

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the License)	NO. CR 2014-01399
and Certification to Conduct Gambling)	
Activities of:)	
)	
Kathleen R. Searls)	AMENDED NOTICE OF
Spokane, Washington,)	ADMINISTRATIVE CHARGES
)	OPPORTUNITY FOR
)	AN ADJUDICATIVE PROCEEDING
Licensee/Class III Employee.)	<i>(Amendments are in italics)</i>

I.

The Washington State Gambling Commission issued Kathleen R. Searls the following license and certification:

Number 68-22235, authorizing Card Room Employee activity currently with Aces Casino; and

Number 69-17210, authorizing Class III Employee activity formerly with the Northern Quest Casino.

The license and certification expire on June 10, 2015, and were issued subject to Ms. Searls' compliance with the Kalispel Tribal/State Compact, and state gambling laws and rules.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Kalispel Tribal/State Compact, Chapter 9.46 RCW, and WAC Title 230.

SUMMARY:

On July 6, 2014, Kathleen R. Searls took \$100 in cash from an off duty card room employee. Initially, she said she put it in the bartender's purse, but did not. Five days later, she returned the money. *On September 24, 2014, charges were filed against Ms. Searls for Theft in the Third Degree.*

FACTS:

1) On July 8, 2014, a Washington State Gambling Commission Special Agent (agent) was assigned to Kathleen Searls' file after receiving information from the General Manager at Lilac Lanes and Casino stating that Kathleen Searls had taken money from an off duty card room employee on July 6, 2014, and then denied having taken the money.

Ms. Searls has since been terminated from the Northern Quest Casino, but she still has an active Class III Certification and a Card Room Employee license to work at Aces Casino.

2) On July 10, 2014, the agent went to Lilac Lanes Casino to meet with the General Manager. The General Manager provided the agent with a written statement from the bartender. The bartender stated that she witnessed Ms. Searls “yank” money from Mr. Geissler’s hand and put it in her purse.

3) The surveillance video shows Mr. Geissler, an off duty employee, standing by the Emperors Challenge Pai Gow (ECPG) table talking with the bartender and another male. Mr. Geissler had something in his right hand and moved it to his left hand with his drink, presumably money. Ms. Searls was sitting at the ECPG table, reached over and took the money out of his hand. She then sat on the money. When Mr. Geissler and the bartender did not appear to be looking Ms. Searls shoved the money into her purse. Mr. Geissler continued to talk and when he was done, he reached out his hand to Ms. Searls with his palm up. Ms. Searls stood up and looked around, then put her palms up and looked around. Mr. Geissler went to the bar and talked with the bartender. Security showed up but Ms. Searls was gone.

4) On July 11, 2014, the agent interviewed Mr. Geissler at Lilac Lanes. He stated that on July 6, 2014, he was standing by the ECPG table and pulled out five \$20 bills for \$100 from his wallet. Ms. Searls reached out and took it out of his hand. When he turned to ask for it back, she stated that she put it in the bartender’s purse. The bartender stated she did not have it or even a purse with her. By the time he got back to Lilac Lanes Casino, Ms. Searls was gone. He messaged Ms. Searls with his phone but she did not reply. He messaged her the next morning and she said it was a joke. He asked if he could get it back and she said she would bring it to him, but that did not happen. He continued to message her and as the days went by he even offered to go where she was to pick it up. After five days, she finally came into Lilac Lanes and gave the money to the poker manager who then gave the \$100 to Mr. Geissler.

5) The agent interviewed the poker manager. He stated that on July 11, 2014, Ms. Searls came into Lilac Lanes Casino and sat down at the ECPG table. He saw her, approached her, and asked if she had the money for Mr. Geissler. Ms. Searls said yes and gave him five \$20 bills.

6) The agent reviewed the text messages from Mr. Geissler’s Facebook account. On July 6, 2014, Mr. Geissler sent Ms. Searls four messages; however, she never replied. On July 7, 2014, he sent her a message and she replied, “M it’s in my purse I’ll bring it to u today” [sic]. They exchanged several messages back and forth. On July 8, 2014, he sent her a message saying, “You never brought it by.” After several other messages, she replied, she “forgot” and was going to a BBQ and would let him know when she got back. On July 9, 2014 and July 10, 2014, they exchanged more messages. On July 11, 2014, she dropped off the money at Lilac Lanes Casino.

7) On July 23, 2014, the agent conducted a phone interview with the bartender. She stated that she had written the statement on July 6, 2014. She said she was in Lilac Lanes casino talking with a customer when Mr. Geissler came in and she began talking to him.

Mr. Geissler pulled some money out of his pocket. She saw a \$20 bill. Ms. Searls “yanked” it from his hand and put it in her purse and continued to talk as if nothing happened. Ms. Searls told Mr. Geissler that she put the money in the bartender’s purse. The bartender called security.

8) On July 25, 2014, Ms. Searls called and agreed to come in for an interview with the agent on July 28, 2014, but failed to show up.

9) *On September 24, 2014, charges were filed in the Municipal Court of Spokane for Theft in the Third Degree.*

VIOLATIONS:

1) Kalispel Tribal/State Compact

Section V.C. of the Tribal-State Compact states the State Gaming Agency¹ may revoke, suspend or deny a State certification for any reason it deems to be in the public interest. These reasons shall include when the holder of certification:

V.C.1. Is determined to be a person who because of prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities used in the conduct of the gaming activities permitted pursuant to this compact.

V.C.2. Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal-State Compact.

V.C.4. Has demonstrated a willful disregard or failed to comply with the requirements of any gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of a gaming license.

2) RCW 9.46.075 Denial, suspension, or revocation of certification, 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.

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

¹ Washington State Gambling Commission, as referred to in the Kalispel Tribal/State Compact.

(9) Provides the Commission may revoke any license when the licensee is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4) of this section.² PROVIDED, That at the request of an applicant for an original license, the commission may defer decision upon the application during the pendency of such prosecution or appeal.

3) 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.

4) 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 September 24, 2014, charges were filed in the Municipal Court of Spokane for Theft in the Third Degree against Kathleen R. Searls for taking money from an off duty card room employee at Lilac Lanes and Casino. Ms. Searls' actions demonstrate that she 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. Ms. Searls has failed to establish by clear and convincing evidence that she is qualified for licensure, as required by RCW 9.46.153(1). As a result, there are grounds to revoke Kathleen R. Searls' license and certification based on the Kalispel Tribal/State Compact, RCW 9.46.075(1), (8), and (9) and WAC 230-03-085(1) and (8).

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² RCW 9.46.075(4): *Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.*

III.

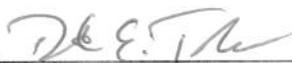
Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

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 *Amended* 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.

Dated 10/12/2014

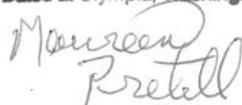


DAVID TRUJILLO, DIRECTOR

STATE OF WASHINGTON)
)SS
COUNTY OF THURSTON)

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, 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 13 day of October, 2014



Communications and Legal Department
Washington State Gambling Commission