



Lottery Commission Special Meeting Minutes  
Monday, June 27, 2022  
Virtual Meeting – Microsoft Teams

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**Commission Member Attendees:**

Fred Finn, Commissioner  
Judy Giniger, Chair  
Schuyler Hoss, Commissioner  
Rudy Mendoza, Commissioner  
Eileen Sullivan, Commissioner

**Lottery Staff Attendees:**

Jim Bevan, SharePoint and Office Administrator	Derek Poppe, Acting Director of Security & Licensing
Marcus Glasper, Director	Tiffany Pringle, Legal Services Coordinator
Shar Hawley, Org. Perf. & Planning Administrator	Debbie Robinson, Director of Human Resources
Josh Johnston, Deputy Director	Ron Smerer, Director of Sales & Marketing
Shanelle Montano, Administrative Assistant	Kristi Weeks, Director of Legal Services

**Other Attendees:**

Dan Miller, Curator  
Drew Scolaro, Scientific Games

**Call to Order:**

12:00 p.m. – Chair Judy Giniger called the meeting to order.

Chair Judy Giniger began by asking for a commissioner roll call. Commissioners Fred Finn, Rudy Mendoza, Schuyler Hoss, and Eileen Sullivan confirmed their virtual attendance.

**Approval of CR 101:**

Chair Giniger said the purpose of the special commission meeting is to vote on the CR 101 to amend WAC 315-04-180 and turned it over to Kristi Weeks, Director of Legal Services and Derek Poppe, Director of Security and Licensing.

Derek said at the April Commission meeting he shared information about the rise in Lottery product thefts and the impacts it has had on retailers. Since then, the Lottery has been focused on educating retailers on best practices to better protect themselves, as well as looking at locking cover prototypes for in-counter ticket displays, and possible updates to the gaming system. The education blitz kicked off on April 25, and so far, representatives from International Game Technology (IGT) have visited 1,700 retailers on the Lottery's behalf and supplied them with the



new education materials. Derek said they are encouraged by reports of recent failed theft attempts at retailers and directly attribute this to the ongoing education efforts. However, these small wins are overshadowed by the immense loss retailers have suffered due to theft. Derek provided some updated statistics through June 24, 2022 on the robberies, burglaries, and grab-and-run cases. The total reported retailer losses for 2021 was approximately \$229,000, and so far, in the first six months of 2022 retailer losses are over \$234,000.

Chair Giniger asked if the burglaries that are occurring are after-hours break-ins at the retailers. Derek confirmed they are happening when the stores are closed. Commissioner Mendoza asked if they have noted any specific areas that are suffering from theft more than other areas. Derek said the higher populated areas are seeing most of the theft, and right now Tacoma has been the hardest hit, followed closely by Seattle and Spokane. He said they began the education blitz by focusing on the retailers located along the I-5 corridor between Thurston County and Snohomish County, because that is where the majority of thefts are occurring.

Next, Kristi Weeks explained that when a retailer receives a pack of lottery tickets, those tickets are in a hold status and not active. When the retailer is ready to sell the tickets, they then activate the pack. Kristi said WAC 315-04-180 states "upon placement of a pack in activated status the retailer shall be liable to the Director for payment of the pack. The Director shall not reimburse the retailer for any ticket losses which occur after activation of the pack from which the tickets came, except for..." followed by two exemptions which she said were not relevant to the situation being discussed. This means as soon as a retailer activates the pack they become liable for those tickets, and regardless of them being lost or stolen they have to pay the Lottery for those tickets. Kristi explained that the Lottery would like to open the rule to look at a possible amendment. They are hoping to review the language and find a way to give the Director some discretion when certain conditions are met. They have no preconceived notions on what the outcome might be, but they want the public to know they are looking into it and want to get their input.

Kristi said the Lottery is asking for permission to open WAC 315-04-180 to consider some possible changes. If approved, they would review and may bring back proposed language to the Commission for approval at a future meeting.

Chair Giniger asked if there have been any additional retailers that have decided to stop selling Lottery products. Derek said so far they have only lost one retail chain, with 22 locations in the state. He said they have seen some hesitation from retailers to carry the higher value tickets and had a few questions about potentially discontinuing sales. Kristi also mentioned they have had retailers want to replace their in-counter displays with lottery vending machines or ask about only selling draw tickets, so although they have not had any more retailers pull products, they have seen a lot of concern over the rise in thefts.

Director Glasper added there has been some stakeholder and media interest as well, including questions from legislators that were contacted by constituents. The Lottery has also been working with the Korean Grocers Association and other groups on ways to be proactive in



protecting lottery products. He said given the gravity of the situation, they did not want to wait until the August Commission meeting to begin looking at the WAC for a potential change that could support lottery retailers.

Chair Giniger shared in the concern of the situation and agreed that it is prudent they begin looking for solutions. She asked if any of the Commissioners had additional questions or comments. Commissioner Finn asked for confirmation that once the Lottery has looked at the rule, and if they decide to propose changes that the draft language will be presented for approval and then released for public comment. Kristi said yes, that is the process. The Commissioners are only being asked to vote to approve the opening of the rule. Once approved, she will work with stakeholders to review the rule, and if necessary, draft language to present at the August Commission meeting with the request to file it for public comment. Once the public has the opportunity to provide feedback, those comments and the proposed language will be brought back to the Commissioners for a vote to adopt.

Chair Giniger said she remembered from a previous meeting that other state lotteries are also struggling with increased theft. She asked if any of those other lotteries have taken any action towards a solution. Kristi said she has looked at what some of the other states are doing, and if retailers are held accountable for ticket loss. She said each state conducts their business a little bit different, but some seem to have more flexibility in their rules and Washington's Lottery is one of the few states that has an absolutely no discretion standard.

Chair Giniger entertained a motion to adopt the filing of CR 101, to look at possibly amending WAC 315-04-180.

Commissioner Sullivan **so moved**, and Commissioner Finn **seconded**. Chair Giniger called for a vote for approval of filing the CR 101, to look at possibly amending WAC 315-04-180. Ayes were unanimous. **Motion carried.**

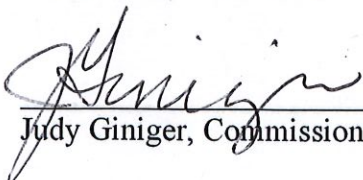
**Adjournment:**

12:20 p.m. – Chair Giniger adjourned the meeting.

The June 27, 2022, Lottery Commission Meeting Minutes were approved this 18 day of

August, 2022.

Respectfully submitted,

  
Judy Giniger, Commission Chair

  
Stephanie Porter, Executive Secretary

