

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation)
Of the Class III Certification)
to Conduct Gambling Activities of:)
David Russell,)
Bellingham, Washington,)
Certified Employee.)
_____)

No. CR 2009-00004

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

I.

The Washington State Gambling Commission issued David Russell of Bellingham the following Class III Employee certification:¹

- 69-20826, Authorizing Class III Employee Activity, for the Upper Skagit Tribe.

The certification expires on April 5, 2009, and was issued subject to the certified employee's compliance with state gambling laws and rules and the Upper Skagit Tribal-State Compact.

II.

David Trujillo, Assistant Director of the Washington State Gambling Commission, charges the Certified Employee with the following violations of the Washington State Gambling Act, 9.46 RCW, WAC Title 230 and the Upper Skagit Tribal-State Compact:

- On December 26, 2008, the licensee, as manager at the Skagit Valley Casino (casino), issued a "comp" to a patron, by falsifying a player rating slip to the players account.
- Managers at the Casino are permitted to provide complimentary meal vouchers to players up to a maximum of 10% of their actual daily loss. On December 26, 2008, Mr. Russell issued an \$18 comp to Kendra Kelly despite her not having played that day, and he falsified a player rating slip to show that she had lost \$200, when in fact she had no losses. This is fraud, and a violation of Skagit Valley Casino's internal controls.
- Mr. Russell admitted to having issued un-earned comps to Ms. Kelly on one or two occasions before December 26.
- Mr. Russell was initially informed that his tribal gaming license would be revoked. After a hearing on February 11, 2009, Mr. Russell's tribal license was suspended for six months by the Upper Skagit Indian Tribe, for committing fraud and not following the Casino's internal controls, a violation of WAC 230-15-425(2) and the Upper Skagit Tribal-State Compact.

¹ Class III Employee certification is issued to employees working at Tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may convert their certification to a CRE license.

Therefore, grounds exist to suspend David Russell's Class III Certification under RCW 9.46.075(1), WAC 230-03-085(1), WAC 230-15-425, RCW 9.46.153, RCW 9.46.190, RCW 9.46.196 and the Upper Skagit Tribal-State Compact.

The Upper Skagit Tribal-State Compact provides at Section VC(1):The State Gaming Agency may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075 and rules promulgated there under for any reason or reasons it deems to be in the public interest including if a person's reputation, habits and associates pose a threat to the effective regulation of gaming, or;

The Upper Skagit Tribal-State Compact provides at Section VC(3): where the person demonstrates willful disregard for compliance with gaming regulatory authority.

RCW 9.46.075 Suspending or revoking a license or permit

The Commission may 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:**

(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.

WAC 230-03-085 Suspending or revoking a license or permit

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

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

WAC 230-15-425 Internal controls

(2) Licensed card room employees must follow the internal control procedures for their individual functions.

RCW 9.46.153 Applicants, licensees-Responsibilities, and duties-Waiver of liability- Investigation statement as privileged states:

(1) 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.

RCW 9.46.190 Violations relating to fraud or deceit states:

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

III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230 and the Upper Skagit Tribal-State Compact .

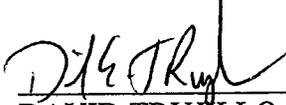
The certified employee will have the opportunity to have a hearing on the alleged violations.

In order to have a hearing or discuss settlement options, the enclosed REQUEST FOR HEARING must be COMPLETED AND RETURNED to the Gambling Commission *within 23 days* from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return this document will result in the entry of a default order REVOKING your certification.

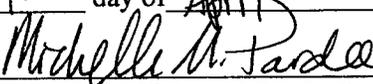
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

David Trujillo, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Assistant Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.



DAVID TRUJILLO,
ASSISTANT DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 12 day of April, 2009.



NOTARY PUBLIC in and for the State of
Washington residing at Lacey
My commission expires on June 15, 2009

