

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the License)
to Conduct Gambling Activities of:) No. CR 2010-00463
)
Sophim Keth)
Spanaway, Washington,)
) **NOTICE OF ADMINISTRATIVE**
) **CHARGES AND OPPORTUNITY FOR**
Licensee.) **AN ADJUDICATIVE PROCEEDING**
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I.

The Washington State Gambling Commission issued Sophim Keth the following license: Number 68-06748, authorizing Card Room Employee activity, formerly at Golden Nugget Casino and currently at Wizards Casino and Goldie's Shoreline Casino.

This license expires on January 10, 2011, 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.

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:

SUMMARY:

Mr. Keth, while working as a Floor Supervisor at the Golden Nugget Casino, falsely rated players' wagers in the Sonoma Player Tracking System. As a result of Mr. Keth's actions, the players fraudulently accumulated a large number of points on the Sonoma system, which they redeemed at Golden Nugget Casino for gift certificates. Mr. Keth's actions resulted in his employer being defrauded.

FACTS:

1) Golden Nugget Casino in Tukwila uses a Sonoma Player Tracking System (Sonoma) to track what games customers play and the wagers made by the players. Each time a player gambles at Golden Nugget Casino, the Floor or Shift Supervisor "rates" the player and enters the following information into the Sonoma system: a) the game played; b) the buy-in amount; c) the player's average wager amount; d) the player's cash out amount; and e) the player's wins and losses.

2) While a player is logged into the system and placing wagers during a game, the player earns points. The card room issues certificates, or "comps," which the player can redeem for gift certificates, food comps, cigarettes, and other items. The longer the player is placing wagers and the higher the average wager, the more points the player receives. It is possible for the Floor or Shift Supervisor to log a player into the Sonoma system multiple times during the same time period. While a player is not able to play two different games at the same time, a player may be rated multiple times on one game by playing multiple hands on that game.

3) On April 1, 2010, the General Manager of Golden Nugget Casino contacted a Commission Special Agent (agent) and told the agent that he was terminating Sophim Keth for fraudulently rating players in the Sonoma system. Golden Nugget Casino terminated Mr. Keth on April 2, 2010.

4) The General Manager told the agent that on March 24, 2010, Mr. Keth, while working as a Floor Supervisor, rated Dara Sem and Chamroeun Sin at an average wager of \$20,000 per hand while playing Four Card Poker. This resulted in Mr. Sem and Mr. Sin receiving a large number of points, which the players then redeemed for gift certificates and food comps.

5) Under WAC 230-15-140, the wager for a single hand at a house-banked table game (such as Four Card Poker) may not exceed \$300. Therefore, it was not possible for Mr. Sem and Mr. Sin to have an average wager of \$20,000 per hand.

6) The agent reviewed the customer history report from the Sonoma system for Mr. Sem and Mr. Sin and found the following:

a) Mr. Sem was rated at an average wager above the legal limit of \$300 on the following dates:

- On March 13, 2010, he was rated on Four Hand Poker from 7:46 a.m. to 8:30 a.m. and again from 8:11 a.m. to 8:31 a.m. with an average wager of \$10,000. He was also rated on Baccarat from 8:10 a.m. to 8:31 a.m. with an average wager of \$10,000. This resulted in Mr. Sem receiving a large number of points.
- On March 24, 2010, he was rated on Four Hand Poker from 1:41 a.m. to 2:01 a.m. and again from 1:51 a.m. to 2:01 a.m. with an average wager of \$20,000. This resulted in Mr. Sem receiving a large number of points.

b) Mr. Sem redeemed points accumulated as follows:

- On March 15, 2010, for two \$100 Best Buy gift certificates.
- On March 29, 2010, for three meal comps totaling \$59, a \$50 card room gift certificate, and a \$100 card room gift certificate.

c) Mr. Sin was rated on March 24, 2010, on Four Hand Poker from 1:31 a.m. to 2:01 a.m. with an average wager of \$20,000. This resulted in Mr. Sin receiving a large number of points.

d) Mr. Sin redeemed points accumulated on March 29, 2010, for one \$50 card room gift certificate and one \$100 card room gift certificate.

7) Golden Nugget Casino's Director of Gaming Operations, Christy Francis, subsequently sent the agent the customer history report from the Sonoma system for Keomanyvanh Tong because on March 24, 2010, she was rated on Four Card Poker around the same times as Mr. Sem and Mr. Sin at an average wager of \$20,000.

8) The agent reviewed the report and found the following:

a) Ms. Tong was rated at an average wager above the legal limit of \$300 on the following dates:

- On March 15, 2010, she was rated on Four Card Poker twice from 8:02 a.m. to 8:22 a.m. and again from 8:01 a.m. to 8:22 a.m. and finally from 8:15 a.m. to 8:21 a.m. at an average wager of \$10,000. This resulted in Ms. Tong receiving a large number of points.

- On March 24, 2010, she was rated on Four Card Poker from 1:42 a.m. to 2:02 a.m. and again from 1:32 a.m. to 2:02 a.m. at an average wager of \$20,000. This resulted in Ms. Tong receiving a large number of points.

b) Ms. Tong redeemed points accumulated as follows:

- On March 16, 2010, for two \$100 Best Buy gift cards.
- On March 26, 2010, for two \$100 casino gift cards.

9) The agent reviewed surveillance video for March 24, 2010, from 1:29 a.m. to 2:09 a.m. and observed:

a) Mr. Keth at the podium where the Sonoma system is located between 1:43 a.m. and 2:00 a.m.

b) No one playing Four Card Poker from 1:28 a.m. to 1:49 a.m.

c) Mr. Sem, Mr. Sein, and Ms. Tong were not playing Four Card Poker at the times they were rated on Four Hand Poker with an average wager of \$20,000.

10) The agent reviewed Mr. Keth's timesheets and determined that he was working:

a) On March 13, 2010, when Mr. Sem was rated on Baccarat and Four Card Poker at an average wager of \$10,000.

b) On March 15, 2010, when Ms. Tong was rated on Four Card Poker at an average wager of \$10,000.

c) On March 24, 2010, when Mr. Sem, Mr. Sin, and Ms. Tong were rated on Four Card Poker at an average wager of \$20,000.

11) The agent interviewed Mr. Keth, and he told the agent:

a) He knew Mr. Sem for many years and Mr. Sin was a friend of Mr. Sem's.

b) He rated Mr. Sem and Mr. Sin on March 24, 2010.

c) He would not intentionally rate them at a \$20,000 average wager, and it must have been an accident.

d) He did not remember if he rated Mr. Sem at a \$10,000 average wager on March 13, 2010.

12) The agent met with Ms. Tong, and she told the agent:

- a) She did not know anyone who was inflating points for her or anyone else.
- b) She redeemed her points for two Best Buy gift certificates and two casino gift certificates.
- c) She did not know how she accumulated so many points to redeem them for high value items, and the agent should talk to the Floor Supervisor who rates her play.
- d) She did not know Mr. Keth or Mr. Sem very well.
- e) She and Mr. Sem have a child together but don't really see much of each other.
- f) She knew Mr. Keth from Golden Nugget Casino but did not "hang out" with him.
- g) All three of them lived together a couple of years ago but do not currently live together.
- h) She only plays Mini Baccarat or Pai Gow when she gambles and has only played Four Card Poker at another card room and never at Golden Nugget Casino.

13) After Ms. Tong's interview, the agent spoke to Mr. Keth on the telephone, and he told the agent:

- a) He previously lived with Mr. Sem and Ms. Tong about three years ago.
- b) He occasionally sees them at Golden Nugget.
- c) He did rate Mr. Sem and Mr. Sin on March 24, 2010, but it must be an accident that the average wagers were so high.
- d) Mr. Sem and Mr. Sin played Mini Baccarat and Pai Gow and he must have made a mistake when he rated them on the wrong game.

14) The agent met with Golden Nugget Casino's Shift Manager, Robinson Hok, who told the agent:

- a) He knew that Mr. Sem, Mr. Sin, and Ms. Tong were all friends.
- b) Mr. Sem and Ms. Tong were either married or dating.
- c) Ms. Tong is always with Mr. Sem when he comes into Golden Nugget.
- d) Mr. Keth was married to Mr. Sem's sister, but they are now divorced.
- e) He reviewed the surveillance video for March 24, 2010, from 1:29 a.m. to 2:09 a.m. and observed:
 - i. Mr. Sem, Mr. Sin, and Ms. Tong were not playing Four Card Poker at the times they were rated on that game.
 - ii. Mr. Sem and Ms. Tong were not seen at any of the house-banked card game tables at the times they were rated on Four Card Poker.
 - iii. Mr. Sin present, but he was not playing Four Card Poker. Mr. Sin was playing at the Emperor's Challenge Bonus Jackpot table.

iv. Mr. Keth talks to Mr. Sin while he is playing Emperor's Challenge Bonus Jackpot.

15) Mr. Keth caused players to fraudulently accumulate a large amount of points on the Sonoma system. The players then redeemed the fraudulently accumulated points for gift certificates, and in doing so, defrauded Golden Nugget Casino. Under RCW 9.46.190, Mr. Keth engaged in an act, practice or course of operation that operated as fraud or deceit upon Golden Nugget.

16) Mr. Keth's actions demonstrate that he knowingly caused, aided, abetted, or conspired with another to cause, any person to violate gambling rules and laws, and that he 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 a result of his actions, Mr. Keth has failed to establish by clear and convincing evidence that he is qualified for licensure, in violation of RCW 9.46.153. Therefore, grounds exist to revoke Sophim Keth's license under RCW 9.46.075(1), (8), WAC 230-03-085(1) and (8), and RCW 9.46.153.

VIOLATIONS:

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 is qualified in accordance with the provisions of this chapter.

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 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; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

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:

- (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 9.46.153(1) Applicants, licensees-Responsibilities, and duties-Waiver of liability- Investigation statement as privileged.

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.

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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.

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 a request for hearing 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.

Rick Day
RICK DAY, DIRECTOR

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

SUBSCRIBED AND SWORN TO before me
this 18 day of August, 2010.

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.

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

Dated at Olympia, Washington this 18th day of August, 2010
Michelle M. Pardee
Communications and Legal Department
Washington State Gambling Commission



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