



STATE OF WASHINGTON  
GAMBLING COMMISSION

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

## July Gambling Commission Meeting Recap

Hampton Inn and Suites  
4301 Martin Way Olympia, WA 98516  
July 13, 2017

### **Commissioners Present:**

Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Kelsey Gray, PhD.  
Chris Stearns  
Ed Troyer - via phone

### **Ex Officios Present:**

Senator Steve Conway  
Representative David Sawyer

### **Staff Present:**

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; Brian Considine, Legal and Legislative Manager; Haylee Mills, Staff Attorney; Julie Lies, Tribal Liaison; John Meader, Assistant Attorney General; Julie Anderson, Executive Assistant

### **Executive Session**

Chair Sizemore called the July 13, 2017 Gambling Commission Meeting to order at 9:06 a.m. He recessed the meeting to Executive Session at 9:06 pursuant to the RCW 42.30 and stated the Commissioners would discuss Tribal Negotiations, Pending Investigations and Litigation. He announced the Commissioners would return at 11:00 a.m.

### **-Public Meeting-**

**Chair Sizemore** called the July 13, 2017 Gambling Commission meeting to order at 11:10 a.m. He welcomed everyone to the meeting and introductions were made. Commissioner Troyer joined the meeting by phone.

There were about 30 people in attendance.

### **Tab 1**

#### **Consent Agenda:**

#### **May Commission Meeting Minutes/ /New Licensees**

*Commissioner Stearns moved to approve the Consent Agenda as presented.*

*Commissioner Gray seconded the motion.*

*The motion passed. 5:0*

*Commissioner Troyer voted by phone.*

## **Snoqualmie Class III Gaming Employees Licensees**

*Commissioner Gray moved to approve Snoqualmie Class III Gaming Employees as presented.*

*Commissioner Patterson seconded the motion.*

*The motion passed. 4:0*

*Commissioner Stearns abstained.*

*Commissioner Troyer voted by phone.*

## **Director's Update:**

Director Trujillo reported that Commissioner Gray will be attending the Commission meetings until the Governor appoints a new Commissioner to replace her. Her initial term expired June 30, 2017, but she can continue to serve as she was filling the unexpired term of a prior Commissioner. She will not be seeking another full six-year term with the Gambling Commission.

Director Trujillo stated that the agency has had a couple cases regarding financial exploitation of the elderly, where family members were gaining trust of their family and taking funds to gamble with. The story was on KOMO News and the Nevada News channel 31.

## **Legislative Update**

Brian Considine gave a short legislative report. He reported House Bill 2213 was passed and signed by the Governor on June 27th. The agency would like to thank Representative Smith for helping us on this bill.

The Washington State 2017-2019 Budget passed. There was no direct financial impact to the Gambling Commission's revolving account or gambling activities. There was a 6% state employee salary increase, which will be phased in over three steps. The first of the three step process will begin July 1, 2017, the second step will be July 1, 2018, and the third and final step of the increase will be January 1, 2019.

Also, the Paid Family Medical Leave Act passed and was signed by the Governor. It was signed on July 5th; payroll deductions will start being collected in 2019. Benefits for that will start in 2020 and employees can start utilizing those benefits then.

Lastly, Brian updated the Commissioners on the New Jersey Sports Betting Case. New Jersey sued the NCAA and multiple agencies, challenging the Professional Amateur Sports Protection Act, PASPA, and have been litigating it since 2014. New Jersey passed a law, but the law was struck down at every level. They lost every appeal. On June 27th, the Supreme Court accepted the New Jersey Sports Betting Case, unexpectedly. The Supreme Court could hear oral arguments and have a decision on the case by June 2018. This could impact the 2019 legislative session as to what Washington should do related to sports betting.

## **Tab 2**

### **Jamestown S'Klallam Tribe Compact Amendment**

Washington State Gambling Commission Director David Trujillo, W. Ron Allen, Chairman, Jamestown S'Klallam Tribe and Washington State Gambling Commission Tribal Liaison Julie Lies presented the Power Point presentation for tab 2. Chairman Allen presented instead of CEO, Jerry Allen..

The Washington State Gambling Commission voted unanimously to forward the Jamestown S’Klallam Tribe’s Class III gaming compact amendment to the Governor’s Office for final consideration and signature. The Jamestown S’Klallam Tribe operates the 7 Cedars Casino in Sequim.

“The Gambling Commission is responsible for negotiating tribal gaming compacts,” said Commission Chair Bud Sizemore. “The proposed changes reflect current regulatory practices, reduce duplication between tribal and state regulators and clarify the roles for each party.”

Here is a summary of the major changes in the proposed amendment.

- Authorizes a second gaming facility, though the Tribe does not have current plans for a second facility.
- Allows the Tribe to operate any Class III table games authorized for play in Washington State.
- Replaces state certification of employees with state registration verification. The Tribal Gaming Agency will license new or renewing employees and then register them with the State.
- Continues the requirement that the State Gaming Agency conduct criminal history records checks that look for activities that may pose a threat to the public or effective regulation of this compact.
- Gaming employee registration with the State will be valid for three years unless disqualifying information is discovered; the State Gaming Agency will conduct criminal record checks annually.
- Limits registration so that it is not transferrable to other tribal casinos or house banked card rooms.
- The State Gaming Agency and Tribal Gaming Agency will conduct an annual comparison review to ensure records are consistent between agencies and licensure criteria is met.
- Incorporates the Tribe’s current internal controls that were approved by the Tribal Gaming Agency and concurred with by the State Gaming Agency, as the minimum operating standards. The Tribe may make changes to its internal controls with the State’s concurrence.
- The Tribe will determine when a tribal gaming agent will be present during gaming facility operating hours.
- The Tribe will provide information annually about problem gambling education, awareness, and treatment program services for tribal lands and surrounding communities.
- The Tribe and State have agreed to enter into a Memorandum of Understanding to define the schedule of fines and sanctions the Tribe or State may levy against a gaming employee or the gaming operation.
- The Tribe must enter into a Gaming Station Transfer Agreement to lease Class III gaming stations or tables from another tribe when it operates more than 60 tables.
- Clarifies keno standards.
- Provides a framework to review and approve a wide area progressive connected to the tribal lottery system.

Commissioners Stearns and Patterson thanked the panel for their work on the Compact.

*Commissioner Patterson moved to forward the Jamestown S’Klallam Tribe Compact Amendment to the Governor for review and final execution. Commissioner Gray seconded the motion. The motion passed 7-0.*

*Ex-Officios Senator Lynda Wilson and Representative Brandon Vick were not present for the vote.*

*Commissioner Troyer voted by phone.*

### **Tab 3**

#### **Defaults**

Haylee presented the materials for tab 3.

*Commissioner Gray moved to revoke the Class III Employee Certification for Arthur D. Fowler. Commissioner Stearns seconded the motion.*

*The motion passed. 5:0*

*Commissioner Troyer voted by phone.*

Licensee was not present at the meeting.

*Commissioner Stearns moved to revoke the Class III Employee Certification for Michael L. Harward Commissioner Gray seconded the motion.*

*The motion passed. 5:0*

*Commissioner Troyer voted by phone.*

Licensee was not present at the meeting.

*Commissioner Gray moved to revoke the Class III Employee Certification for Arthur V. Principe Commissioner Stearns seconded the motion.*

*The motion passed. 5:0*

*Commissioner Troyer voted by phone.*

Licensee was not present at the meeting.

*Commissioner Gray moved to revoke the Card Room License for Tasha Smiley.*

*Commissioner Stearns seconded the motion.*

*The motion passed. 5:0*

*Commissioner Troyer voted by phone.*

Licensee was not present at the meeting.

*Commissioner Stearns moved to revoke the Card Room License for Filifili Tia.*

*Commissioner Gray seconded the motion.*

*The motion passed. 5:0*

*Commissioner Troyer voted by phone.*

Licensee was not present at the meeting.

#### **Tab 4**

##### **Petition for Rule Change - Ducks Unlimited**

Assistant Director Tina Griffin and Mr. Scott Eisenhauer presented the materials for tab 4. Mr. Eisenhauer is requesting to increase the maximum value of a raffle ticket sold as part of a multi-component package in a members-only raffle from \$25 to \$100. According to the petitioner, by raising the maximum price of a raffle ticket from \$25 to \$100 for raffle packages containing multiple components, the proceeds of the raffle are far more likely to exceed the fair market value of the awarded prize. Commissioner Stearns inquired on the information needed to make the decision for an increase. Commissioner Patterson also inquired on the frequency of the request to increase.

*Commissioner Patterson moved to initiate the rule-making proceedings by filing the rule as proposed for further action, as recommended by staff.*

*Commissioner Gray seconded the motion.*

*The motion passed. 4:0*

*Commissioner Troyer did not vote.*

#### **Tab 5**

##### **Request to Exceed Raffle Prize Limits - Rocky Mountain Elk Foundation**

Assistant Director Tina Griffin, Mr. Bill Kenney, Eastern Washington Regional Director for the Elks and Mr. Douglas Doherty, Western Washington Regional Director for the Elks presented the materials for tab 5. Rocky Mountain Elk Foundation Inc. is requesting the Commission approve their request to exceed limits in raffle prizes exceeding three hundred thousand dollars in a license year ending February 26, 2018. The Commissioners had several questions about the request.

*Commissioner Gray moved to approve the Rocky Mountain Elk Foundation, Inc. exceed the annual raffle prize limit of \$300,000 for their license year ending February 26, 2018, as staff suggested, but not to exceed \$400,000.*

*Commissioner Stearns seconded the motion.*

*The motion passed. 3:1 Chair Sizemore voted nay.*

*Commissioner Troyer did not vote.*

#### **Public Comment**

Chair Sizemore asked the audience for comment. There was no public comment.

#### **Commissioner Report**

Commissioner Patterson gave an update on the International Association of Gaming Advisors Summit she attended in June. She reported that the summit featured a wide range of very compelling topics between industry and regulators; also there were many academics at the meeting. Her primary focus was on the topic of problem gambling and how that problem is being

addressed from a global perspective, not just here in Washington State, or in this country, but how the entire world is addressing this problem.

She also mentioned that she was impressed with the government-to-government training she received in June [through the Governor's Office of Indian Affairs]. She suggested that the state give a mini version of that training to this commission.

Chair Sizemore said over the last month, staff has done a great job putting together a government-to-government summit with tribal leaders from around the state. There was good participation. Commissioner Patterson joined him at the meeting and it was held on June 26 at the Hotel RL in Olympia. Chair Sizemore would like to see the meeting continue in the future. He received good feedback. He thanked the staff for the work they did to put that meeting together.

He mentioned attending the Washington Indian Gaming Association (WIGA) meeting Wednesday, July 12 along with Director Dave Trujillo, Deputy Director Amy Hunter and Chief Financial Officer Mike Kashmar.

Director Trujillo added that he and agency staff have recently been invited to attend the last few WIGA meetings and Washington Association of Gaming Executive (WAGE) meetings, which are at the Tribal business arms, and the Tribal Gaming Agency Director meetings and the tribal state lab work group.

Chair Sizemore announced the next meeting would be at the South Puget Sound Community College Lacey Campus on August 10 & 11, 2017.

Meeting adjourned at 1:25 p.m.