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GAMBLING COMMISSION
COMM & LEGAL DEPT

In the Matter of the Revocation of the License to)
Conduct Gambling Activities of:)
)
Paul V. Botting)
Renton, Washington,)
)
Licensee.)
_____)

NO. CR 2011-00996

SETTLEMENT ORDER

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The Washington State Gambling Commission and the licensee, Paul V. Botting, agree to this Settlement Order to resolve the administrative charges pending against the licensee. Stephanie U. Happold, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. Mr. Botting is represented by his Attorney, Thomas R. Kamb.

I.

The Washington State Gambling Commission issued Paul V. Botting license number 68-13942, authorizing Card Room Employee activity, formerly at Palace Casino in Lakewood.

The Commission issued this license, which expires on April 10, 2012, subject to the licensee's compliance with state gambling laws and Commission rules.

II.

On November 7, 2011, the licensee was served with a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding. On November 21, 2011, Mr. Botting requested an Administrative Hearing.

III.

The following summary of facts and violations were alleged in the Notice of Administrative Charges:

On September 7, 2011, the licensee, Paul V. Botting, was charged with one count of Cheating in the Second Degree. The charges are currently pending. The Lakewood Municipal Court issued a bench warrant for \$5,000 on September 27, 2011, for the licensee's failure to appear in court as directed.

Therefore under RCW 9.46.075(1), (8), (9), and (10), and WAC 230-03-085(1) and (8), grounds exist to revoke Paul V. Botting's license.

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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.

(8) Fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

(9) Is subject to current prosecution or pending charges, or a conviction, which is under appeal, for any of the offenses included under subsection (4)¹ of this section: PROVIDED, That at the request of an applicant for an original license, the commission may defer decision upon the application during the pendency of such prosecution or appeal.

(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 Denying, suspending, or revoking an application, license or permit

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

(The following subsections apply.)

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¹ RCW 9.46.075(4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.

(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 9.46.1961 Cheating in the First Degree

(1) A person is guilty of cheating in the first degree if he or she engages in cheating² 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.

RCW 9.46.190 Violations Related 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) Employs 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.20.021.

WAC 230-15-335 Internal Controls

Class F licensees must establish internal controls that ensure gambling activities are closely controlled and operated fairly.

(1) The internal controls must require, at a minimum:

(a) Trained personnel; and

(b) Segregation of duties for all employees involved in the operation; and

(c) Fee collection and funds safeguarding procedures; and

(d) Playing card and chip inventory.

(2) Licensees must inform their card room employees of the internal controls related to the employees' respective areas of responsibility.

(3) Licensees and all card room employees must follow the internal controls at all times.

² **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.

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.

IV.

Mr. Botting requested a hearing in this matter, but has waived his right to a hearing, based on the terms and conditions of this Settlement Order and further agrees to the following:

1) **Paul V. Botting shall surrender his gambling license. The license and the signed Settlement Order must be received by Commission staff on or before April 13, 2012, and mailed to Commission Headquarters at the following address:**

Washington State Gambling Commission
Attention: Communications and Legal Division
P.O. Box 42400
Olympia, WA 98504-2400

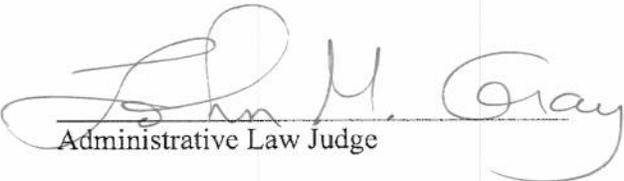
Or delivered (in person or via private courier) to the following address:

Washington State Gambling Commission
4565 7th Avenue SE; Fourth Floor
Attention: Communications and Legal Division Lacey, WA 98503

2) In the event Mr. Botting reapplies for a certification or 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. Botting that he will receive a certification or license from the Commission should he apply.

3) Mr. Botting shall have no involvement directly or indirectly, whether paid or unpaid, in the operation, ownership, or financing of any business in Washington State which is applying for, or holds, a gambling license or permit or is involved with any gambling activity, including punchboard/pull-tab activity. However, this does not prevent Mr. Botting from working in any non-gambling activity, such as employment in restaurants located in establishments engaged in authorized gambling activity.

DATED this 10 day of May, 2012.


Administrative Law Judge

By his signature, the licensee

Understands and accepts the terms
And conditions of this Order

APPROVED FOR ENTRY:

 4-23-12
Paul V. Botting (Date)
Licensee

APPROVED AS TO FORM:

 4/26/12
Stephanie Hapold, WSBA# 38112
Assistant Attorney General,
Representing the Washington State
Gambling Commission

 4-19-12
Thomas R. Kamb, WSBA #16944 (Date)
Representing the licensee


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