STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of the license to Conduct Gambling Activities of:	))))))))))))	No. CR 2009-01128 ***AMENDED* NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING** *(Amendments appear in italics)*
Lisa Terry Everett, Washington, Licensee.		

I.

The Washington State Gambling Commission issued Lisa Terry of Everett the following Class B license:

- 68-14364, Authorizing Card Room Employee activity, formerly at the Great American Casino.

The license expires on July 1, 2010, and was issued subject to the licensee's compliance with state gambling laws and rules.

II.

Rick Day, 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.

On July 21, 2009, the licensee, then a supervisor at the Great American Casino, redeemed points she earned by falsifying player rating slips to her own "Sonoma" player's account.

- Sonoma is a point based player reward computer system. A player receives points while playing house banked card games. The more wagered and played, the more points received. Points are redeemed for merchandise and food at the card room via points redeemed by the on-duty supervisor.
- On July 21, 2009, Ms. Terry redeemed a food reward. Ms. Terry's reward points resulted from her having logged on to the Sonoma system. Ms. Terry input playing time on a table that was not open for gaming, on which she was not playing, and while she was on duty at work. This is called "pumping points," which is fraud, and is a violation of Great American's internal controls.
- Ms. Terry admitted to pumping her points on other occasions prior to July 21, 2009. She admitted to pumping herself approximately 22,000 points over the period of one month. Ms. Terry redeemed points for three packs of cigarettes and food on three occasions. Sonoma and

card room records reflect multiple occasions when Ms. Terry was logged on to the system as a player when she was, in fact, on the clock working.

- Ms. Terry was terminated by Great American Casino for committing fraud, and not following the card room's internal controls, a violation of WAC 230-15-425(2). Therefore, grounds exist to suspend or revoke Lisa Terry's license under RCW 9.46.075(1) *& (10)*, WAC 230-03-085(1), WAC 230-15-425, RCW 9.46.153, RCW 9.46.190, and RCW 9.46.1961.

RCW 9.46.075 Suspending or revoking a license or permit states:
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:
(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.

(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.

WAC 230-03-085 Suspending or revoking a license or permit states:
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:
(The following subsection applies.)

(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) states:
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 (1) states:
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:
(The following subsections apply.)

(1) Employ any device, scheme, or artifice to defraud; or
(2) Make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made not misleading, in the light of the circumstances under which said statement is made; or
(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;
Shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.02.021.

RCW 9.46.1961 Cheating in the First Degree states:
(The following subsections apply.)

(1) A person is guilty of cheating in the first degree if he or she engages in cheating[1] 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.

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[1] RCW 9.46.196 **Cheating Defined** - (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.

III.

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

The licensee 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 license.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

Rick Day, 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 *Director* of the Washington State Gambling Commission, and in that capacity has executed said Notice.

MICHE[illegible] PARDEE
COMM[illegible] EXPIRES
[illegible]RY
PUBLIC
JUNE 16, 2013
STATE OF WASHINGTON

Rick Day
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me this 7th day of December, 2009.

Michelle M Pardee
NOTARY PUBLIC in and for the State of Washington residing at Lacey
My commission expires on June 16, 2013

STATE OF WASHINGTON)
)SS
COUNTY OF THURSTON)

I hereby cert[illegible] this day served a copy of the document upon all parties of recor[illegible] copy thereof properly addressed with pos[illegible] party to the proceedi[illegible]

Dated at O[illegible] 7th [illegible] Dec. 2009

[illegible]
Communications and Legal Department
Washington State Gambling Commission