

RECEIVED

FEB 07 2011

Office of Administrative Hearings  
Spokane

STATE OF WASHINGTON  
GAMBLING COMMISSION

ATTORNEY GENERAL  
OF WASHINGTON

FEB 11 2011

GOVERNMENT COMPLIANCE  
& ENFORCEMENT

RECEIVED

FEB 01 2011

GAMBLING COMMISSION  
COMM & LEGAL DEPT

In the Matter of the Revocation of the License )  
Conduct Gambling Activities of: )  
Eddie Williams )  
Spokane, Washington, )  
Licensee. )

NO. CR 2010-00470

SETTLEMENT ORDER

MAILED

FEB 09 2011

Office of Administrative Hearings  
Spokane

This Settlement Order is entered into between the Washington State Gambling Commission and Eddie Williams. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Lead Staff Attorney. The licensee is represented by Julie Twyford, Attorney at Law.

I.

The Washington State Gambling Commission issued Eddie Williams license number 68-24676, authorizing Card Room Employee activity, formerly at Lilac Lanes and Casino in Spokane. The Commission issued this license, which expires on January 15, 2011, subject to the licensee's compliance with state gambling laws and Commission rules.

II.

The Director issued a Findings of Fact, Conclusions of Law, and Order of Summary Suspension of License to Eddie Williams on May 21, 2010. On June 7, 2010, Commission staff received the licensee's Application for Hearing and Interpreter Request.

III.

The following is a summary of the facts and violations alleged in the Findings of Fact, Conclusions of Law, and Order of Summary Suspension of License:

**SUMMARY:**

Mr. Williams made untrue or misleading statements to Commission agents, conspired with other card room employees to violate Commission laws and rules, and caused a card room employee to erase surveillance video to cover up for Mr. Williams' false and misleading statements.

**VIOLATIONS:**

**1) RCW 9.46.075 Denial, suspension, or revocation of license.**

The commission may revoke any license 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 licensee: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions,

RECEIVED

CR 2010-00470

FEB 14 2011

GAMBLING COMMISSION  
COMM & LEGAL DEPT

FEB 11 2011

GOVERNMENT COMPLIANCE  
& ENFORCEMENT

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; or  
(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; or  
(7) Makes a misrepresentation of, or fails to disclose, a material fact to the commission; or  
(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter.

**2) WAC 230-03-085 Denying, suspending, or revoking an application, license or permit.**  
We may revoke any license when the licensee:

(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.

**3) 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.

**4) 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.

**5) RCW 9.46.185 Causing person to violate rule or regulation.**

Any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any rule or regulation adopted pursuant to this chapter shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

**6) WAC 230-15-319 Retaining video recordings.**

(1) Class F and house-banked card game licensees must label video recordings and audio recordings, as required, to identify the activities recorded.

(2) Licensees must keep:

(a) All recordings for seven gambling days, for example, Monday's gambling day recording may

RECEIVED

FEB 11 2011

GAMBLING COMMISSION  
COMM & LEGAL DEPT

- be recorded over on Tuesday of the following week; and
- (b) Recordings documenting jackpot pay outs for at least thirty days:
  - (i) For player supported jackpots, retain recordings of jackpots of five hundred dollars or more; and
  - (ii) For house-banked games, retain recordings of jackpots of three thousand dollars or more; and
  - (c) Recordings of evidentiary value for as long as we request.
- (3) We may increase these retention requirements by notifying licensees.

**7) 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.

Mr. Williams made false and misleading statements to agents when he said Ms. Cawley did not have access to the ATM funds and the cage cashier's usual procedure is to put the ATM money into the upper safe.

Mr. Williams made untrue statements, or omitted to state a material fact necessary in order to make the statement made not misleading, in violation of RCW 9.46.190.

Mr. Williams conspired with Ms. Cawley to have the Confidential Informant (CI) destroy surveillance video of Ms. Cawley putting a bank bag into the upper safe to cover up for false and misleading statements they made to agents. By ordering the CI to delete surveillance video, Mr. Williams caused the CI to violate WAC 230-15-319.

Mr. Williams poses a threat to the effective regulation of gaming, or increases the likelihood of unfair or illegal practices as demonstrated by his false statements to agents and causing employees of Lilac Lanes to delete surveillance video to cover up for his false statements to agents.

Mr. Williams' actions caused employees of Lilac Lanes to violate gambling laws and rules in violation of RCW 9.46.180 and RCW 9.46.185.

Mr. Williams has failed to establish clearly and convincingly that he is qualified to be licensed, as required by RCW 9.46.153(1). As a result, there are grounds to revoke Mr. Williams' license based on RCW 9.46.075(1), (2), (7), and (8), and WAC 230-03-085(1) and (8).

IV.

The licensee acknowledges that he received and read the Notice of Administrative Charges issued in this case, and understands the facts and violations alleged in it. The licensee denies the allegations in this Settlement Order, but has waived his right to a hearing, based on the terms and conditions of this Settlement Order. The licensee further agrees to the following sanctions:

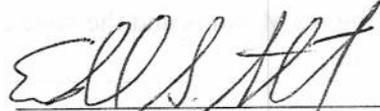
**1) Eddie Williams shall surrender his gambling license, effective January 31, 2011.** Mr. Williams' license was summarily suspended on May 21, 2010, and Commission staff is in

possession of his gambling license.

2) In the event Eddie Williams reapplies for a gambling license, he will be subject to all the Commission's investigative procedures for processing an application for a gambling license. Furthermore, no promises or assurances have been made to Mr. Williams that he will receive a license from the Commission should he reapply.

3) Eddie Williams shall have no ownership or financial interest, whether paid or unpaid, in any business in Washington State which is applying for, or holds, a gambling license or is involved with any gambling activity, including punchboard/pull-tab activity. However, this does not prevent Mr. Williams from working for a licensed operator in any capacity in any non-gambling activity, such as employment in restaurants located in establishments engaged in authorized gambling activity.

DATED this 8<sup>th</sup> day of February, 2011.

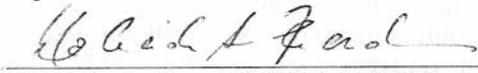
  
Administrative Law Judge  
Edward S. Steinmetz  
APPROVED AS TO FORM:

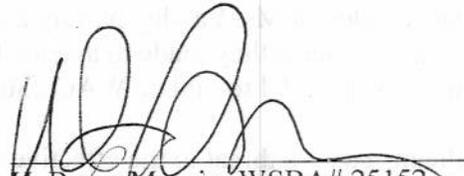
APPROVED FOR ENTRY:

By the signature below, the licensee understands and accepts the terms and conditions of this Order.

  
Eddie Williams (Date) 1/27/11  
Licensee

  
Julie Twyford, WSBA# 9497 (Date) 1/27/11  
Attorney representing Eddie Williams

  
Melinda A. Froud, WSBA# 26792  
Lead Staff Attorney  
Washington State Gambling Commission

  
M. Bruce Marvin, WSBA# 25152  
Assistant Attorney General,  
Representing the Washington State  
Gambling Commission