



## Productions

**Testimony in Support of HB 2190  
House Business & Labor Committee  
March 29, 2017**

Good afternoon Chairman Holvey and members of the committee. My name is John Bockmier and I am here today speaking on behalf of my clients, the non tribal card rooms of La Center, WA., located thirty minutes north of Portland.

Over the course of my adult life, I have been involved with the gaming industry as an employee, manager, owner and player. For the past seventeen years, I have owned a public affairs firm and I predominately represent gaming clients.

In 2011, my clients in La Center asked me to do research on the boom of social gaming poker rooms in the Portland area. They were interested in opening a poker room there, but had serious concerns about the lack of regulations.

My clients concerns about the void of regulations in the social gaming rooms of Oregon proved valid and it didn't take me long to conclude that there were no regulations to speak of. I have worked gaming issues all over the United States and I can assure you there is not another poker model like the one currently operating in Oregon.

The standards of a typical professional poker room include:

A complete background investigation of all gaming employees. This includes fingerprints and is conducted by the local gaming regulatory agency.

A fully trained surveillance department with highly skilled professionals who have expertise in game protection and monitoring cash transactions. The surveillance rooms are equipped with state of the art digital recording equipment and a multitude of cameras are installed in every room in the building.

A manual of internal controls which are the bible of any legitimate gaming operation is on file at the establishment and with the local gaming agency. This large and comprehensive document has every operational policy and procedure for every function in the building and has been approved by the local gaming agency.

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A security department of staffed professionals to ensure safe and transparent financial transaction and ensure the safety of staff and guests.

The current social gaming model in Oregon has none of these protections in place.

When you are allowed to operate an all cash gaming business with thousands of dollars in guaranteed prize money, the obvious results are corruption and illegal activity. The evidence of this in Oregon is very obvious.

In the summer of 2016, the Oregon Bureau of Labor and Industries responded to claims filed by the volunteer dealers who claimed they were employees and deserved wages and basic employee rights. BOLI ruled in favor of the dealers and declared in their ruling that the volunteer dealers were employees. Thousands of dollars in fines were issued to the clubs found guilty of illegal labor practices. Several of the dealers were paid with cash settlements from the various clubs.

The City of Portland followed up the BOLI ruling by sending a letter out to all of their social gaming licensee's which issued an ultimatum for them to stop using volunteer dealers. The City informed the poker clubs that they would no longer be allowed to use designated dealers.

In the fall of 2016 the City of Portland sent undercover investigators in to three of the largest social gaming poker rooms in the City. The investigators made a total of nine visits over three months to these clubs and every single visit found numerous violations at each club. The City then issued suspensions to all three clubs.

The current state of the social gaming poker industry in Oregon is as follows; It is an all cash business with absolutely no internal controls in place. No accounting requirements, no auditing requirements and no regulatory agency dedicated to enforcement. Dealer tips are divided up in a back room with only management present and quietly dispersed the following day. The games are not being conducted in a fair and balanced manner. The house commonly inserts skilled players in to active games and provides a bank roll for them to play with. All of these factors seriously diminish the integrity of the game. This is a critical concern for my clients who have worked for thirty years to run a legal and professional gaming business where the quality and honesty of the game is not in question.

Changing the current format of social gaming in Oregon and taking control of a very dangerous situation is obviously long overdue. We are in strong support of this bill.

Thank you very much for your time. I will be happy to answer any questions you may have.