

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the License)
to Conduct Gambling Activities of:)
)
)
Rasy M. Eng)
Tacoma, Washington,)
)
Licensee.)
_____)

NO. CR 2014-01310 &
CR 2015-00177

**NOTICE OF ADMINISTRATIVE
CHARGES AND OPPORTUNITY
FOR AN ADJUDICATIVE
PROCEEDING**

I.

The Washington State Gambling Commission issued Rasy M. Eng license number 68-12669, authorizing Card Room Employee activity, formerly with Chips Casino in Lakewood.

The Commission issued this license, which expires on September 20, 2015, subject to the licensee's compliance with state gambling laws and Commission rules.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

SUMMARY:

The licensee, Rasy Eng, pre-arranged and dealt un-shuffled cards while working as a supervisor at Chips Casino in Lakewood on July 8, 2014. The un-shuffled cards were used in a baccarat game and the casino lost approximately \$16,903.75. The player who won the money while these cards were used was Megan Ky. Ms. Ky and Ms. Eng know each other from working in different card rooms over the years. Additionally, on January 6, 2015, January 20, 2015, and January 21, 2015, Ms. Eng and Ms. Ky conspired to cheat at the Macau Casino in Tukwila.

FACTS:

Case Report 2014-01310

1) A Washington State Gambling Commission Special Agent (agent) visited the surveillance room of Chips Casino on July 15, 2014. Christy Francis, Internal Auditor, was reviewing an incident. Ms. Francis told the agent a suspicious incident had occurred on a baccarat table.

2) Ms. Francis showed the agent the surveillance from July 8, 2014, in which Ms. Eng was bringing new decks of cards to a table. Ms. Eng spilled the cards on the table when she arrived.

Ms. Eng gathered the cards up and took them to a table. Ms. Eng began to organize the cards that had fallen. Based on Chip Casino's procedures, Ms. Eng needed to get the cards facing the same direction and have them shuffled in the shuffling device by placing them into the input section.

3) After Ms. Eng fanned the cards onto the table, she sorted the cards in some type of order when she was organizing them. Ms. Eng was picking up sections of the fanned out cards and sorting them. Ms. Eng placed the cards she organized into the output portion of the shuffling device and the cards were not shuffled.

4) Ms. Francis informed the agent the un-shuffled cards that Ms. Eng had organized stayed in the shuffler until one of Ms. Eng's friends, Megan Ky, arrived. Ms. Eng reserved the baccarat table for Ms. Ky. Ms. Ky played the cards Ms. Eng did not shuffle. Ms. Francis informed the agent Ms. Ky had won approximately \$16,000.

5) Ms. Francis became aware of the suspicious activity when the on-duty surveillance observer Andy Wilburn, noticed Ms. Eng placing the cards into the output section of the shuffler.

6) On July 18, 2014, Ms. Francis provided copies of the reports regarding the incident. Ms. Francis also provided a detailed review of the surveillance from the incident that occurred July 8, 2014, and July 9, 2014, as follows:

- a. At approximately 22:11 hours, Ms. Eng spilled the cards onto the Mini-Baccarat (MB6) table.
- b. At approximately 22:12 hours, Ms. Eng brought the cards to the closed MB1 table.
- c. From 22:12:44 to 22:16:10, Ms. Eng sorted the spilled cards and grouped cards together. Ms. Eng fanned out cards onto the table. Ms. Eng picked up sections of the fanned out cards and sorted/grouped them.
- d. At approximately 22:16:15, Ms. Eng put the cards into the output section of the shuffler on the closed table.
- e. From approximately 22:16 to 23:42 hours, the un-shuffled cards stayed in the output section of the shuffler.
- f. At approximately 23:42 hours, Ms. Ky arrived at the table and the table was opened and reserved for her.
- g. At approximately 23:42 hours, the un-shuffled cards were placed in the shoe and used to deal to Ms. Ky.
- h. From approximately 23:42 to 01:30 hours, the licensee dealt Ms. Ky the un-shuffled cards.
- i. At approximately 01:36 hours, Ms. Ky left the property.

7) On July 22, 2014, the agent interviewed Ms. Eng. The agent asked Ms. Eng if she knew how to operate the various shufflers in the card rooms and she stated yes, and explained the shuffle procedures Chips Casino had for hand-held baccarat. The agent asked if any unusual items occurred lately when she was putting cards on the table, and she stated no. The agent asked if she remembered dumping the cards onto the table and floor. Ms. Eng stated she did. She explained that she spilled the cards and then took them to a table to sort.

Ms. Eng said a big player was on the table so they were trying to get a new set of cards on the table for him. She organized the cards and put them in the shuffler.

8) The agent asked if the only thing she needed to do was get the cards facing in the same direction and then put them in the shuffler. She stated that was correct and that is what she did.

9) The agent asked if she knew Ms. Ky. She stated she knew Ms. Ky since they were co-workers at the Macau Casino. Ms. Eng explained Ms. Ky played baccarat and bought in for about \$5,000 and cashed out about \$8,000. The agent asked Ms. Eng if she remembered anything unusual when Ms. Ky was playing. Ms. Eng stated no, and explained she was watching multiple tables.

10) Ms. Ky was interviewed by another agent. Ms. Ky stated she had no knowledge that cheating occurred on the baccarat game she played at Chips Casino.

11) Chips Casino staff calculated they lost approximately \$16,903.75 from cards Ms. Eng did not shuffle. Ms. Ky's total win on July 8, 2014 and July 9, 2014, was \$7,100 (Buy-in was \$5,900 and cash out was \$13,000) during her game at Chips Casino. The difference in the amounts is because Ms. Ky continued to gamble after the un-shuffled decks were played and lost money.

Case Report 2015-00177

Macau Casino/Tukwila Incident

12) On January 6, 2015, Ms. Eng took multiple decks of cards to an empty gaming table away from other employees and patrons at the casino. She then prearranged certain cards in a specific order. After prearranging various cards in a specific order, she brought the decks of cards to a mini-baccarat table where she placed the cards into the output elevator of a shuffle machine. The cards were never shuffled. Ms. Ky won \$3,500 while gambling at the approximate time the prearranged and unshuffled decks were on the table.

13) January 20, 2015, Ms. Eng took multiple decks of cards to an empty gaming table away from other employees and patrons at the casino. She then prearranged certain cards in a specific order. After prearranging various cards in a specific order, she brought the decks of cards to a mini-baccarat table where she placed the cards into the output elevator of a shuffle machine. The cards were never shuffled. Ms. Eng gambled with Ms. Ky on the mini-baccarat table when the prearranged and unshuffled decks were in play. Ms. Ky also passed Ms. Eng \$1,200 in gaming chips under the table which Ms. Eng used to place wagers. Ms. Ky and Ms. Eng won approximately \$28,300 combined when the prearranged and unshuffled decks were in play.

14) On January 21, 2015, Ms. Eng took multiple decks of cards to an empty gaming table away from other employees and patrons at the cardroom. She then prearranged certain cards in a specific order. After prearranging various cards in a specific order, she brought the decks of cards to a mini-baccarat table where she placed the cards into the output elevator of a shuffle machine. The cards were never shuffled. Ms. Eng gambled with Ms. Ky on the mini-baccarat table when the prearranged and unshuffled decks were in play. Ms. Ky passed Ms. Eng \$1,000 in

cash under the table which Ms. Eng used to purchase additional chips to wager. Ms. Ky and Ms. Eng won approximately \$13,150 combined when the prearranged and unshuffled decks were in play. Overall, Ms. Ky and Ms. Eng won approximately \$16,000 at the Chips Casino, and \$41,450 at the Macau Casino from wagers placed when prearranged and unshuffled decks were in play.

15) On January 22, 2015, a Washington State Gambling Commission Special Agent (agent) received a phone call from Greg Means, General Manager of the Macau Casino. According to Mr. Means, while reviewing gaming records from the previous gaming day, he noticed a large loss on one of his baccarat tables. He said that he reviewed surveillance video and determined something happened that he believed was cheating.

16) During the investigation, the agent interviewed Mr. Means concerning the card room's card management and shuffling procedures. The agent determined the following:

- a) The Macau Casino reuses cards on its baccarat games. After cards are played on a baccarat table, they are inspected by card room staff, made into complete decks, and then used again.
- b) The Macau Casino has seven baccarat tables and each table uses eight decks of cards. Typically, each baccarat table will have two set-ups of eight decks of cards. Each set-up is a different color (blue and red). One set-up will be in the shoe for live play and the other set-up will be in the shuffle machine. After a set-up of eight decks are used on a table and placed into the discard rack, the dealer notifies a supervisor. The dealer then obtains shuffled cards from the output (right side) elevator of the shuffle machine to be put in play in the gaming shoe. After the dealer is notified that a baccarat table has used eight decks of cards, he/she brings two "vaults"¹ to the baccarat table.
- c) Dealers are supposed to take the played cards out of the vault and inspect all the cards for damage, markings, and general wear and tear. All damaged/marked cards are removed and placed to the side where they will later be destroyed. Dealers are required to make complete decks of the other cards. Dealers are supposed to make four piles of cards for each suit (spades, clubs, diamonds, and hearts). Dealers are supposed to put the cards in new deck order to make complete decks (i.e. Ace, 2, 3, 4, 5...of spades; Ace, 2, 3, 4, 5... of clubs, etc.).
- d) Dealers will often have multiple vaults of played cards they need to inspect and make into complete decks. Dealers are supposed to make eight complete decks of cards, wash² them, and then place them in a vault.
- e) This process of inspecting cards and making complete decks occurs throughout the gaming day. There are often multiple dealers involved in this process because played decks of cards are continually coming from gaming tables. Supervisors consistently bring

¹ A vault is a clear container used to store a set-up of eight decks.

² "Washing" cards simply means mixing the cards in a circular motion with the cards face down. Washing is not the same thing as shuffling.

vaults containing played cards to the sorting table (placed in left side of the sorting table). Supervisors are also consistently getting vaults from the right side of the sorting table containing cards that were already inspected and made into eight complete decks to bring to gaming tables. When supervisors bring vaults to gaming tables they are required to put the cards into the shuffle machine (input elevator- left side) so that the cards are properly shuffled before put in play.

17) On January 22, 2015, the agent met with Mr. Means to discuss the incident. Mr. Means described the various shuffling procedures. Mr. Means said that he and his surveillance staff were still in the process of gathering all applicable video of the incident in question. Mr. Means provided the agent with surveillance. The agent reviewed the surveillance and made the following observations:

<p>1/21/15 Surveillance recording at Macau Casino</p>	<ul style="list-style-type: none"> • Ms. Eng took out a number of cards from the vault, turned them face up so that she could see their values, and fanned them out on the table. She then proceeded to arrange certain cards in what appeared to be a specific order. She did this same process a number of times until all eight decks in the vault were removed. • As the output elevator was still open, she quickly put the prearranged and unshuffled decks into the output of the shuffle machine. • Ms. Eng got off shift and sat at the table with Ms. Ky. Ms. Eng bought in for \$1,000. At one point, the agent observed Ms. Ky pass \$1,000 in cash under the table to Ms. Eng. Ms. Eng used the cash to buy more chips at the table. For the most part, they always bet the maximum limit on the base game. They also placed numerous bets on the Dragon bonus wager. They both played multiple betting spots and often bet the entire table at maximum limits. They always bet the same outcome; if Ms. Ky bet on Banker to win, Ms. Eng bet on Banker to win and vice versa. • When Ms. Ky and Ms. Eng placed bets when the prearranged and unshuffled decks were in play they each won approximately the following: Ms. Ky: \$16,800 and Ms. Eng: \$11,500.
<p>1/20/15 Surveillance recording at Macau Casino</p>	<ul style="list-style-type: none"> • Ms. Eng took the empty vault away from the open tables in the pit and away from the supervisor.

	<p>The agent observed her push a button on the shuffle machine to open the output elevator of the shuffle machine. The agent observed her take eight blue decks of cards out of the shuffle machine and place them in the discard rack attached to the table.</p> <ul style="list-style-type: none"> • Next, Ms. Eng then took out a number of cards from the discard rack and fanned through them in her hands. She looked through each card and began to arrange certain cards in a specific order. After she looked through each of the cards and arranged certain cards in a specific order, she put the group of cards in the empty vault she brought to the table. She did this same process multiple times until she went through all the cards that were in the discard rack. She placed all the prearranged decks of cards into the once empty vault she had brought to the table. • Towards the end of the shoe, Ms. Eng got off shift, sat at the table with Ms. Ky, and placed bets as well. At one point, the agent observed Ms. Ky pass Ms. Eng about \$1,200 in gaming chips under the table for Ms. Eng to place bets with. For the most part, they always both bet the maximum limit on the base game. They also placed numerous bets on the Dragon bonus wager. They also both played multiple betting spots at the maximum wagering limits. They always bet the same outcome; if Ms. Ky bet on Banker to win, Ms. Eng bet on Banker to win and vice versa. • When Ms. Ky and Ms. Eng placed bets when the prearranged and unshuffled decks were in play they each won/loss approximately the following: Ms. Ky won approximately \$13,500 and Ms. Eng lost approximately \$350.
<p>1/06/15 Surveillance recording at Macau Casino</p>	<ul style="list-style-type: none"> • Ms. Eng obtained the prearranged and unshuffled decks of cards from the cabinet at the sorting table.³ As soon as Ms. Eng sat down at the table, she took all the cards in the dealing shoe out and put them in the discard rack. There were about four decks of cards left in the dealing shoe.

³ Ms. Eng prearranged certain cards in a specific order prior to this.

	<p>She then opened the output elevator of the shuffle machine, took the shuffled red decks out, and placed them on the table. Before the output elevator went down, she quickly put the prearranged and unshuffled decks into the output elevator of the shuffle machine.</p> <ul style="list-style-type: none"> • According to the cardroom records, Ms. Ky won \$3,500 while gambling at the approximate time the prearranged and unshuffled decks were on the table.
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18) The agent interviewed Mr. Means, Ms. Eng, and Ms. Ky:

Mr. Means	<ul style="list-style-type: none"> • According to Mr. Means, Ms. Eng intentionally did not follow internal procedures at the casino. On January 6, 2015, Ms. Eng placed the prearranged and unshuffled decks in the shuffle machine. Mr. Means said the dealers are never supposed to get cards and bring them to the tables they are dealing at. He said that Ms. Eng did this without the knowledge of the supervisor and no call was made to surveillance to verify shuffled cards were going on the table. • On January 20, 2015, Ms. Ky requested a new shoe; Ms. Eng brought the already prearranged decks and placed them in the output elevator of the shuffle machine. Again, surveillance department was not notified. • On January 21, 2015, Ms. Eng obtained the prearranged and unshuffled decks and brought them to the table where she placed them in the output elevator of the shuffle machine. • Mr. Means reviewed Ms. Ky's play in the card room's records for the months of December 2014 and January 2015 and determined that she won 10 out of 11 times. In the months of December and January, Ms. Ky gambled at the Macau Casino 11 times and won approximately \$49,531. Mr. Means estimated the losses to the casino due to the cheating acts of Ms. Eng and Ms. Ky at \$42,900.
Ms. Eng	<ul style="list-style-type: none"> • On February 2, 2015, Ms. Eng and the agent discussed the incident. She told the agent that the Gambling Commission questioned her a few months ago for an incident that happened at another casino. She said there were so many people talking about her she decided to get an attorney. Ms. Eng said that if she came in to do an interview she would want her attorney present. Ms. Eng said she would contact her attorney and text his contact information. Ms. Eng later sent a text explaining she had an attorney named "Terrance." She said that he would contact the agent. The agent did not conduct an interview with Ms. Eng or her attorney.
Ms. Ky	<ul style="list-style-type: none"> • On February 15, 2015, the agent called Ms. Ky to set up an interview. She said she would come in for an interview with her attorney. The agent did not conduct an interview with Ms. Ky or her attorney.

19) The matter was referred to the Pierce County Prosecutor by the agent.

20) On February 3, 2015, Mr. Means notified the agent that one of his dealers contacted him concerning Ms. Eng and Ms. Ky. According to Mr. Means, the dealer said she cashed out chips for Ms. Eng and Ms. Ky on January 21, 2015. She said that she was concerned because she did not want anyone to think she was involved in the cheating scheme.

21) On February 6, 2015, Mr. Means sent the agent an email stating he had more information about a conversation he had with Ms. Ky. Ms. Ky said there were five people involved but she wouldn't give any names. She said the dealer that cashed out some money for Ms. Ky knows of a \$500 cash gift given to one of the shift managers.

22) On February 10, 2015, Mr. Means forwarded the dealer's statement to the agent. According to the statement, the dealer said that both girls (Ms. Ky and Ms. Eng) were "betting big." She said that Ms. Ky asked her to cash out five black (\$500) chips for her at the cage. The dealer stated Ms. Ky told her to give the cash to the Shift Manager. The dealer said Ms. Ky was "apparently" betting a hand for the Shift Manager as a tip. Ms. Eng asked the dealer to cash out \$3,500 in chips.

23) On February 11, 2015, the agent interviewed the dealer. She said Ms. Ky typically gambles by herself; however, Ms. Ky let Ms. Eng gamble with her. The dealer said she was not sure if the Shift Manager was involved with cheating; she thought the \$500 was simply a "tip."

24) On February 25, 2015, the dealer provided the agent a written statement.

VIOLATIONS

1) RCW 9.46.075 Denial, suspension, or revocation of license, application, or permit

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(2) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the commission;

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

2) WAC 230-03-085 Denying, suspending, or revoking an application, license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, certified employee, or anyone holding a substantial interest in the applicant's or certified employee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities.

3) RCW 9.46.190 Violations relating to fraud or deceit.

Any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation:

(The following subsections apply.)

(1) Employ any device, scheme, or artifice to defraud; or

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;

4) RCW 9.46.196 Cheating — Defined.

"Cheating," as used in this chapter, means to:

(The following subsections apply.)

(1) Employ or attempt to employ any device, scheme, or artifice to defraud any other participant or any operator;

(2) Engage in any act, practice, or course of operation as would operate as a fraud or deceit upon any other participant or any operator;

(3) Engage in any act, practice, or course of operation while participating in a gambling activity with the intent of cheating any other participant or the operator to gain an advantage in the game over the other participant or operator; or

(4) Cause, aid, abet, or conspire with another person to cause any other person to violate subsections (1) through (3) of this section.

5) RCW 9.46.1961 Cheating in the first degree.

(The following subsections apply.)

- (1) A person is guilty of cheating in the first degree if he or she engages in cheating and:
 - (a) Knowingly causes, aids, abets, or conspires with another to engage in cheating; or
 - (b) Holds a license or similar permit issued by the state of Washington to conduct, manage, or act as an employee in an authorized gambling activity.

(2) Cheating in the first degree is a class C felony subject to the penalty set forth in RCW 9A.20.021. In addition to any other penalties imposed by law for a conviction of a violation of this section the court may impose an additional penalty of up to twenty thousand dollars.

6) RCW 9.46.153(1) Applicants and licensees - responsibilities and duties

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

On July 8, 2014, Rasy Eng was working as a supervisor at Chips Casino in Lakewood. Ms. Eng spilled cards while attempting to place them into a card shuffler. Ms. Eng took the spilled cards over to a table and then sorted and/pre-arranged the cards and placed them into the output portion of the shuffler in violation of RCW 9.46.190. Ms. Eng cheated by using un-shuffled cards and reserved a baccarat table for Ms. Ky. The card room lost approximately \$16,903.75. This conduct violated RCW 9.46.1961. Additionally, on January 6, 2015, January 20, 2015, and January 21, 2015, Ms. Eng and Ms. Ky conspired to cheat at the Macau Casino in Tukwila. Overall, Ms. Ky and Ms. Eng won approximately \$16,000 at the Chips Casino, and \$41,450 at the Macau Casino from wagers placed when prearranged and unshuffled decks were in play. Therefore, Rasy Eng has failed to establish clearly and convincingly that she is qualified to be licensed, in violation of RCW 9.46.153(1). By using un-shuffled cards to cause a loss to her employer, Ms. Eng pursued economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. As a result, there are grounds to revoke her license based on RCW 9.46.075(1), (2), (8), and (10), and WAC 230-03-085(1) and (8).

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III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

You have the right to a hearing. To have a hearing, or to settle the case, the Gambling Commission must receive the hearing request form back from you within 23 days. After we receive this form, we will call you about settlement options. If you do not return the form on time, your license may be revoked (taken away) and you cannot work. (RCW 34.05.440.)

IV.

I have read this Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding, know the contents of it, believe it to be true, and have executed this Notice in my capacity as Director of the Washington State Gambling Commission.

David Trujillo 3-19-2015
DAVID TRUJILLO, DIRECTOR (Date)

STATE OF WASHINGTON)
)
COUNTY OF THURSTON)

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 20 day of March, 2015.

Maurice R. P. [Signature]