

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the )  
License to Conduct Gambling Activities of: ) No. CR 2009-00283  
)  
Lilia Valley, )  
Seattle, Washington, ) **NOTICE OF ADMINISTRATIVE**  
) **CHARGES AND OPPORTUNITY FOR**  
Licensee. ) **AN ADJUDICATIVE PROCEEDING**  
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I.

The Washington State Gambling Commission issued Lilia Valley the following license:

Number 68-04250, Authorizing Card Room Employee Activity formerly for Skyway Park Bowl in Seattle.

This license expires on February 10, 2010, and was issued subject to the licensee's compliance with state gambling laws and regulations.

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

II.

David Trujillo, Assistant 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:

1) In February 2009, a Commission Special Agent (agent) began a compliance inspection at Skyway Park Bowl (Skyway). The agent discovered 40 altered Fill and Credit Request Forms<sup>1</sup> and Fill Slips<sup>2</sup> (forms).

1 A "Fill and Credit Request Form" is a duplicate form that a floor supervisor fills out to request funds from the cashier's cage for a gaming table. A security guard takes the original to the cashier cage, and the duplicate remains at the gaming table until the funds arrive.

2 A "Fill Slip" is a numbered, triplicate form that the cage cashier fills out when he/she receives an original "Fill and Credit Request Form." A security guard and surveillance verify the amount on the "Fill and the Credit Request Form" and the "Fill Slip" are the same. The security guard returns to the gaming table with the funds and the original and duplicate of the "Fill Slip." The cage cashier keeps the original "Fill and Credit Request Form" and the triplicate of the "Fill Slip" is kept in a locked dispenser in the cashier cage. Once the gaming table receives the funds, the dealer and the floor supervisor verify the amount and sign the "Fill Slip." The dealer places the duplicate "Fill Slip" in a drop box on the gaming table and the security guard returns the original "Fill Slip" to the cashier's cage. The cage cashier attaches together the original "Fill Slip" and the original "Fill and Credit Request Form."

- 2) The dates of the altered forms were between February 2007 and January 2009. The agent noticed that the dollar amount on each original form was altered to show \$1,000 more than the duplicate and triplicate copy of the same form. Lilia Valley, licensee and swing shift cage cashier at Skyway, signed 36 of the 40 altered forms. Day shift cage cashiers signed the other four altered forms.
- 3) On March 2, 2009, the agent reviewed the Surveillance Activity Logs (SAL) for the dates of the altered forms. The SAL is used by surveillance to document the amount of the fill. The agent compared the amounts listed on the SAL to amounts on the altered forms. The amounts did not match and confirmed that the licensee altered the forms after the fill procedure was complete.
- 4) The agent reviewed the cage records that the licensee prepared at the end of the business day (Closure)<sup>3</sup> for the dates that the forms were altered. The Closure has a section that records the total fill amounts performed that day. Because the licensee altered the fill form amounts, she also altered the total fill amount on the Closure record so that the totals would match.
- 5) The agent reviewed the Cage Access Log<sup>4</sup> for the dates that the forms were altered. On those days, the licensee worked the swing shift and was the only person in the cashier cage. This confirmed that the licensee was the only person who had access and the opportunity to alter the forms, including the four altered forms signed by day shift cage cashiers.
- 6) On March 10, 2009, David Pardey, owner of Skyway, spoke by telephone to the agent and told him that James E. Gray, Comptroller at Skyway, confessed to stealing approximately \$48,800 from Skyway from February 2007 through January 2009, and he told the licensee to alter the forms.
- 7) On March 11, 2009, the agent interviewed Mr. Gray, and he told the agent the following:
  - a) He was responsible for the theft of approximately \$48,800 from Skyway and the licensee just did what he told her to do.
  - b) He took money from Skyway to pay back Roman Casino for NSF checks he wrote to Roman Casino. He still owed approximately \$29,000 to Roman Casino for the NSF checks.
  - c) He told a cage cashier that he needed cash to refill the ATM. The cage cashier gave him the money, which he kept. He kept track of the money taken on an envelope that remained in the cashier's cage. He instructed the cage cashiers to include the amount written on the envelope when they counted the money in the cashier cage.
  - d) He had the licensee alter the amount on the forms when he knew the cashier cage would be audited or if the balance on the envelope was close to the \$9,500 limit for the ATM. The altered forms covered the amount of money he had taken, but he never paid back any money to Skyway.
  - e) When the licensee questioned him about altering the forms, he told her that Mr. Pardey wanted to reduce the amount of taxes he pays.

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3 This cage record is prepared by the cage cashier and records the ending balance of currency, coin, and chips in the cashier cage.

4 This log documents the date, name, time in, time out, and purpose of the person who accessed the cashier cage.

- f) He asked the licensee if she could help him repay Skyway, and she said she could borrow money from a loan shark and her relative.
  - g) He was making monthly payments to the licensee and he owes her approximately \$42,000.
- 8) On March 12, 2009, the agent interviewed the licensee, and she told the agent the following:
- a) She knows the proper procedure to complete a fill request.
  - b) She initially denied altering the amount on the forms and said that the handwriting was not hers. After being told that Mr. Grey admitted to stealing the money and he had her to alter the forms, she admitted she altered one or two of the forms. She would not give an exact number of times she altered the forms. After she altered the forms, she changed the amount on the envelope kept in the cashier's cage.
  - c) She did what Mr. Grey told her to do. When she asked Mr. Grey why she needed to alter the forms, he told her it was to reduce the taxes paid by the casino.
  - d) She gave Mr. Gray \$10,000 that she borrowed from a loan shark. When the balance owed to the loan shark grew to approximately \$70,000, she got a loan from her sister and paid off the loan shark. Mr. Grey was making payments to her, which she gave to her sister.
  - e) Mr. Gray did not make a payment for March 2009.
- 9) The licensee said that she made false entries on casino forms because Mr. Grey told her it would reduce the taxes paid by Skyway. The licensee knew that altering the amounts on the forms to reduce the amount of taxes paid by Skyway was not the proper fill procedure. Because the licensee altered the forms, Mr. Grey was able to conceal his theft from Skyway.
- 10) The licensee made false entries on casino forms and knowingly aided another in violating state laws and gambling rules in violation of RCW 9.46.170 and RCW 9.46.180. By failing to report to Commission staff that Mr. Grey instructed her to alter forms, the licensee violated RCW 9.46.153(3). Additionally, the licensee's actions constitute fraud or deceit in violation of RCW 9.46.190.
- 11) The licensee's actions demonstrate that she is a threat to the effective regulation of gambling, creates, or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities. Therefore, the licensee has failed to prove by clear and convincing evidence that she is qualified for a gambling license under RCW 9.46.153(1).
- 12) Grounds, therefore, exist for the revocation of Lilia Valley's gambling license under RCW 9.46.075 (1), (2), and (8) and WAC 230-03-085 (1) and (8).

**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 subsection(s) 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.

**RCW 9.46.153 Applicants and licensees-Responsibilities and duties-Waiver of liability- Investigation statement as privileged.**

The following subsection(s) apply:

(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.

(3) All licensees, and persons having any interest in licensees, including but not limited to employees and agents of licensees, and other persons required to be qualified under this chapter or rules of the Commission shall have a duty to inform the Commission or its staff of any action or omission which they believe would constitute a violation of this chapter or rules adopted pursuant thereto. No person who so informs the Commission or the staff shall be discriminated against by an applicant or licensee because of the supplying of such information.

**RCW 9.46.170 False or misleading entries.**

Whoever, in any application for a license or in any book or record required to be maintained by the Commission or in any report required to be submitted to the Commission, shall make any false or misleading statement, or make any false or misleading entry or wilfully fail to maintain or make any entry required to be maintained or made, or who wilfully refuses to produce for inspection by the Commission, or its designee, any book, record, or document required to be maintained or made by federal or state law, shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

**RCW 9.46.180 Causing person to violate chapter.**

Any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any provision of this chapter shall be guilty of a class B felony subject to the penalty in RCW 9A.20.021.

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**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 subsection(s) 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.

**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, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization.

The following subsection(s) 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; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

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III.

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

You have an 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.

Under RCW 34.05.440, failure to respond to this document will result in the entry of a default order REVOKING your license.

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 this Notice.

David Trujillo  
David Trujillo, Assistant Director

SUBSCRIBED AND SWORN TO before me  
this 12<sup>th</sup> day of May, 2009.

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

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 12 day of May, 2009

Communications and Legal Department  
Washington State Gambling Commission

Margaret Probst

