



STATE OF WASHINGTON
GAMBLING COMMISSION

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

March Gambling Commission Meeting Minutes

Virtual Meeting

*March 10, 2022

Commissioners Present:

Bud Sizemore, Chair (Via Teams)

Julia Patterson (Via Teams)

Alicia Levy (Via Teams)

Kristine Reeves (Via Teams)

Sarah Lawson (Via Teams)

Ex Officio Members Present:

Staff Present – Virtually:

Tina Griffin, Interim Director (ID); Lisa Benavidez, Human Resources Director (HRD); Julie Lies, Tribal Liaison (TL); Ashlie Laydon, Rules Coordinator (RC); Tommy Oakes, Interim Legislative Liaison (ILL); Julie Anderson, Executive Assistant; Nicole Frazer, Administrative Assistant; Rashida Robbins, Administrative Assistant and Suzanne Becker, Assistant Attorney General (AAG)

Chair Sizemore called the virtual meeting to order at 9:02AM and mentioned that TVW would be livestreaming the meeting. ID Griffin called the roll to ensure a quorum. **Chair Sizemore** asked for a moment of silence to acknowledge any law enforcement officers that lost their lives since the commission last met.

Tab 1

Consent Agenda

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

Commissioner Lawson seconded the motion.

The motion passed. 5:0

Interim Director's Report

ID Griffin reported that the accreditation process had started and that she would give a full report at the April Commission meeting.

ID Griffin spoke about the upcoming 2022 commission meeting schedule. She reminded Commissioners that in 2021 they approved the purchase of upgrading the commissions' existing travel recording equipment to be able to provide a hybrid version. Due to supply chain issues, the necessary components have not arrived. She asked Commissioners to consider keeping the April and May commission meetings virtual with the option for Commissioners to attend in person at a commission office if they wished. Commissioners agreed. Commissioners would like staff to continue to seek out best practices from other state agencies and report back at the April commission meeting on virtual hybrid options. **ID Griffin** suggested hiring a consultant team

* Governor Inslee issued [Proclamation 20-28.4](#) et al that suspended certain Open Public Meeting requirements, including in-person public meetings requirements for this Commission Meeting.

with the expertise to determine how best to proceed and possibly have them present to the commission in April.

There were three changes to the upcoming commission meeting dates.

- April 14th commission meeting will be two days, adding April 15th. Commissioners agreed.
- June 9th and 10th will be canceled due to lack of quorum and replaced with July 14th and 15th. Commissioners agreed.
- October 13th and 14th will be changed to October 6th and 7th due to G2E conflict. Commissioners agreed.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Tab 2

Presentation - Problem Gambling Awareness Month

Vice Chair Patterson (VP) introduced Tana Russell, Assistant Director (AD) of the Evergreen Council on Problem Gambling and Roxane Waldron, Program Manager (PM) for the State Healthcare Authority to present the materials for this tab. **VP Patterson** stated that gambling has a dark side associated with it and included an article in the commission packet for Commissioners to read.

PM Waldron presented a PowerPoint presentation and gave a quick update on problem gambling awareness month.

PM Waldron shared a short note from the Healthcare Authority leadership, *“Healthcare Authority is very supportive of and is working towards coverage of problem gambling treatment under Apple Health (Medicaid). However, the timeline for implementation will depend upon the approval by the Centers for Medicaid and Medicare or a larger update being done to the related section of the state plan. Because of this, the earliest coverage would become effective July 2023, and is more likely to be January 2024. It could possibly even be later, depending on how negotiations with CMS go with this larger re-write of the section.”*

AD Russell thanks PM Waldron and stated that they have a great partnership. She also shared that the Evergreen Council on Problem Gambling is neutral on gambling and stated, *“We are not either for or against it. We recognize that for many people, it is fun and recreational and similar is to alcohol when it does cause problems for some people, those problems can absolutely be devastating. And so, we really advocate for those help services to be available to those who need them. And we have many partners, both in the behavioral health and industry side of things, working very hard to promote and fund awareness, outreach, and treatment services.”*

Chair Sizemore asked if either Ms. Waldron or AD Russell knew if the individuals that are currently in a treatment facility are there because of an illegal activity such as online gaming or sports wagering.

PM Waldron stated that the data doesn't support online gambling on the treatment elements specifically. However, there may be findings that will come out. No preliminary findings yet. She said that although online gambling is illegal in WA State (except for legal sports wagering at the Tribal casinos), the Prevalence study did collect information about that and will be sharing that information with the Legislature, PG Task Force, and the public by June 30, 2022.

VP Patterson suggested that the Gambling Commission will need to consider whether to invest some time in crafting agency request legislation based on the Prevalence study.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Tab 3

Presentation – Perry Technical Foundation

Tyna Antonson (SA), Christine Cote, Perry Tech President, Cathy Sterbenz, VP of Finance and Administration, Jason Lamiquiz, Associate Dean of Education and Tressa Shockley, Perry Tech Director of the Foundation presented the materials for this tab. Washington State Gambling Commission rules require licensees to get commission approval prior to offering a raffle prize that exceeds \$40,000 and offer raffle prizes over \$300,000 in a license year. Perry Tech is estimating the house to cost \$365,000. However, they estimate the value of the home will be \$450,000. Staff recommends approving Perry Technical Foundation to offer a raffle prize more than \$40,000 and to exceed the annual raffle prize limit of \$300,000 for their license year ending June 30, 2023.

Chair Sizemore asked the same question as last year regarding the timeline for the winner to produce taxes for the house and further asked if the timeline could be changed giving the winner more time if they needed to get a loan to pay the taxes for the new house. **Christine Cote** agreed with that change and said their website would reflect the change.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Commissioner Levy moved to approve Perry Technical Foundation to offer a raffle prize more than \$40,000 and to exceed the annual raffle prize of \$300,000 for their license year ending June 30, 2023, so long as they have a valid license with the Washington State Gambling Commission.

Commissioner Patterson seconded the motion.

The motion passed 5:0

Chair Sizemore announced a 15-minute break returning at 10:45AM.

Tab 4

Presentation – Budget Update

Kriscinda Hansen, CFO presented the materials for this tab. **CFO Hansen** provided information on the agency's financial status between July 2021 through January 2022.

Commissioners Reeves thanked CFO Hansen for the comprehensive overview of the agency's past and future budget.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Tab 5

Rule Petition to Amend – Electronic Pull-Tab

Ashlie Laydon, RC presented the materials for this tab. Diamond Game Enterprises, of Chatsworth, California, is proposing to amend several existing rules and adopt new rules in order to facilitate the adoption of a modern electronic pull-tab system that uses pull-tabs manufactured,

distributed, and dispensed on rolls. This modern system would include electronic encryption, validation, verification, and auditing processes. Staff has not seen or reviewed the electronic pull-tab system being proposed.

Randee Kerns, Diamond Games Enterprises, Director of Business Development and Compliance and **Jonathon McCoy**, Diamond Games Attorney spoke regarding the petition.

Vice Chair Patterson asked the petitioner if Gambling Commission staff had the opportunity to analyze the machine or system firsthand. **RC Laydon** responded that staff had not.

Commissioner Reeves asked if there was a video that showed how the machine worked. Mr. Kerns replied that they did not have a video currently but could bring one to the next commission meeting. **Commissioner Reeves** asked them to send the video via email regardless of what the commission does. **Mr. Kerns** agreed. He also stated that the machines are currently deployed in Maryland, Michigan, and Missouri. Commissioner Reeves asked a follow up question regarding workforce and if this machine would take away an individual's job. **Mr. Kerns** stated that the machine would still need maintenance to be done by an individual.

ID Griffin stated that if Commissioners chose to initiate rule making today, then WAC 230-17-192 would be the mechanism that is triggered that would require the manufacturer or the petitioner to submit the equipment to us within 30 days of us making that request. And it outlines the process of which we will evaluate the equipment, doesn't mean that we will agree to any sort of rulemaking.

Commissioner Lawson asked the petitioner if the player has to actually open the pull-tab when they receive it or does the machine read it for them electronically? Mr. Kerns said they are asking for a rule change to allow the machine to read and validate the pull tab without it being opened. **Commissioner Lawson** asked the petitioner if he wanted the commission to amend WAC 230-14-010 as well as since that WAC requires that the pull-tab be physically opened in some way by the player. **Mr. Kerns** said correct.

Commissioners Reeves asked the petitioners if he saw this machine as an expansion of gambling. **Mr. Kerns** replied it's not an expansion of gaming, it's a modernization of an existing rule.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Commissioner Lawson moved to deny the petition as the request is not within the purview of the Gambling Commission but the legislature.

Commissioner Levy seconded the motion.

The motion passed. 4:1

Chair Sizemore called for a short break. Returning at 12:40

Tab 6

Rule up for Final Action – Sports Wagering Rules

RC Laydon presented the materials for this tab. On January 6 and 7, 2022, staff met with tribal partners to get feedback on the proposed rules. The feedback received suggested:

- Removing the proposed Chapter 230-19 WAC, and
- Adding a single statement to WAC 230-03-085 that sports wagering vendors must follow the applicable tribal-state compact provisions and tribal laws related to sports wagering.

A stakeholder meeting was held on January 18, 2022, with sports wagering vendors to communicate the proposed changes. Representatives from FanDuel, Draftkings Inc., and Sportradar were present. No concerns were raised. Staff recommends final action.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Commissioner Patterson moved to approve for final action to be effective 31 days after filing with the Office of the Code Revisors on or after April 11th, 2022.

Commissioner Levy seconded the motion.

The motion passed. 5:0

Tab 7

Default – Sit N Bull Saloon

Adam Teal, Interim Legal Manager presented the materials for this tab.

Chair Sizemore asked if any representative from Sit N Bull Saloon were present. They were not.

Commissioner Levy moved to revoke the Sit N Bull Saloon gambling license number 05-09792 and 65-02519 as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed. 5:0

Tab 8

Legislative Update

Tommy Oakes, Interim Legislative Liaison (ILL) presented the materials for this tab. **ILL Oakes** gave a short recap of the 2022 legislative session. He announced the confirmation of Commissioner Levy. ILL Oakes will be back at the April commission meeting to give a wrap up of the 2022 session and talk about the next steps.

Chair Sizemore asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

Commissioner Patterson reminded the commission that the Problem Gambling Taskforce will be meeting to discuss agency request legislation for 2023 and that ILL Oakes and ID Griffin will be invited to that meeting.

Commissioner Reeves thanked ILL Oakes on his accomplishments this session and appreciates all his hard work.

Tab 9

Director Hire Update

Lisa Benavidez, HR Director presented the materials for this tab. HRD Benavidez provided an update on the status of the Director Hire. She said, “*At the February commission meeting,*

commissioners decided to move one candidate forward for the director position. Before a final offer of employment can be made, the top candidate must complete background checks. Part of that process is for reference checks to be completed. And then for the candidate to undergo a psychological exam and a polygraph exam. Those tests have been scheduled, but unfortunately could not be scheduled to be completed by this meeting date. However, they will be completed the week after next. And once those exams are completed, I will receive a written report from each examiner. I expect to have all of those results by the end of March. I've completed most reference checks with one final reference scheduled for next week. The plan from here is for me to pull together all of the information from the references and background checks and provide it to commissioners for review.” HRD Benavidez stated that “*Commissioners can continue the conversation about candidate qualifications in executive session, and then after move to the public meeting. Once in the public meeting, Commissioners can make a motion and an appointment decision at that time, if they are ready to do so.*” HRD Benavidez will coordinate Commissioners calendars for availability in the event they can meet and make a decision prior to the April meeting.

Chair Sizemore expressed his concerns regarding the process. **Commissioner Reeves** also expressed her concerns with the process.

Chair Sizemore asked if he could make a motion to cancel the polygraph and psychological portions for the Director hiring.

AAG Becker explained that once someone is recused from the process, they are considered recused for the duration of the process.

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

Commissioners adjourned to Executive Session.

Executive Session adjourned at 3:01 p.m.

There were 87 people in attendance.