here today is applying the statute as it was written by the legislature. And the only-

Chairman:

Mr. Standifer, you have about two and half minutes.

Chad Standifer:

Thank you. Thank you, Mr. Chair, I am wrapping up here. The only legitimate question before you is whether the forfeiture met the statutory standard.

Chad Standifer:

In closing, commission staff respectively requests that the forfeiture of Mr. Cuevas-Suarez's truck be affirmed and the decision of the ALJ be reversed.

Chad Standifer:

I will now, save the rest of my time for rebuttal and welcome your questions. Thank you.

Chairman:

Any questions for council? Commissioner Reeves?

Reeves:

Thank you, Mr. Chairman. Chad, I'm sorry, I can't call you by your last name because I can only see your first name. Thank you. Can you please clarify for me, I think I remember correctly reading in this submission that the officers who participated in the investigation witnessed the vehicle at the facility but it was not clear to me whether or not they ever witnessed the defendant putting gambling items, sheets, et cetera in his vehicle or transporting other people for the purposes of gambling in his vehicle. Do you have any knowledge to that and can you clarify for me?

Chad Standifer:

Absolutely. No, thank you. There was never a time when ... The vehicle was certainly observed outside the business location. Obviously bets were placed with Mr. Cuevas-Suarez, but there was never a time, at least when the investigators were surveilling the scene, situation that they actually saw him with weekly betting sheets or transporting them into his truck. That doesn't mean it didn't happen, but you're correct that the record doesn't reflect that. And as far as persons goes, it was just his person that he was transporting, nobody else. We're not relying, in other words, on the fact he transported anybody else but himself. Of course, staff thinks that is sufficient, but hopefully that answers your question.

Chairman:

Any further questions?

King:

Council, this is Commissioner King. I was wondering, in looking at RCW 9.46.231, can you point to any precedent on point with the respect to your purposed interpretation that the vehicle here would indeed

be used or intended for use in any manner to facilitate the sale, delivery, receipt, or operation of any gambling device or the promotion or operation of a professional gambling activity, given what Commissioner Reeves just stated and you confirmed?

Chad Standifer:

There is no precedent applying this statute, this portion of the statute, but frankly there is no precedent either way. It just has not been the subject to a Washington court interpretation. But what I would say is that staff believe that this is just about applying the plain language of the statute. If you apply the plain language, we believe the forfeiture should be affirmed, and we also believe if a court were to review this, they would agree with that interpretation.

Chairman:

Okay, thank you. Vice Chair Patterson?

Julia Patterson:

Thanks, Mr. Chair. Chad, Mr. Cuevas-Suarez admitted that he was guilty of laundering money, money laundering. So what I'd like to know is what other penalty did he experience? Besides having his car taken away, what price did he pay for this criminal activity?

Chad Standifer:

Well, he did plead guilty to a felony, and actually opposing council probably give you the particulars in terms of the number of days or probation or what the outcome of that criminal matter was. But he certainly pled guilty to two felonies and then there was a sentencing which occurred, I just don't have those details right at the tip of my fingertips. I apologize.

Julia Patterson:

I'll be looking for that. Thank you.

Chad Standifer:

Thank you.

Chairman:

Alright. Mr. Steinberg, are you prepared? We'll go ahead and give you your 10 minutes.

Chairman:

Don't start yet, you got to unmute.

Stienberg:

Testing one, two, three?

Chairman:

Yes. Gotcha.

Stienberg:

Okay, all right. Thank you commissioners and thank you Chair, for this time to discuss my client, Francisco Cuevas-Suarez's 2010 Toyota Tundra truck. In answer to the commissioner's question, he pled guilty to two felonies, he had to pay an \$800 fine, he had to serve 20 days that the court authorized him to serve that on work crew, and during a COVID pandemic that was interesting for my client to be able to fulfill, but he has fulfilled that.

Stienberg:

In getting to the merits of the case specifically-

Julia Patterson:

Excuse me, Mr. Chair, could I break in on point.

Chairman:

Yeah. Yeah, go ahead.

Julia Patterson:

When he spent that 20 days on work crew, where did he sleep? Did he come back to jail at night or did he go home?

Stienberg:

He would go home. He reports to jail, goes out with the work crew, and then he goes home.

Julia Patterson:

Okay. Thank you.

Stienberg:

And then if he didn't fulfill any of the conditions, then he would be subject to being incarcerated instead of the work crew.

Julia Patterson:

Thank you.

Stienberg:

And then, I'm going to take you back in time to 2009. Mr. Cuevas's wife and their children were driving a different vehicle, and that vehicle was totaled in a car accident on Blewett Pass, and they decided to buy a 2010 Toyota Tundra. This was over four years before the gambling commission investigation and even four years before he even thought of trying to generate increased soccer jersey sales by selling betting slips.

Stienberg:

I would like to point out that my client was not the ring-leader of the gambling organization. He was just one of the people selling additional betting slips at his store. The record reflects that Joe Torez was the ring-leader, and might the record also reflect my client received free betting slips.

Stienberg:

But back to the issue at hand. The commissioner has already narrowed in on this very quickly, the commission staff has the burden of proof here on their appeal. They have conceded that they have no evidence that the Tundra was used under the language of the statute, it wasn't used, it wasn't intended to be used in any manner to facilitate the facility, delivery, receipt or operation of any gambling defense. There's no evidence betting slips were placed in the Toyota Tundra. There's no evidence that monies were transported using the Tundra.

Stienberg:

They have the burden of proof, and quite frankly, they do not have it. The fine Mr. Suarez had to pay and his 20 days sentence that the judge allowed him to serve on work crew is plenty of punishment for this poverty level family of four. I note that the commission staff did not seize the 2001 Dodge van that was fully outfitted with Futbol-Era logo and not silk screened but when they wrap a car with graphics for advertising. They did not seize that at all. They didn't seize the 2007 Toyota Camry. Other than driving the vehicle back and forth, to and from work, that is the only evidence that they have. And I submit to the commission that that's not enough to have the forfeiture of a 2010 Toyota Tundra that wasn't purchased with gambling funds. There is no evidence he was using it for gambling other than taking himself to and from work. He was not the ring-leader.

Stienberg:

In my briefing I did include some additional materials involving a similar forfeiture case that arose in Indiana, but that's a constitutional argument. [inaudible 00:19:12] about cruel and excessive punishment.

Stienberg:

In summary. Let me make sure I covered everything in my notes. Oh, and it's the only four wheel drive vehicle for this family to have as well. So, with that I ask that you sign my proposed order releasing the 2010 Tundra because the commission staff has not met their burden of proof. My client cooperated with the investigation, he was forthright and straight forward with it. And we'd ask that you deny the commission appeal.

Stienberg:

Thank you. Any questions?

Chairman:

Commissioner Reeves, did you have a question?

Reeves:

I do, Mr. Chair. Thank you. Mr. Steinberg, I think you just referenced this, but if you could clarify for me, assets. It was not clear to me in the documents whether or not your client is the actual owner, not just the operator, but the owner of the sports store. Can you clarify whether or not he is actually the registered owner of that store? I think you clarified that there are two other vehicles that were either purchased with or carry advertising or promotion of the business on those vehicles for the purposes of that work, is that correct?

Stienberg:

So, two issues. Yes, my client is the sole proprietor of Futbol-Era Soccer Jersey store here in Wenatchee. The 2001 Dodge van was in excess of its mileage, that had the wrap that said Futbol-Era Soccer Jerseys. He used that to drive to and from soccer matches as a rolling billboard and to have jerseys at games and things like that. There is no evidence that he ever used that for gambling either. And his wife's car, the 2007 Toyota Camry, that's the other vehicle, it doesn't have anything on it. I don't believe it says Futbol-Era.

Stienberg:

And one other thing I want to point out, I found with a great irony as I was preparing for this hearing, that my client's not a native American. He's not a member of a tribe. And Governor Inslee and the legislature just approved sports gambling and betting. I know it's not international, like the Mexican League of Soccer Matches, and that is still illegal. But I want to point out again, the staff has no evidence that it was used the plain language of the statute. Otherwise, if somebody was involved in illegal activity like the gentleman, Mr. Tims, that had previously purchased his Range Rover with money from his dad's estate and the state of Indiana tried to seize it for his, I think it was a minor amount of heroin possession or heroin possession. The supreme court said that's a violation of the cruel and unusual punishment act. You have to weigh things out. But that's a constitutional argument and I clearly think that the staff was wrong.

Chairman:

Mr. Steinberg, are you suggesting that the fact that staff or the agency didn't try to forfeit all the vehicles that there's not a validity for one of the vehicles?

Stienberg:

No. I just found it very interesting that they picked the one that he used ... He drives all three vehicles. I just found that interesting that they picked the one with the highest value for this poverty level family.

Chairman:

Would it be unreasonable for me to think that the van is most vital to the business and the agency wasn't trying to harm the business but exercise their ability to forfeit a vehicle that is associated with illegal activity?

Stienberg:

Under their test, they would be forfeiting everything, and I didn't go into the minds of the enforcement or staff.

Chairman:

So, it's not optional for the agency?

Stienberg:

I'm not contesting it. I am not contesting that issue. I just thought it was interesting that that's what they chose to take.

Chairman:

Okay. Commissioner Reeves?

Reeves:

Sorry. Thank you Mr. Chair. That actually follows along the lines of questions that I have. So, please correct me if this is a more appropriate question to be directed to staff. But under the language that was shared by previous counsel, I guess my outstanding question is the business, to me, seems to be the thing most directly connected to the illegal gambling activity. I'm new to the commission, but does the agency not have the ability to then pursue forfeiture of his business license or other assets associated to the business?

Reeves:

Sorry. Let me rephrase this. Mr. Steinberg, are you aware of any precedent, either Washington law or elsewhere, of which forfeiture of a business license would be associated with illegal gambling activity?

Stienberg:

I think by its nature. I'm not aware. First off, I'm not aware. But I would think by its very nature, I don't think you could get a license to do illegal activity. If it facilitates it, I could see that could be a remote possibility. I understand your question would be ... I'm thinking it is. If someone has a soccer store license as a business, could the staff as an alternative basically shut them down, seized all his jerseys, and seized his license to operate.

Stienberg:

So, I still think that there would need to be some proof of a nexus of the money being used, which in that case, there would be. Because he had the little fishbowl ... The undercover agent, Dezihan, observed a fishbowl underneath the counter where Mr. Cuevas-Suarez used to put the money from the betting slips. It was underneath the counter, separate from the cash till. Where the money laundering came in was when there wasn't enough cash in the fishbowl and he wrote a check from his business to cash one of the special agent's checks to give him his winnings. And that was-

Chairman:

All right. Okay. Commissioner King?

King:

Thank you. Opposing council argues that this is textual matter, and looking at RCW 9.46.231, my question to you is, where do we draw the line in terms of in any manner? So vehicles used or intended for use in any manner.

Stienberg:

Is that for Mr. Standifer or was that for me?

King:

That's for you, council.

Stienberg:

Thank you. Well the Supreme Court has spoken that it's supposed to be a narrowly tailored statute not a dragnet statute. Our argument is that even with the dragnet statute, it pulls everything in, in any gambling device or I think any manner. The court cases have said there's got to be some sort of relationship. And other states have updated their laws in accordance with Supreme Court precedent. Our state hasn't done that yet. The Supreme Court cases are suspect of statutes where the forfeiture continues to fund the ongoing operations as opposed to going to the general fund or something like that, is what I found in my research.

Stienberg:

Our statute is still the big giant dragnet. But even with the big dragnet, it's just transporting him to and from work and transporting his wife and family. I hope I answered your question.

Chairman:

Go ahead, Commissioner King.

King:

Just to confirm, the evidence in the record does not reflect that the vehicle contained anything connected with the illegal activity?

Stienberg:

Correct.

King:

Thank you, council.

Chairman:

Alright, any further questions? Seeing none. Thank you, Mr. Steinberg.

Chairman:

Mr. Standifer, I believe you have about 90 seconds ... Two minutes, I guess. I've been corrected.

Chad Standifer:

Thank you, Mr. Chair. I guess the first point I'd make is you can obviously do both. That's what the statues provide in terms of pursuing a criminal action which was done by the prosecutor in this case, and then pursuing a forfeiture.

Chad Standifer:

Another goal of forfeiture is to take away property from a person who committed a criminal act because it was used as an instrument to help him or her commit that criminal act. And that's what occurred here. Council mentioned that he purchased this truck before engaging in this illegal gambling activity. That doesn't matter. We're not saying he bought the truck with proceeds, which would be a different type of forfeiture. This is about it being an instrumentality, which it was. Yes, there's no evidence one way or the other whether he was transporting betting slips. What he was transporting though was himself, and he obviously was critical to the illegal gambling that was going on at the store.



Chad Standifer:

As the Chair pointed out, I don't know if you pointed this out directly, I will point it out. Whether other trucks or cars were forfeited, is totally irrelevant. It's almost as if council is almost inviting an overreach by the staff. The staff took this truck because it was driven to the store every day, essentially the primary vehicle Mr. Suarez drove to the store where the illegal activity occurred. That's why this particular truck was taken. Obviously not because it had great value. It frankly doesn't. But forfeiture is meant to deter criminal activity and that's part of why it was taken.

Chairman:

You have about 10 seconds, if you want to wrap up.

Chad Standifer:

Just really quickly, council referenced some Supreme Court cases. There is no court case interpreting this particular statute. I think he's speaking broadly that there needs to be a nexus between the forfeiture and the criminal activity. Again, Staff believes there was.

Chairman:

Okay. I see Vice Chair Patterson has a question or has her hand up.

Julia Patterson:

Thanks, Mr. Chair. Mr. Standifer, did you just say that the reason why it was determined that this car was used to commit a criminal act is because Mr. Cuevas-Suarez drove that car to and from work?

Chad Standifer:

No. I wasn't trying to say the driving of the truck itself was illegal.

Julia Patterson:

No. Maybe I didn't state my question correctly. I'm trying to understand how it is the car was used in a criminal way. And what I heard you say was that he was involved in criminal behavior so by virtue of the fact that he drove the car to work and back home again, that's why the car was used in a criminal way. There was no transaction taking place out of the car. The criminal activity itself did not take place in the car. It was just simply by virtue the fact that he drove the car to work where the criminal activity took place. That's what I am hearing and I want to hear your response to that.

Chad Standifer:

Yeah. I think that is correct that the actual criminal, the illegal gambling was occurring at the store. But we have to go back to the statute. What the statute says is if you use a vehicle in any manner to facilitate, to make easier, that illegal activity, then that vehicle can be forfeited. So by virtue of driving the vehicle to that location, it made it easier for him to conduct that illegal activity. That's the argument.

Julia Patterson:

I'm not an attorney, but that just ... Help me out with this. That means that any crime you commit where you drive your car to commit it, means that your car is vulnerable to forfeiture. I mean-

Chad Standifer:

Yes.

Julia Patterson:

So, the only time you get away with not having your family car taken away is if you walk to commit a crime or drive a bicycle to commit a crime. Is that right?

Chad Standifer:

Well, I would say is just don't commit the crime. I mean, I understand your question, but honestly the legislature put in the statute over 25 years ago and it's remained intact, that language. I do think it was meant to be a fairly broad standard. I think that's what you're really hitting on, commissioner. I understand what you're grappling with, certainly.

Julia Patterson:

So you think that was the intent 25 years ago?

Chad Standifer:

Absolutely.

Julia Patterson:

Okay. Well, for me it's a matter of what I think is right versus what you're telling me the intent of the law is. So, I'll have to listen to my colleagues on that.

Chad Standifer:

Thank you.

Chairman:

I guess I'll pose the same question to both counsels. Mr. Stienberg, you first. So should you prevail in this case and we affirm, going forward does that essentially change the statute or standard for seizure?

Stienberg:

No. No, Chairman, it does not. It's just applying the statute and here staff had no evidence that the vehicle was used for gambling purposes or illegal purposes other than taking him to and from work. Where, at his work, there were, I think, 62 bets taken over a three and half year investigation.

Chairman:

But yet the ALJ's decision was based in part at least at stating that it wasn't solely used for illegal activity.

Stienberg:

Correct. But I don't believe it's a precedent setting case at all. You're just applying the statute, the facts to the statute.

Chairman:

Okay. So the ALJ, even if it was wrong in utilizing the term solely, it's not impactful for future cases, precedent wise?

Stienberg:

No. Not unless staff appeals it into superior court or the claimant appeals it into superior court.

Chairman:

Okay. Mr. Standifer, same question.

Chad Standifer:

I'm struggling a bit with the question, but let me try to answer it. It's the ALJ that applied the wrong statutory standard by ... He used a word, solely, that is nowhere in the statute. So that's a wrong precedent, if you will. But of course, there is no precedent yet because you get to make the final decision. You get to correct that. And just really what we're asking is just apply the plain language of the statute. Now, future forfeitures, they're always going to be case by case. If they come before you, you decide the case based on the facts of that case. But we think that the Judge just got this one wrong.

Chairman:

Thank you. Commissioner King?

King:

This is for Mr. Standifer. If we were to remand with instructions to make a factual finding, kind of excising this solely factual consideration, would that satisfy your concern?

Chad Standifer:

Certainly I think that's something you can explore with your council if you like. It's an option available to you. Like I said, the judge is there mostly to be a fact finder, yes to apply the law, but at this point it really is in your hands. Staff do think you can apply the law, correct what was done, write up an order that is consistent with that correction without needing to remand it. But, certainly, that's an option for you, and it will come back before you a second time potentially if that's what you chose to do. Hopefully, that answers your question.

King:

Yeah. And I would ask you the same question that I asked Mr. Steinberg. Where do we draw the line on in any manner? How attenuated do we have to be with respect to the sale, delivery, et cetera before it doesn't fall within the allegedly broad ambit of the RCW 9.46.231?

Chad Standifer:

I think it's a great question. I think that unfortunately, I think, it's one of those things that it's almost a case by case factual inquiry. In other words, I'm not going to get into all the reasons, but obviously there's reasons why staff chose to take this truck, not other things. They, obviously, are aware of the standard and did not want to overreach. They chose this truck because he did drive it regularly. They believe the standard has been met. But whatever you do today, I think in future investigations and when the staff is looking at forfeiture as a potential, they're going to be grappling with this on a fact based

analysis. And then if you were to review it, you would really have to do the same. I don't know if we can, I guess, decide all those future scenarios right here today.

King:

Thank you, council.

Chairman:

All right. I am not seeing any other questions. I want to thank ... Oh, Vice Chair Patterson?

Julia Patterson:

Mr. Chair, thanks. Because again, I'm sorry for saying this a second time. I'm not an attorney. I really do want to understand that if we should, Mr. Standifer, disagree with you, what are the implications then for future cases that may come before us where there's a forfeiture of a vehicle? Does that in any way affect our ability to ... Let me just leave it at that.

Chad Standifer:

Honestly, it's a good question, a tough question, because when it comes to what we call precedent, courts make precedent primarily and actually at the court of appeals level in the Supreme Court, not necessarily even in superior courts. So staff would say whatever you do today, it's going to be tasked with applying the statute as written and it wouldn't necessarily affect what they choose to do. But that doesn't mean there won't be future lawyers like Mr. Steinberg who are doing their job and who might want to grab this case and say, "Oh, but look what you did here." And try to apply that as precedent. We don't believe it is necessarily precedent in the same way as court precedent is. But staff might feel bound by what you do because, obviously, they're going to defer to you on some level and want to respect the decisions that you've made. I don't know that I am answering it directly, but it is something the staff are really going to have to grapple with, I guess.

Chairman:

Commissioner Reeves?

Reeves:

Thank you, Mr. Chair. I will also preface that I am not an attorney and learning a ton from fellow colleague, Commissioner King. The language on page six of the ... I'm not sure what the document is called, petition for review. Line 18 states, consequently when someone operates an illegal gambling scheme, they forfeit air quote all vehicles used in any manner in furtherance of that scheme. So, if I am disregarding the word solely, which is what you're asking ... your concern is with the court's response. And in the plain language that you provided for us and highlighted and bolded, the word vehicles i.e. plural, is utilized in this language.

Reeves:

So, I think to Commissioner King's question, I'm really trying to understand where to draw that line, because if I am using the literal language on the page you provided us, I am seeing the word plural vehicles. I've been notified there were multiple vehicles available for forfeiture. And in the language utilized by staff in drawing up this document, my interpretation would that be all vehicles that participated or were associated to this activity should be forfeited. Therefore, I am struggling to

understand why this particular vehicle, but not all vehicles if you are asking us to really apply the plain language on the paper, does that make sense? Sorry, that was directed to Chad.

Chad Standifer:

Sorry, Commissioner. Is your question just if this vehicle in this case-

Reeves:

Why this one vehicle? You're arguing that this vehicle participated in this activity by the conveyance of the individual who conducted the activity, which I have another question but I'll ask that for our staff. But you're asking us to review the plain language provided and the word is not vehicle, it is vehicles. You've notified us that there were multiples vehicles available for forfeiture in this process. There's some sort of van that was available, et cetera. I guess I'm just curious to know by your own language then would you not be making the argument that all vehicles associated with this activity should have been forfeited? And where does that line get drawn? Why this vehicle, versus the other vehicles identified by the plain language that you are using?

Chad Standifer:

I think staff always have prosecutorial discretion, if you will. So if a truck or a car to drive him to work one time, is it arguably subject to forfeiture? Yes. But, obviously, staff can apply discretion and say, "Well, is there fairness we should look at here and maybe not take that vehicle?" But if you have a vehicle regularly driven to that location, we're going to go ahead and take that vehicle. I mean, yes, there are other vehicles that maybe potentially could be taken. And actually, I don't have those facts in front of me, so I'm not even saying there was another vehicle in this case that could be taken, but I'm just saying to get to your question, yes. In a different fact pattern, there could have been other cars or vehicles taken because the statute is broadly written. But I do think that's where prosecutorial discretion comes into play. You don't always apply the maximum fine or penalty in a case, for example.

Chairman:

Okay. It is now 10:17, and I know we do have some time constraints today. So the commission is going to go into deliberation. I don't see any chance that we'll be able to return before you need to do your next appointment, Mr. Steinberg. Can the two counsels work together with our staff? I'm not sure who it is with our staff. But we would like to deliberate and then come back to this before the close of our business today. Is that possible for both of you?

Stienberg:

Yes, that is possible for me. My guardianship trial starts at 10:30 and the court's going to do a recess at noon and then it should get done by 2:30. And I've spoken with Jennifer Hernandez, Chad's colleague, and we've made arrangements as well. That's fine with me.

Chairman:

Okay. So we will then return ... And same with you Mr. Standifer?

Chad Standifer:

Yes, absolutely.

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Chairman:

Okay. So we will now go into deliberation, which is a closed session of the commission. I believe the Microsoft Teams, this meeting will stay open while we're in deliberation. Could take a half an hour or more, or it could be less than that. So certainly when we come back, I'll try to give everybody a five minute notice. And then we'll reconvene, and when we can arrange for both counsels to be present, we'll announce our decision later in the agenda.

Stienberg:

All right. Thank you Chairman and commission.

Chairman:

All right. With that, the commission will now recess into a closed session. Thank you all.

Speaker 1:

Welcome back. We're just getting settled. The commissioners are back from deliberation.

Speaker 1:

(silence).

Bud Sizemore:

There she is.

Bud Sizemore:

(silence).

Bud Sizemore:

Do we have everyone back, does it appear?

Speaker 1:

Mm-hmm (affirmative).

Bud Sizemore:

Yep. I see all official, Senator Conway. So welcome back, everyone. I apologize for the amount of time we had to breakaway but I believe it's well worth the time. I guess if it was easy, somebody else would be doing it. So with that, we are now going to move back in our agenda to the first item today, which comes from Tab 4. That is the Consent Agenda.

Bud Sizemore:

So the Consent Agenda includes our May 13th Commission Meeting minutes and new licenses, and Class 3 employee licenses. Are there any changes to the Consent Agenda needed? Let's see, no one raised a hand. Is there a motion?

Reeves:

So moved, Mr. Chair.

Julia Patterson:

Second.

Bud Sizemore:

Okay. It's been moved by Commissioner Reeves. Seconded by Vice-Chair Patterson. To accept the Consent Agenda. I think we can do an oral vote. So all those in favor, please say aye.

Reeves:

Aye.

Julia Patterson:

Aye.

Bud Sizemore:

Aye. Any opposed? Motion carries 4-0. Thank you for that. Just for everyone's information, we will be working on coordinating, announcing the results of our deliberations on the petition for review a little bit later. So next, we will move to Tab 6 on our agenda, which is defaults. I believe we have Adam Teal, our staff attorney. Adam, are you there?

Adam Teal:

Can you hear me?

Bud Sizemore:

Welcome.

Adam Teal:

Good morning, everybody. As Chair notes, we have three defaults on the agenda here today. I will just go in order as they are listed in that agenda. First one is Martin Cierhe. That's cause number CR2021-00309. Mr. Cierhe has a Class 3 certification. That's number 69-23072, authorizing him to work Stillaguamish Tribe. That certification expires today, June 11th, 2021. In this case, the Stillaguamish Tribal Gaming Agency contacted the Gambling Commission about potential pending criminal charges for one of their employees. As a result, the Gambling Commission appointed one of our special agents to investigate Mr. Cierhe's qualifications.

Adam Teal:

Part of that investigation led to ordering of certified copies for the Whatcom County Superior Court case that was referenced in that case and the pleadings that were provided. We were able to discover that Mr. Cierhe was facing two different felony charges, murder in the first degree as well as drive by shooting.

Adam Teal:

The case information that has been filed that outlines that Mr. Cierhe drove to the victim's house, rolled down the window of his car while still in it and accused the victim of raping his wife. Without a response, Mr. Cierhe then began opening fire at the victim and ended up hitting him in the thigh with a bullet. That criminal case is still pending. However, on February 26th of 2021, we were informed by STGA that they had issued a personnel termination notice for Mr. Cierhe. Former Director Trujillo issued the charges for this case on March 29th, 2021. As a result, a response was required from Mr. Cierhe by April 21st, 2021. To date, we have received nothing from him. As a result, Commission may take action on this case. Mr. Cierhe cannot prove with clear and convincing evidence that he is qualified for certification. As a result of that, staff recommends that you sign the order that's been presented to you revoking his Class 3 certification. Are there any questions?

Bud Sizemore:

Any questions for Adam? All right. Is, sorry, excuse me, Mr. Cierhe, in audience or on this meeting? Please identify yourself if you are and would like to address the Commission. Okay, does not appear to be present. Is there a motion? Yeah. Is there a motion?



Julia Patterson:

Mr. Chair, I can make that motion.

Bud Sizemore:

Vice Chair Patterson.

Julia Patterson:

Mr. Chair, I move to revoke Martin Cierhe Class 3 employee certification for the reasons that we're just now presented by staff and identified in the record.

Bud Sizemore:

Okay. Is there a second?

King:

This is Commissioner King. I second.

Bud Sizemore:

Okay. It's been moved by Vice Chair Patterson, seconded by Commissioner King to revoke the Martin Cierhe's through employee certification for the reasons presented by staff and identified in the record. Is there any discussion? Okay. Hearing none, we'll again take a verbal vote. All those in favor please say aye.

King:

Aye.

Julia Patterson:

Aye.

Reeves:

Aye.

Bud Sizemore:

Aye. Any opposed? Motion carries 4-0. Go ahead and continue, Adam.

Adam Teal:

Next on the docket is Big Bottom Roadhouse. That's under case number CR2020-00878. The organization holds two licenses. License number 05-21524, authorizing punch board/pull-tab as well as license number 65-07482 authorizing non house banked cardroom activity. Both of those licenses are set to expire on June 30th, 2021. In this case, Big Bottom Roadhouse submitted their annual license renewal. Upon receipt of that, Gambling Commission staff member ran a routine criminal history, which showed that Big Bottom Roadhouse's President and sole owner Dennis Kenfield had pending criminal charges in Pierce County Superior Court. Three charges in that particular case, felony, harassment, unlawful imprisonment as well as assault in the fourth degree. Further review showed that he had also been found guilty of assault fourth degree in Pierce County District Court.

Adam Teal:

None of these cases were reported to the Gambling Commission. As a result, former Director Trujillo had issued a summary suspension notice along with the charges on August 14th, 2021. A result of that was that a response was required by Big Bottom Roadhouse by September 7th of 2021. Staff has been in contact with an attorney representing Big Bottom Roadhouse, but they have opted not to file a request for hearing in this matter. As a result, none has been filed. They have remained suspended since that summary suspension was issued. As a result of all of this, excuse me, Commission may take action in this case. Big Bottom Roadhouse cannot prove with clear and convincing evidence that they are qualified for licensure. Staff recommends that you sign the order presented to you revoking both of their gambling licenses. Are there any questions on this case?

Bud Sizemore:

Adam, you said that there was a response required by September 7th, 2021? Did you mean 2020? That's what the ...

Adam Teal:

Yep. Yes. I apologize if I if I made that mistake. It is. Yeah. That was issued in August of 2020. Thus, yes, the timeframe would mean that that would be September 2020.

Bud Sizemore:

Okay, I just wanted to make sure the record was correct. Are there any questions for Adam on this one? So I will ask if there is anyone in the audience representing Big Bottom Roadhouse or Mr. Kenfield by chance in this meeting and wishing to address the Commission? If you are there, you would have to use raise hand function or unmute and gain my attention that way. I'm not seeing anyone. So is there a motion?

King:

This is Commissioner King. I moved to revoke the punch board/pull-tab license for Big Bottom Roadhouse for the reasons presented by staff and identified in the record.

Bud Sizemore:

There a second?

Julia Patterson:

I'll second.

Adam Teal:

Wait a second. Quick clarify-

Bud Sizemore:

Okay. It's been moved by Commissioner King.

Adam Teal:

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Yeah. There's two licenses here that both the punch board/pull-tab and a second one for non house banked cardroom activity. I don't know if you would like to handle that in two separate motions or together, but just wanted to make that clarification.

Bud Sizemore:

Okay. I'll go back to the maker of the motion. Would you like to add non house banked cardroom license as well as the punch board/pull-tab license?

King:

Yes, if I can so amend my motion.

Bud Sizemore:

Okay. Acceptable to the seconder?

Julia Patterson:

Yes.

Bud Sizemore:

Okay. I'm seeing that. The motion by Commissioner King an seconded by Vice Chair Patterson to revoke the punch board/pull-tab license and the non banked cardroom license or Big Bottom Roadhouse for the reasons presented by staff and identified in the record. Adam, does that motion suffice?

Adam Teal:

Yes, that works for me.

Bud Sizemore:

All right. Is there any discussion by the Commission? Okay, hearing none, we'll try a voice vote again. All those in favor, please say.

King:

Aye.

Julia Patterson:

Aye.

Bud Sizemore:

Aye.

Reeves:

AYE.

Bud Sizemore:

Any opposed? Motion carries 4-0. Thank you. Adam, one more.

Adam Teal:

One more for you all. This final case is Tony Holroyd. That's cause number CR2021-0073. Mr. Holroyd holds a cardroom employee license number 68-35889. That license is not currently linked to any employer. However, it is set to expire November 11th of 2021. With regards to this case, the Gambling Commission assigned to one of our special agents to conduct a close licensing review of the application submitted by Mr. Holroyd. There were not complete answers given on the section in which all applicants are asked whether or not they have been charged with or convicted of a crime. Four cases in that application were disclosed. However, two of the four were civil infraction cases. Special agent's investigation was able to show that there was three Washington State criminal convictions on top of three additional criminal convictions occurring in Arizona, one in Maryland and one in Florida.

Adam Teal:

Of the total six convictions that were discovered, one was a theft and two were crimes of physical harm to an individual. Former Director Trujillo issued the charges for this case on March 24th, 2021, requiring a response due by April 15th of 2021. To date, nothing has been received from Mr. Holroyd. As a result of this, Commission may take action. Mr. Holroyd, cannot prove with clear and convincing evidence that he is qualified for licensure. Because of this, staff is recommending that you sign the order presented to Mr. Holroyd's gamble passes. Any questions on this case?

Bud Sizemore:

Any questions for Adam? All right. I'll ask if Mr. Holroyd is in attendance. If you are and would wish to address the commission, please either use the raise hand function or unmute and ask for my attention. Not seeing any activity. So with that, is there a motion?

Reeves:

Mr. Chair, Commissioner Reeves, I'd like to move to revoke Tony Holroyd's public cardroom employee license for reasons presented by staff and identified in the record.

Bud Sizemore:

Is there a second?

Julia Patterson:

I'll second.

Bud Sizemore:

Okay. It's been moved and seconded to revoke Tony Holroyd's public cardroom employee license for the reasons presented by staff and identified in the record. Is there any discussion? All right. Hearing none, we'll do a verbal vote again. All those in favor, please say aye.

Reeves:

Aye.

Julia Patterson:

Aye.

King:

Aye.

Bud Sizemore:

Aye. Any opposed? Motion carries 4-0. Okay. Thank you, Adam. Are we done with you for the day?

Adam Teal:

That is all I have. Thank you very much, everybody. Have a good day.

Bud Sizemore:

All right. Thank you. All right. Moving right along. We will go down to Tab 7 which is 2022 Agency Request Legislation Conversation, presentation or will be facilitated by Brian Considine, our Legal and Legislative Manager. Brian, welcome.

Brian Considine:

Thank you, Mr. Chair. Members of the Commission, Brian Considine, Legal and Legislative Manager for the Gambling Commission. This is just a short check in. We are at that time for 2022 Agency Request Legislation. If we can believe it or not, that's where we are. Every June I usually do this where I come before you and let you know it's happening and to start coming up with your ideas and bring them to our July meeting. Just as a quick recap, our Agency Request Legislation timeline usually is we have a more in depth. Then I'll have a memo with more information for you at our July meeting. Usually we focus on identifying topics, adding topics and then prioritizing topics to explore for Agency Request Legislation. Then at the August meeting, try and bring you some draft language on the topics that you want to try and run Agency Request Legislation on. We also start stakeholder work.

Brian Considine:

Then at the September meeting, we try, not try, we hope usually the governor's office requires this information to be submitted to them, usually about the second Friday or around the middle of the month of September. So we have typically, but not always, been able to get that September meeting in for a final vote as to what we forward to the Governor's Office. Staff is currently collecting internal ideas. I think it's helpful to note especially for some commissioners who haven't been around, maybe through this process, this last year was a bit of an odd process for us because of COVID. In the past, we've looked at nonprofit qualifications and we've had Agency Request Legislation around that.

Brian Considine:

We did money laundering forfeiture act change to help our agents with that ongoing criminal enterprise. One of my first years, did liability protections for our agents in the immunity statute that we had implemented. Also this is a time to think about budget, Chris Stanley, as our CFO, usually goes through any budget ideas, but we try and jointly tackle them in our Agency Request Legislation process because when we have any budget requests to the Governor's Office, the timing and the stakeholder works about the same. I should say Problem Gambling Taskforce, which eventually got into the budget was an Agency Request Legislation bill, but also a Problem Gambling study, the prevalent study, the funding for criminal enforcement, which was put into the Governor's Office last year. Credit union, that was another thing that came out of a commission meeting.

Brian Considine:

Some other areas, if you'll remember last year, the Commission approved a policy bill related to nonprofit senior centers and senior bingo that we didn't file at the request of the Governor's Office because trying to limit the amount of Agency Request Legislation coming into the legislature. That is still fully baked and could be ready to go. I'll check in with stakeholders between now and the July meeting. In the past, the commissioners that brought up loot boxes, social casinos. There was a bill related by definition of theft that we watched. Another area that may come up is Adult Protective Services and Vulnerable Adults, financial crimes around that we do and continue to receive ongoing criminal cases were referred by Adult Protective Services that are happening in our gambling facilities.

Brian Considine:

There may be some helpful changes to the law to give us a little bit more tools to help with that as it's a growing caseload I know for our agents. But those are just some ideas. I'm happy to discuss if there are any other ideas that our commissioners, ex-officios have. But this is really just planting the seed for a little bit of a larger discussion next month. With that, happy to answer any questions or hear what other topics you would like us to add to the list this month. You're always welcome to add more next month.

Bud Sizemore:

All right, thank you, Brian. So I will open it up to my fellow commissioners, if there are any areas that you have a burning desire to have Brian start the process of creating agency request legislation. So anyone have a particular concept or idea that we want to have Brian start working on as a potential 2022? Senator Conway? You're muted, sir. I'm sorry.

CONway:

Got it. I just have the issue that was before the legislature last year that did not make it through the legislature regarding the state funding of what we might call enforcement action that's not related to gambling or ... That was your bill, Bud. I only bring it up because the budget situation right now is reasonably strong. I'm going to presume that will be strong next year as well. So it may be that this is a year for that bill.

Bud Sizemore:

So the state funding of criminal enforcement?

CONway:

Right. I only say that because I think that bill didn't have many legs this year because of the other financial bills the Gambling Commission had before it. But I'm wondering if that's ability you're going to be working on next year or this? Yeah. Next legislative session.

Bud Sizemore:

Well, I'm curious, and I don't know if Chris Stanley is on today with us or not, but certainly Brian probably has some sense whether we have laid enough foundation for this to be the year for that. That's I guess, would be my only kind of question in a 60-day session, whether we feel like we've laid enough foundation to start having those conversations. I do see that Chris Stanley is with us.

Speaker 1:

Brian's Teams just crashed. So he's logging back on.

Bud Sizemore:

Okay. We'll get Brian back.

Speaker 1:

Chris, was that a fair question or something that you can address?

Chris Stanley:

Yes, Chair. For the record, Chris Stanley. I'm your Chief Financial Officer. It's a short session. I was talking with Brian about this quite a bit over the last couple of weeks. I think both he and I feel like we still have more groundwork to lay, and especially given the fact that the legislature just gave us a \$3.6 million deposit in the back of the budget. It seemed like the kind of thing that we were going to hold over for a biennial budget. So instead of working on it this summer, we will be working on it next summer for the next big budget, and then make a pretty concerted push at that point. Does that make sense?

Bud Sizemore:

Yeah. No. That was an area that I wasn't sure whether staff had confidence that we had laid enough foundation. So certainly, the opinion and perspective of our ex-officio certainly could change how we view that. Senator Conway, I mean, is this year or ...

Conway:

Obviously, I think there's a need. Be honest with you, I think conversation needs to occur here. My own sense as a budget situation in this biennium is more positive than maybe the next biennium. But who knows? Right? It's an issue that probably is worthy of some conversation with staff anyway so the groundwork can be laid and whether or not this is a year for it is. I think you're right. The legislation is very kind of the Gambling Commission. It doesn't make sense to keep going back and asking for more, but it's a policy issue that probably needs some groundwork done because let's face it, there are charges. In fact, some of our criminal activity is certainly charged as part of our fee providers because it's relative to them. But some of it is not. The some that is not is the issue, I hope that we can work on that in the future anyway.

Bud Sizemore:

Thank you, Senator. I agree wholeheartedly. The other aspect, I guess that I think would be critical to success in this endeavor would be stakeholder involvement as well. So I would like the industry to have a full throated support of having criminal enforcement come from the state coffers rather than from the licensees for the tribal governments to be supportive of making sure that that function really benefits every Washington citizen is borne by the Washington citizens rather than a very narrow group of license holders.

Bud Sizemore:

That's what the Gambling Act tells us to do now, is to have those license holders pay for that. That's okay, that was the policy decision in the 1970s. But I don't know that that's necessarily where we should be in 2020 and beyond in this decade. So I think that there's probably more work to be done. I think that we should make sure that we have all stakeholders pulling in the same direction on this and really make

it easy for the legislature to see the wisdom in making really ultimately, what is a pretty big policy and financial change of course. So sorry for the length of that. Commissioner Reeves.

Reeves:

Thank you, Mr. Chair. So I'll just highlight for the benefit of my colleagues, I have had some primary conversations with the interim director and with Brian about some questions that I have between an equity inclusion assessment audit construct around our legislative statutes and the processes that govern the agency. So I can't speak to what that specifically looks like right now, if there's a monetary nexus to it. But I think there is an outstanding question that we are trying to determine best path forward in introducing to the legislature as a conversation.

Julia Patterson:

I have a question about that. May I, Mr. Chair?

Bud Sizemore:

Yes.

Julia Patterson:

Commissioner Reeves, I want to understand what you're saying. Are you talking about our agency potentially applying a social justice and equity lens to our budget or to ... Yeah, to our budget. Is that essentially what you're talking about?

Reeves:

Yeah, Commissioner Patterson, I may have opened a can of worms. But in the interest of transparency, as I've kind of articulated to several of you, I'm particularly interested in understanding the impact of policy decisions, legislative decisions, whether it be around the budget, whether it be around the process implementation for things like what we just did today, licensure removal, etc. and really just wanting to take an opportunity as our commission just discussed something and we're like, "Oh, statute's been on the books for 25 years, we've never really had to apply it."

Reeves:

Really just taking an opportunity to look at are we both budgeting and applying legislative statute with a social justice equity framework? As I said, I don't know 100%, what that looks like. But I know I think in these really critical times, it's an important opportunity for us as a commission to ask the question of how are we executing our mission with social justice, equity and inclusion in mind? As I was just highlighting, I'd be happy to talk to others about it. But I know I've talked a little bit to the director and a little bit to Brian about what that might look like going into a legislative discussion. So I just wanted to highlight it for my colleagues.

Julia Patterson:

Thank you.

Bud Sizemore:

Welcome back, Brian, I think.



Brian Considine:

I hope so. Otherwise, I'll just get on my phone I guess.

Bud Sizemore:

No, we see you.

Brian Considine:

Perfect. You can hear me?

Bud Sizemore:

Yep. We can.

Brian Considine:

Just with Commissioner Reeves, we'll continue to explore kind of what that looks like. I will say with the forfeiture statute, I don't think it's never been used. We use it literally all the time. It's just because it's gambling and because gambling has been universally considered by the legislature to be something that you shall not do and there will be strict penalties for it. We just don't have any cases that come to the commissioners or go ... None that go to the courts because our statute is very specific and has usually been a pretty good policy.

Brian Considine:

That doesn't mean we shouldn't look at it. But I think it's figuring out how do we look at it? What do we look at it? Is it something that needs to be a statutory change or is there something ... I mean, commissioners set policy, they set rules? I think it's figuring out what does that look like from a statutory standpoint? Do we need to take Agency Request Legislation or is there another way to try and address it? Always happy to have those conversations. I know that it's important with the legislature, it's important with us. We always appreciate that mindfulness. Thank you.

Bud Sizemore:

Thanks, Brian. Vice Chair Patterson.

Julia Patterson:

Thanks, Mr. Chair. Just thinking out loud with all of you. I wanted to ask, in particular, I am hoping that Senator Conway and Representative Kloba will consider this. Next year about this time, the problem gambling taskforce will come forth with a set of recommendations that will be made, many of which will be made to the state legislature. I haven't wrapped my arms around this yet. But I'm wondering to what extent the Gambling Commission might want to review those recommendations and potentially support those recommendations that go forward?

Julia Patterson:

This is just something for you to be thinking about. We don't have to figure it out today. But the real question is, do we have a role in doubling down? I'll just say that. Behind the recommendations that come forward from this taskforce. Would that be helpful, Senator Conway and Representative Kloba? Those are questions that I have every time I go to one of those taskforce meetings, is how can the

Gambling Commission help? So that wouldn't be for the upcoming legislative session, but it's something that I'd like to explore more with all of you next year.

Bud Sizemore:

Thank you for that. Representative Kloba.

Rep Kloba:

Thank you, Mr. Chair. Commissioner Patterson, I do think that that is a great idea and something that we need to be thinking about ahead of time. So I appreciate your foresight on that and planning ahead. I think whenever wearing my legislator hat specifically, I think whenever we can have buy in on ideas from the broadest swath of people possible, that is very helpful.

Rep Kloba:

Sometimes when it's about the minutiae of gambling or the regulatory environment or maybe, with regard to in particular problem gambling, which is something that some folks know a whole lot about and other people do have a general impression. So as far as other groups can serve as proxies, we know that the Problem Gambling Taskforce is made up of a certain set of stakeholders, which is different than the set of folks who are sitting on the commission. So a variety of input, and whether that the Gambling Commission reinforces what the task force comes up with or perhaps diverges, all of that information will be helpful to us as legislators. So I think that would be a helpful conversation.

Bud Sizemore:

All right. Thank you. Do you want to ...

Julia Patterson:

I'm sorry. I need to raise my hand.

Bud Sizemore:

No, no, you're fine. Go ahead. If you have a response or a further question.

Julia Patterson:

Well, Mr. Chair, I just wanted to put you on notice that next year, I probably will ask, with hopes of support from Senator Conway and Representative Kloba, that the Gambling Commission be given an early review of what potential recommendations are coming forward from the taskforce. Then that we'd be able to have a conversation with our legislators about how it does we could be most helpful in like I said, doubling down in support of those recommendations. I think it would probably be around this time next year.

Bud Sizemore:

Okay.

Brian Considine:

If it helps Commissioner Patterson, that's not unlike what we did with the Problem Gambling Study. If you remember, the commission was the reason why we have the problem gambling study. It was

something that we pushed hard for, I think both maybe in a bill, but definitely in the budget. Then as we knew kind of how that study was coming together, and we were getting sneak peeks at what was going to happen, we knew one of the recommendations was going to be the Problem Gambling Taskforce. So we got that kind of churning with stakeholders and within the commission.

Brian Considine:

So I do think that there is a roadway if there is something that clearly discussion is important. But if there is something that the commissioners feel that this agency should take up as Agency Request Legislation that we think or we know is going to come out of the Problem Gambling Taskforce Report, I think it is appropriate, just like kind of what we did out of the Problem Gambling Study. It's something that I've definitely flagged and I won't forget about it. We'll make sure we're having those conversations early and often.

Julia Patterson:

Thank you.

Brian Considine:

You're welcome.

Bud Sizemore:

Senator Conway.

Conway:

Concur in the conversation, I think that the Gambling Commission is the only place where the major stakeholders around Problem Gambling really meet each other. The legislative committees are not the place for that. So it's probably worthy of the Gambling Commission to be hosting some of the conversation with stakeholders around the recommendations.

Bud Sizemore:

I guess the only thing I'll add to that, and this is primarily to our ex-officios that are on the call today, is it feels to me like and I don't want to predispose what the results of that work is going to be but it feels to me like there may be some leverage needed to be applied to those in the behavioral health world and maybe a creation of some sort of mandates for them to do this work.

Bud Sizemore:

I mean, I feel like this agency, certainly over the last half a dozen years or so has really been responsible for any forward movement that's been occurring in this space. But it's truly a behavioral health issue that we should be taking guidance from them. They should be leading the charge. Unfortunately, we've had to do that I think. But it feels like it's changing and it feels like certainly chair, vice chair of the Problem Gambling Taskforce on my screen right here have really brought this issue to the forefront to where it can't be ignored. But I still believe that there may be some necessity for the legislature to create some impetus for continued work and for the actions that need to occur to address this issue. That's my take.

Conway:

I'm going to concur on what you're saying. One of the interesting dynamics that's going on in the Problem Gambling Taskforce is exactly that integration with behavioral health and mental health issues. We are seeing that you got to remember the legislature has put more emphasis on the need for mental health counseling in recent years. Problem Gambling is a mental health problem as well. One of the interesting pieces that's going on there that will impact us is that we are exploring the possibility of using Medicaid funding to address some of these problems. That means that we're kind of integrating ourselves more directly with the Department of Health in terms of this whole issue of how we manage problem gambling.

Bud Sizemore:

Thank you for that, Senator.

Brian Considine:

Mr. Chair, I think the other thing is clearly, we're a law enforcement agency and public safety is really important. I think it is figuring out what that role, there's a lot of research coming out. There's some jurisdictions that are focusing on treatment courts. Again, we and our tribal partners in many ways are bringing stakeholders together and elevating this. There may be other avenues that we want to kind of think about. We do know that there is a correlation between the cases that come before us and the crimes that are committed and their relation to an addiction, whether it's problem gambling or otherwise. So not that we should go too far out of our lane. But if we're going to look holistically at this, then I think there's probably different areas to explore in the next couple of years. I know we welcome all thoughts and suggestions, and we'll explore what we can and do the stakeholder work that's needed.

Bud Sizemore:

Thank you, Brian.

Brian Considine:

Let's see if Commissioner King has any parting thoughts on if there are any issues that you think, because we won't get a chance to hear from you in July. I understand you may not. But I feel like you've been an integral part since you've come on and important to hear from you.

Julia Patterson:

Well, I can't improve on the the suggestions made by my fellow commissioners. So thanks to them for their their deep thinking on on what should come down the pike.

Brian Considine:

Thank you, Commissioner.

Bud Sizemore:

All right. Anything else, Brian, that you would need to hit here?

Brian Considine:

No. I think the other thing is just being transparent. Just with the way the workload goes, usually we've done a stakeholder meeting on Agency Request Legislation prior to our July meeting. That's just not going to be possible this year. So what we do plan on doing is ... In fact, many of the issues that have

been raised over the last couple of years have been good issues, not necessarily Agency Request Legislation issues, but issues that were good discussions before the commissioners. We're still going to do it. But it'll probably be more towards the end of July, after the July commission meeting just based off of workload, but that's going to happen. That was one of our strategic plan items and just wanted to make sure that the commissioners were aware that we were still going to do that. Then we'll bring that discussion to you probably at our August meeting.

Bud Sizemore:

Okay. Thank you, Brian. I guess now would probably be a reasonable time to have this discussion. Or excuse me. Over the past couple of years, I think the commission is been pretty clear with its I guess unwritten policy of if a legislative proposal comes from industry somewhere, so whether cardrooms, punch board/pull-tabs, raffles, more likely than not, if there's not a big impact to our ability to enforce or do our regulatory work, we generally as a commission over the last couple years have gotten up to neutral, essentially.

Bud Sizemore:

We're not necessarily advocates for a particular proposal from industry. But if it meets the needs of the agency and maybe improves things for us to a degree or at least doesn't make things worse, we can get ourselves to neutral on those policies. So I guess I'll ask my fellow commissioners, do we want to deviate from that going forward? What are your thoughts on how we approach these proposals that come from outside the agency or our work through the stakeholder process that Ryan just described? I see Vice Chair Patterson.

Julia Patterson:

Yeah, thanks, Mr. Chair. I think there's a big difference between us taking a position and actively advocating on behalf of a certain piece of legislation and making sure that the legislature is aware of the impacts of legislation on this agency. So I think if we censure ourselves to the extent that we aren't taking a position, that might be the smart thing to do. But I just want to emphasize how important it is that if we have information to share, that the legislature might not have about impacts that our staff feels comfortable to do that.

Bud Sizemore:

Agree. 100%.

Julia Patterson:

I don't know, Representative Kloba, Senator Conway, how good legislative staff isn't reaching out to us. I'm assuming they're pretty darn good, aren't they, Brian? They work for you guys?

Brian Considine:

Yes. When legislator or anyone else wants something, they're very good at finding me and reaching out.

Julia Patterson:

Okay. So I really agree with our past policy. I want to say that, Mr. Chair, especially with regard to sports gaming. The fact that we remained neutral, I thought that was smart. But just being present for the provision of information should the legislature need it.

Bud Sizemore:

Okay.

Brian Considine:

I think it's a good ... Mr. Chair, thank you for your reminder that, yeah, agency, I should have said it from the front. My apologies for not doing that. Agency Request Legislation, primary goal is to advance either regulatory or policy goals that either impact the agency or benefit the agency primarily can have other secondary benefits. But if there's a good reason, primary reason that's going to benefit the agency. That's usually then how we've stayed to Agency Request Legislation.

Bud Sizemore:

Okay, thanks, Brian. Senator Conway, go ahead.

COnway:

I see we're getting toward the end of this. Are you in good and welfare button or not? I have a question about, which may be legislative issue of what we're going to do when we could get out of the virtual world of what we've been in and when does the Gambling Commission start meeting in person? Whether or not virtual testimony is going to be allowed and whether that's going to be a legislative issue?

COnway:

I was going to raise that issue in our good and welfare, but it kind of fits into the legislative side too, because I don't know what the statute requires here. We are going to see probably in the next ... The governor is going to declare that we're back to normal I guess by the end of July, by June 21st I guess. Right? Whether that means we now start meeting in person and what the agency is thinking in turn because that impacts my planning here as well for meetings and whether you're going to allow virtual testimony. I mean, that's the issue here. If you're going to allow virtual testimony, does that require some statutory change?

Brian Considine:

Okay. It doesn't require statutory change. Right now, if the governor's order is relaxed and we go back to the Standard Open Public Meetings Act requirements, Administrative Procedure Act requirements, right now in the way that it works, there is an in person component that exists with the OPMA but it does not preclude the agency from doing virtual, it may just preclude it from being completely virtual. I'll have to take a look at that and see what that looks like.

Brian Considine:

I could see legislation, there was legislation this past year that talked about that. But we're not prohibited from doing it. In fact there's been a lot of value in adding the virtual piece. So I know staff continues to talk about it. We just have to figure it out logistically. It's a bit different doing it at our office versus trying to do it on the road, so to speak. But I think the goal is to have options, but we'll see. But there's no statutory change that I know that's needed to allow us to have that approach.

Bud Sizemore:

Can ex-officios and commissioners meet virtually?

Brian Considine:

I don't think there's anything that precludes that, but we can talk about it. I think it's probably better to discuss that offline and get there. I think the key is there'll probably need to be some people in a room, and then other people could appear and participate remotely, including members of the public.

Bud Sizemore:

Brian, just because I know we do have Suzanne Becker back with us as our AAG. I was just going to ask, Suzanne, if you're on the line here, if there was anything else you wanted to add on this topic? It's kind of in your wheelhouse as well.

Suzanne Becker:

It is. Generally, Agency Request Legislation is driven by the agency. So I feel like Brian has covered the topic of what the agency is looking for at this stage.

Bud Sizemore:

Senator Conway discussed I guess the open public meetings aspect, is that defined in your mind knowledge going forward for us?

Suzanne Becker:

My apologies that I missed that. What is the specific question that you were looking at?

Bud Sizemore:

As we move into fully open, I guess, at the end of June or whenever that occurs ... Well, A, and I don't know if this is the right place in the meeting to talk about this, but we're here. So what is that going to mean for the agency as far as having public meetings going forward? Then I think additionally, what Senator Conway was really driving at is, are we going to need to consider some statutory changes or would allow us to operate in a hybrid or virtual/in-person format?

Suzanne Becker:

So two components to that. First, we're anticipating but nothing has happened yet regarding the formal state of emergency that we're still currently operating in. So we're expecting that there will be some overarching guidance from HR regarding how agencies are going to be returning to the office. Potentially that might impact what your open meetings will look like. We are expecting that you will be returning to a more in person format over the course of the summer. But precisely when, it is not clear at this stage.

Suzanne Becker:

Currently, in the governor's proclamations, there is the potential for in person. But all in person portions of any open meeting still need to comply with any current health orders that are in effect. So that has been an option for quite some time, that continues to be an option. Generally, how that will look has been a moving target as COVID numbers have changed and what that will look like. So most agencies have maintained this virtual format for simplicity and to allow as many people as possible to operate. So my answer to that first one is yes. We're anticipating it will change. What precisely that will look like is not clear at this point.

Suzanne Becker:

To answer the second portion of the question, under the OPMA, there is arguably the option for in person format in large part. So if we are just operating in normal times with no state of emergency, so unless there is an in-person location for the meeting, there can still also be a virtual format as the OPMA stance. So to the extent that agencies wish to continue to operate in a hybrid format, I would say that there's still possibilities for that under the OPMA, as it currently exists. If agencies would like more flexibility, that certainly would ... I think many agencies might welcome an update to the OPMA. As we all know, the OPMA has been in existence for quite some time. Technologies have changed. We are interpreting the OPMA in light of new technologies. So if the legislature would like to re-examine the OPMA in light of sort of these hybrid capabilities and what that means, there's certainly also that possibility. All right.

Bud Sizemore:

All right.

Suzanne Becker:

Long answers.

Bud Sizemore:

Yeah, no. Thank you, Suzanne, for being able to jump on so quickly. Senator Conway, does that answer gets you to where you needed to be on that?

Conway:

Yes, I assume that the Gambling Commission will be notifying us of what our role and how we can participate we'll be in the future. That's what I'm looking for.

Bud Sizemore:

Okay. Thank you, Senator. Brian, I'll let you close out here. If you are, in fact, completed of this item.

Brian Considine:

Yes. If there's nothing more, Mr. Chair, I say I've heard what you've said today. But also, we'll have more of an opportunity to talk about this in July. So welcome all ideas. We'll try to start to get a list and set priorities at next meeting. Thank you.

Bud Sizemore:

Okay. Thank you, Brian. So that concludes our discussion on 2022 Agency Request Legislation. Before I move to the next item, I don't see Vice Chair Patterson. But I will ask the other commissioners, if you have checked your email, seen the email from Suzanne Becker, and if you could give me a thumbs up that that works for you.

King:

This is Commissioner King. I have checked my email and the proposed language works for me.

Bud Sizemore:



Okay.

Julia Patterson:

Hold on one sec, Chair.

Bud Sizemore:

All right.

Julia Patterson:

I'm checking the ...

Bud Sizemore:

Nothing? It would be from Suzanne Becker. It appears to capture what we discussed in our deliberations.

Julia Patterson:

Yeah, I'm sorry, Chair. I don't have that in my email.

Bud Sizemore:

Okay.

Julia Patterson:

Let me double check here. No, I haven't received anything.

Bud Sizemore:

All right. Up till a few moments ago, I saw both Mr. Steinberg and Mr. Standefer on the meeting. Are you both still with us?

Standafer:

Yes.

Steinberg:

Yes.

Bud Sizemore:

Yes. And yes. All right, standby. We're trying to see if we can move to your issue next here.

Reeves:

Mr. Chair, I just want to verbally confirm that I have received the email and I'm comfortable with the language.

Bud Sizemore:

Okay.

Julie Anderson:

Suzanne, this is Julie Anderson. I just sent you an email with the confirmation of Commissioner Patterson's email address.

Suzanne Becker:

Thank you.

Bud Sizemore:

Everyone else, sorry for the delay here. But if we can wrap this portion of the Commission's business up, I'd like to do that right here.

Suzanne Becker:

I have just forwarded things to Commissioner Patterson's email.

Julia Patterson:

Okay. Okay, there it is. Mr. Chair, can you just give me a minute here so I can take a look?

Bud Sizemore:

Absolutely.

Julia Patterson:

No. That was from Julie Anderson, hold on a sec. There it is. That's what we talked about. Thank you.

Bud Sizemore:

Okay. All right. So what we will return to tab five of our agenda which was petition for review of 2010 Toyota Tundra case number 2018-00771 forfeiture issue. Having both Council Chad Standafer for the state and Charles Steinberg for the claimant present, following oral argument and review of the record, the Commission denies Commission staff petition for review, and affirms and adopts the initial order as its final order with one amendment.

Bud Sizemore:

In paragraph 5.13 of the initial order, the Commission strikes the word "solely". Final order reflecting the ruling will be distributed to the parties early next week. That is the decision of the Commission. So with that, the petition for review is completed. Thank you, both councils for having the flexibility to come back and allowing us to have full deliberations.

Steinberg:

Thank you for accommodating my request. Thank you.

Standafer:

Thank you, members of the Commission. You obviously took a lot of time and consideration on this issue. So we appreciate that.

Bud Sizemore:

Absolutely. All right. Moving along in our agenda. We are now at Tab 8, which is a director hiring update. We have our HR director, Lisa Benavidez. Lisa?

Lisa Benavidez:

Good afternoon, Chair, Commissioners and ex-officio. I'm Lisa Benavidez, HR director for the State Gambling Commission. Hopefully, most of you will recall, although Commissioner Reeves is new so she wouldn't have heard this firsthand. At the April Commission Meeting, the Commission decided that recruitment to permanently fill the director position would be handled in house rather than contracted out to a third party recruitment firm.

Lisa Benavidez:

At that time, it was acknowledged that I would need to add a staff member to work on this project as HR staff didn't currently have the expertise necessary to work on that. Since that time, I have been able to identify a candidate, extend a job offer that was accepted. I will have Phyllis Gaegos starting with the agency on June 16th. That's next Wednesday. Phyllis has specific experience in executive level recruitment for state agencies and other public employers. She's very well versed in developing recruitment announcements, plans and strategies to garner interest from a diverse candidate pool. She has experience identifying both active and passive candidates and reaching out to them, developing selection processes and assisting with hiring decisions and onboarding.

Lisa Benavidez:

I feel very fortunate to have found someone with a specific experience that we need to make this hire a successful one. She also has led a team of recruiters so has been able to coach and lead others. For that, I look forward to her being able to provide the rest of my staff, some tips and tools that we are not otherwise typically privy to. So I'm looking forward to what she can teach us. Again, Phyllis will start on the 16th which is next Wednesday. When she arrives that day, I will begin some onboarding activities with her and a few new employee orientation activities that we normally do for all new employees.

Lisa Benavidez:

Then shortly thereafter, she will begin developing the recruitment plan and the timelines. The timeline will include the following as identified by me, as I will be managing this process, developing a recruitment strategy timelines and methods for recruitment, identifying places, publications and organizations to post or advertise the vacancy, designing recruitment materials and job postings, conducting outreach activities targeted at passive candidates, working with me and the rest of HR team to develop selection processes to include application evaluation criteria, interview questions, scoring methods, reference checking questions and criteria to determine which candidates will move forward in the process. Because she's not onboard yet, I won't have specific information to share with you until after her June 16th start date. So that's where we are in the process.

Bud Sizemore:

Thank you for that. Any questions for Lisa?

Julia Patterson:

Lisa, this is Julia Patterson. I'm not trying to pin you down here. I just want a general, my best guess answer from you, if you don't mind. Do you have a sense of when the Gambling Commission will be at

the point where we will be able to conduct interviews? What the timing would be on that give or take? I don't know.

Lisa Benavidez:

I would imagine that we will not be ready to do specific interviewing activity for I would guess, maybe six to eight weeks. So that will allow us some time to confirm that our recruitment and job announcement is exactly what it needs to be, get that posted, at least for a couple of weeks, then go through and do some outreach activities, which may take ... I don't want to kind of shortchange this process, so I'm anticipating the job announcement will be open for a couple of weeks before we even begin to look at candidates application materials, and then keep it open until the position is filled. But I would imagine that it would probably be about six to eight weeks from now before that happens.

Julia Patterson:

Okay, from from today, six to eight weeks. So we're looking at August, then potentially, right?

Lisa Benavidez:

Potentially, yes.

Julia Patterson:

That's just again, my best guess based on how other recruitment activities ago, this one is a little bit different. Yeah. not holding you to it. But that's interesting to hear your opinion. Thank you.

Lisa Benavidez:

You're welcome.

Bud Sizemore:

All right. Any further questions or comments on the process? All right. Thank you, Lisa. Thank you for the updates.

Lisa Benavidez:

You're welcome. Thank you.

Bud Sizemore:

All right. So with that, we will now move to Tab 9 of our agenda, which is election of officers. So I will open the floor for nominations for chair and the term will be for one year, beginning at the end of this meeting. So is there are there any nominations for chair?

Julia Patterson:

Mr. Chair.

Bud Sizemore:

Vice Chair Patterson.

Julia Patterson:

Thanks, Mr. Chair. I would like to nominate Commissioner Bud Sizemore as Commission Chair for the term to begin at the conclusion of today's meeting and ending after the Commission's June 2022 Commission Meeting.

Bud Sizemore:

Thank you for your nomination. Are there any further nominations for chair? Just because I've seen it done so many times, I'll ask a third time any further nominations for chair? Okay. So with that, we will have a quick verbal vote. All those in favor of the nomination of Bud Sizemore for Chair beginning at the end of this commission meeting through the June 22 Meeting, please say.

Reeves:

Aye.

King:

Aye.

Julia Patterson:

Aye.

Bud Sizemore:

Aye. Any opposed? The motion carries four to zero. Thank you all. I appreciate the nomination, your vote. I will try to do you proud. With that we will now move to vice chair. Are there any nominations for vice chair?

King:

This is Commissioner King. I nominate Commissioner Patterson for Vice Chair.

Bud Sizemore:

All right. Commissioner Patterson has been nominated. Are there any further nominations for vice chair? One last time, any further nominations for vice chair? All right. I see how this is going. All those in favor favor, Julia Patterson as Vice Chair for the same terms as the chair, please say aye.

King:

Aye.

Reeves:

Aye.

Bud Sizemore:

Aye.

Julia Patterson:

Aye.

Bud Sizemore:

Any opposed? Motion carries four to zero. Congratulations.

Julia Patterson:

Mr. Chair, just want to say as Vice Chair, you've got a big job ahead of you with some pretty powerful women that you are providing leadership for. That's all I really want to say, I just wondered if you were aware of that.

Bud Sizemore:

Madam Vice Chair, I am well aware of my unique opportunity that has been afforded by you four strong and amazing leaders.

Julia Patterson:

You forgot good-looking. Yeah.

Bud Sizemore:

I thought it was assumed. That's why you got to be on camera. That's why I'm always on the camera.

Reeves:

Okay. HR violation, HR violation.

Julia Patterson:

Uh-oh. Sorry.

Bud Sizemore:

Okay.

Julia Patterson:

Is Lisa still on here?

Lisa Benavidez:

I am. I'm biting my tongue.

Bud Sizemore:

All right. As the chair, I'm going to get us back on track here, as is the normal course of our business, we provide an opportunity for public comment when we have our meeting. So at this point, I will provide the opportunity. If anyone attending the meeting would like to use the functionality, go ahead and use the raise hand function or if that's not working for you, go ahead and unmute yourself and get my attention that way. Nancy Watson, so it was kind of interesting. Your hand was raised, but then your chair was empty, but it was spinning. Nancy, anyone that is participating in public comment, I would ask that you identify yourself for the record and go ahead.

Nancy Watson:

Okay. I wanted to follow up on my comments yesterday, because-

Bud Sizemore:

Nancy, Nancy, I need you to identify yourself for the record.

Nancy Watson:

Oh, sorry. Sorry. Okay. So I'm Nancy Watson. I also had a comment yesterday, and I live in Tacoma. I've just been retired for a few years. I worked as an HR manager and a consultant in the past. I have an MBA in finance, only so that I can successfully fend off challenges and criticisms from finance people, which you run into all the time with HR. I'm also the mother of four children. I also have four young adults who were in my care, who have had problems with homelessness, with gambling addiction, with heroin, the usual things you find here in the city where I live of Tacoma. So that gives you a little bit of background about me. But I made a comment yesterday, I was concerned about the sports gaming, I wasn't very well prepared.

Nancy Watson:

But I was very concerned that there was a commitment to introduce kiosk or signage in support of the sports gambling problem. I was concerned because it was so vague, and the lack of specificity just made me want to reach out and call Maureen from the Evergreen Council for Problem Gambling. Because I felt like hello. I mean, I know there have been so many studies done. We're doing another taskforce now, but I felt like shouldn't these compacts come out the door with the best recommendations of not our clinical people because I'm not talking at the end of the whole collapse of problem gambling, but our best resources on the front end for outreach? What can we do with signage? Because I know from talking to Maureen, people have come up with some good answers to these questions.

Nancy Watson:

I thought how can we send out a compact without these details? I was so happy to hear Commissioner Reeves talk about the social justice issue because one thing that has really impacted me very much personally is my stepdaughter, her boyfriend, his whole family came from Shreveport, Louisiana. They are African American, and they have really struggled with gambling issues. I don't know why, but when I see things like this, it's as though I'm walking down the road. I've seen a car accident, their bodies laying on the road. I can't get it out of mind. I want these people to have help. I want them to help now, not after we do more studies. So when I think of the signage that could be in the gambling casinos, I feel like, "Sure, it's a long shot." But literally, in my mind, this could save somebody's life. That's what's going through my head.

Nancy Watson:

So I just wanted to explain a little bit more because I didn't want anyone to think that I don't trust the tribal leaders to come up with their own version of signage. Of course, I know they're very, very capable people working in each of the nations who work in mental health. They have social workers, they have everything we have. But I just wanted to say that the problem on our side, the tribe of the people of Washington who are not in a tribe, but are just people who may be struggling, they may be low income, I feel like these people have to get ... We have to represent them.

Nancy Watson:

Our Washington State Gambling Commission, and any other resources we can come up with, we have to support them. So I just wanted to explain that I wasn't trying to be disrespectful. But I just think in the interest of supporting all of our people, we really need to make sure that we have resources, so that before these compacts get finalized, somebody can say, "Here's what we need. Here's what we the people of Washington have to see if we're going to implement sports gambling." So that's all I had to say. Thank you for your patience.

Bud Sizemore:

All right. Thank you for your comment. Vice Chair Patterson?

Julia Patterson:

Thanks, Mr. Chair. Nancy, I just wanted to tell you that I share your ... I don't know if it's a concern, but I share your question about signage because I don't go into casinos. I don't know how obvious it is. That's why I've also just recently been very much interested in game sense. You brought that up yesterday as well.

Nancy Watson:

Yeah.

Julia Patterson:

But I'm wondering to, Director Griffin, I'm wondering what do you think the best way is for Nancy to express her concerns or her ideas to the tribes on this? Do you have any suggestions for her? Because I think she's right that we can't mandate. We can't tell the tribes how to put a sign up. That's not our job. But she presents herself with so much integrity and concern. What would be the best way for her voice to be heard by the tribes?

Tina Griffin:

I would ask if that wouldn't be something that would be appropriate coming from the Problem Gambling Taskforce. Not to throw that back, but I think you have tribal representatives on your taskforce is that is something that maybe the task force could incorporate into their considerations. Maybe through the context of the problem gambling taskforce and the members that serve on the taskforce, maybe that's something that she can do as well. We can't change the compact language as was voted on yesterday. But I think maybe through those areas.

Julia Patterson:

Nancy, I want to invite you to address the Problem Gambling Taskforce. We'll get information to you about when the next committee meeting is going to be.

Nancy Watson:

That would be great. Again, I just have to say, I don't mean any disrespect to any of the partners in the process because everyone has such a great stake in the success of the legalized gambling that we have in Washington. I really believe that anything we do to help one partner will help another partner in the end because some people will complain very unfairly, oh, they think Indians have a monopoly or oh, they think somebody's getting something that isn't fair, that someone else didn't get.



Nancy Watson:

But in reality, I think none of this is true because of the fact is it's a shared community resource. It won't stay there long enough if it's not addressing the needs of all partners. This is the same thing with the Black Lives Matter Movement or any other social movement is we're all in this boat together. So if one person in the boat is suffering, we have to be brave enough to come forward and speak honestly about our concerns because it's for everyone's benefit in the long run. Of course, just being a mommy person, I can totally get away with saying that. Right?

Bud Sizemore:

Yah. Well, thank you for your comments. Commissioner Reeves.

Reeves:

Thank you, Mr. Chair. I know we're running on time. So I just say, Nancy, thank you very much for sharing your concerns. I can tell you that as somebody who grew up in a household with a mom who struggled with addiction, I grew up in and out of foster care. I was homeless in my youth. I can tell you that these are concerns that I think myself, I don't want to speak for my fellow commissioners. But I know it is something that several other members on the commission take very, very seriously. So I just want to really thank you for the courage to be vulnerable in the conversation and to highlight these concerns because I think often times, the stigma alone around some of these challenges prevents us from actually digging deep and working to address the intersectionality of these issues. So just really appreciate you bringing those comments forward.

Nancy Watson:

Thank you.

Bud Sizemore:

All right. Thank you, Nancy and my fellow Tacoma residents. Anyone else that would like to make public comments? All right. Not seeing anyone else unmute or use the raise hand function, now would be good in the welfare portion of the meeting. Senator Conway, did you anything else beyond the public meeting? Okay.

Bud Sizemore:

All right, I have the great privilege, and I tried to figure out how to be closer to a camera. This is the COVID times that we're in. So this is Commissioner King's final meeting with the agency. I want to have the privilege of being able to present a medal of merit to Lauren King for outstanding contributions to the Washington State Gambling Commission. It comes with, we shouldn't have it out here.

Speaker 18:

Sorry.

Bud Sizemore:

That's all right. Let me get there. Comes with, I believe it has a robe attachment device here. But it is very well deserved, I want to express my appreciation for again, the very short period of time that you joined us and the impact that you made to this Commission. I had the opportunity to send a letter to the Senate Judiciary Committee. That is exactly what I said in my letter about Commissioner King. So we

should make you come get this in person. I think I don't know if that's occurred yet. We'll figure that out. But it's my great honor to be able to present this to you.

King:

Thank you, Chair Sizemore. I just want to say how much of an honor and privilege it's been to serve with the other commissioners, with the staff and to serve the public of Washington State. This has been a great experience. As I said, just an absolute privilege and honor. So thank you.

Bud Sizemore:

Thank you.

Speaker 18:

Well, I appreciate getting to know you and working with you as well. It seems like it's gone very fast. I wish you all the best in the future. We do have a few other things that will be coming your way. We have a pen set, a little something for you to remember a spy and your time here. Then the Governor is sending the letter as well recognizing your service to the state. Thank you. We appreciate it. All your guidance.

King:

Thank you so much. It's been a pleasure. Thank you.

Julia Patterson:

Commissioner King, I'm just really thankful that I will be able to say that I knew you when. I think you're destined for great things. I just wish you the best of luck.

Bud Sizemore:

This might be a little too much inside baseball, but I'm going to miss your cat, who was joined us on more than one occasion.

King:

I'm sure she'll miss the camera time as well.

Bud Sizemore:

Any further good welfare from the commission or ex-officios? All right. Have we completed our public agenda? The Commission will have to go into Executive Session. I don't recall hour. Hour and half-ish, so 90 minutes we're thinking? I'll just look at my screen. People need 20 minute break-ish?

Bud Sizemore:

All right. How about that we will recess the public meeting. We will meet at 1:15. The Executive Session following that link, expected to go 90 minutes, at which time the commission will go back into public meeting for the sole purpose of adjournment. Did I do that right, Suzanne? I must have.

Suzanne Becker:

Yes. Sorry. Diving for the mute button. Yes.

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Bud Sizemore:

No problem. All right. So with that, that is the conclusion of this portion of the public meeting. Thank you all for attending and participating. Have a great meeting. Our July meeting is-

Speaker 19:

July 8th.

Bud Sizemore:

8th, I think whatever that Thursday is, full agenda. But I think we're going to try to cram it one day, I hope. All right. We'll see.

Speaker 19:

Watch the website for details on how it's going to be presented.

Bud Sizemore:

There you go. All right, those of you that I'll see in exec in a bit. Everyone else, goodbye. Thank you.

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Speaker 1:

And are we anticipating Suzanne to come back over here? Does she normally?

Speaker 2:

No, I think you said you could do it by yourself and she [crosstalk 00:00:17]-

Speaker 1:

Okay. All right, welcome back. We are now back in open session, completing our executive session. And we have come back to open session for the sole purpose of adjourning, so we are adjourned at 2:45. Thank you all.