

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of )  
the License to Conduct Gambling Activities of: )  
)  
)  
Qiang Li, )  
Everett, Washington, )  
)  
Licensee. )

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NO. CR 2011-01314

**NOTICE OF ADMINISTRATIVE  
CHARGES AND OPPORTUNITY  
FOR AN ADJUDICATIVE  
PROCEEDING**

I.

The Washington State Gambling Commission issued Qiang Li the following license:

Number 68-03743, authorizing Card Room Employee activity with Drift on Inn in Shoreline.

This license expires on October 31, 2012, and was issued subject to Mr. Li's compliance with state gambling laws and regulations.

II.

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

III.

Rick Day, Director of the Washington State Gambling Commission, charges the licensee with the following violation(s) of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230.

**SUMMARY:**

On Saturday, October 15, 2011, Qiang Li wrote a check for \$9,000. On Sunday, October 16, 2011, he asked a dealer at the poker podium to hold the check because he did not have funds in his bank account. Previously, Mr. Li wrote checks with non-sufficient funds between April and August of 2011.

**FACTS:**

- 1) On October 20, 2011, a Washington State Gambling Commission Special Agent (agent) received an e-mail from Qiang Li, assistant poker supervisor at Parkers Sports Bar & Casino, about the surveillance recording for Monday, October 17, 2011, from 09:00 hours to 22:00 hours that the agent had requested.

- 2) The agent called Mr. Li as requested in his e-mail. Mr. Li stated that there was something that the agent might see on the surveillance that he did wrong. He said that he bought his check back at the podium on Monday. I asked him how much the check was for, and he said \$9,000. He said that he went crazy playing all weekend from Saturday to Monday. He said that on Sunday sometime he wrote a check to Parker's Sports Bar & Casino for \$9,000. The agent asked him if he had the money in his account, and he said he did not think he did so. That was why he asked Parker's Sports Bar & Casino to hold the check. He said he paid it back on Monday.
- 3) The agent asked him if he has done this before and he said, "Yes, I have had several non-sufficient funds checks." Mr. Li told the agent he did not have any checks outstanding at the time, and he did not currently owe Parker's any money. Mr. Li told the agent that he was having such a problem he went to Mark Jones, Accounting Manager, and asked that none of his checks be cashed without Mr. Jones' approval. Mr. Li said Mr. Jones was out of town the weekend he wrote the check for \$9,000.
- 4) On October 21, 2011, the agent went to Parker's and reviewed the Non-Sufficient Funds (NSF) check log kept in the cage. The agent reviewed entries from November 11, 2010 to current. Mr. Li had ten NSF checks from April 15, 2011, to current. Under the "Date Deposited" column there were several entries stated "bonus" or "payroll." Parker's Sports Bar & Casino allowed Mr. Li to pay back his NSF checks with his bonus.
- 5) Mr. Li's bonus for poker was dependent on the poker rake<sup>1</sup> for the month. Mr. Jones provided copies of the breakdown for the poker employees that receive bonuses. Mr. Li was eligible to receive the following bonuses before any deductions according to the schedule for 2011:
  - February - \$7,437;
  - March & April - \$6,617;
  - May - \$6,103;
  - June - \$5,530;
  - July - \$6,949;
  - August - \$6,164.
- 6) The agent reviewed the surveillance. The surveillance was a general overview of the poker area, and it was hard to see any detail of activity occurring as far as financial transactions at the poker podium.
- 7) The agent asked Mr. Jones where they kept their NSF checks. He stated they don't keep them after they are paid off. He said they give them back to the customer. He said that they do take copies of all of the checks that are cashed, even if they are not NSF. The agent asked Mr. Jones for copies and he provided the agent with a folder with several checks from April 2011 to September 2011. There were also checks from October as enclosed as well. The agent reviewed the folder for checks:

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<sup>1</sup> Poker Rake – The "rake" means the fees collected by the casino for play in a poker game. It is based on the amounts wagered by the players during a given hand of poker.

- April 2011 – Mr. Li cashed eight checks, for a total of \$3,200. Five of the eight checks were NSF in April.
- May 2011 – Mr. Li cashed seven checks, for a total of \$9,500. None of these checks were NSF, although three of the checks were an extension of credit by Parker's due to the previous outstanding NSF checks that were not paid.
- June 2011 – Mr. Li cashed seventeen checks. Two were NSF, for a total of \$25,910 cashed.
- July 2011 – Mr. Li cashed two checks for a total of \$6,000. These checks were not NSF.
- August 2011 – Mr. Li cashed ten checks. Three were NSF, for a total of \$24,000.
- September 2011 – Mr. Li cashed one check in the amount of \$3,000.
- October 2011 – Mr. Li cashed one check for the amount of \$500.

The total for the six month period reviewed was \$72,110.

- 8) On November 2, 2011, the agent requested a list of employee advances for January 1, 2011, to November 2, 2011. Mr. Jones sent a spreadsheet copy in an attachment via e-mail. Mr. Li also received employee advances from Parker's Sports Bar & Casino for the months of January 2011 to October 2011 which totaled \$43,770. It is unknown if any of this has been paid back.
- 9) Mr. Li had an outstanding check balance of \$2,600 when he wrote the following checks to Parker's Sports Bar & Casino:
  - Check #2261 on May 14, 2011, in the amount of \$3,000;
  - Check #2263 on May 18, 2011, in the amount of \$3,000; and
  - Check #2264 on May 19, 2011, in the amount of \$200.
- 10) On January 12, 2012, the agent spoke with Tad, the previous surveillance manager at Parker's Sports Bar & Casino. The agent showed him the surveillance and he said he could not be sure that Mr. Li was on the surveillance video. The agent asked if there was someone that he could trust that works with Mr. Li and he mentioned a cashier named Susie Weckworth.
- 11) On January 26, 2012, the agent interviewed Ms. Weckworth by phone. She told the agent that she works at Parker's Sports Bar & Casino as a cage cashier on Saturday, Sunday and Monday from 9:30 AM to 6:00 PM. She works at Red Dragon as well. The agent asked her if she gambles at all and she says that sometimes she plays housebanked games, but not very often.
- 12) The agent asked her when paydays at Parker's Sports Bar & Casino were, and she told the agent the 5<sup>th</sup> and the 20<sup>th</sup> of the month. The agent also asked her who the current poker manager was, and she said Charlie Li. She said that Steven Keyes and Nathan Nguyen also help out. She said that all of them gamble on and off duty.

- 13) Ms. Weckworth said that both Mr. Li and Mr. Nguyen cash checks a lot. She stated that Mr. Li has a gambling problem. He goes several days gambling non-stop. Ms. Weckworth said that Mr. Li goes through waves where he writes a whole bunch of checks one week, and then he goes a month without writing any. She said he writes an average of one or two checks a week that she knows of. The agent asked her if Mr. Li has ever asked her to hold a check. She said that he had at least once, but she could not remember the exact day.
- 14) The agent asked Ms. Weckworth the last time she accepted a check from Mr. Li, which was January 22, 2012. She said she came into work and there were three checks from the night before waiting in the cage for her from him. They were dated January 21, 2012, in the amounts of \$2,100, \$500, and \$400, for a total of \$3,000. Ms. Weckworth said that he is on the VIP check cashing list and is allowed to cash up to \$3,000 in checks in one day. She said there was another check post-dated for the current date that was waiting at the cage, as well, for \$2,100. She was uncomfortable cashing it because it was over the \$3,000 limit for one day. Ms. Weckworth said that Mr. Li had been playing poker all night and into the morning.
- 15) Ms. Weckworth said that the situation is uncomfortable because Mr. Li and Mr. Nguyen are supervisors and the only ones on duty at the time. Ms. Weckworth said that Mr. Li used to have a limit of \$5,000, but it has dropped to \$3,000 because he had several NSF checks. The agent asked her if Mr. Li ever brought cash to the cage in order to pay for the NSF checks, and she said he has not. She said that he usually just figures it out with Mark Jones. The agent asked if she would be willing to write a statement, and she agreed.
- 16) On January 26, 2012, agents interviewed Mr. Li at the Everett field office. An agent told Mr. Li that he was free to leave at any time. The following is a summary of the interview:
- Mr. Li said he didn't know why he was asked to come in. He said he has been working at Parker's Sports Bar & Casino since the end of 2003, and he is the assistant poker manager. Mr. Li said that he takes care of the Internal Control changes, helps out with anything Mr. Nguyen needs and he also is a floor supervisor Fridays, Saturdays, and Sundays. The agent asked him who the poker manager was, and he said Nghi (Nathan) Nguyen.
  - Mr. Li said that he gets his bonuses on the 15<sup>th</sup> of every month from the prior month. He says that sometimes they are given earlier than that, but the 15<sup>th</sup> is the latest they receive it. He makes and he said that he makes about \$4,500 a month, plus his bonus, which is 4.75% of the net poker rake for the month. The agent asked if he plays poker on or off duty and he said, "both." Mr. Li said he usually only plays at Parker's Sports Bar & Casino.
  - Mr. Li said he writes checks "only if he needs to." If he loses all the cash in his pocket, he would need to write a check. He said he writes checks sometimes a lot, but wasn't sure exactly how often. The agent asked Mr. Li who accepts the checks. He said sometimes the dealer or floor supervisor at the poker podium accepts the checks, and sometimes he takes them to the cage. Mr. Li asked someone to hold a check for him once in October. The agent asked Mr. Li who held the check for him, and he said Justin Hsu

and Nathan Nguyen. Mr. Li said he didn't have the money in the bank but knew the check wouldn't cash for a few days.

- The agent asked Mr. Li if there were any other times he wrote checks where he knew he didn't have the money in his bank account. Mr. Li said sometimes he knew he didn't have the money in the account, but he would have the money by the time the check cleared. He said sometimes he would have to transfer money from savings, or he knew that he was going to be getting paid. Mr. Li said 99% of the time he had enough money in his account to cash the check he wrote. The agent asked him how much he had in his savings and Mr. Li responded with, "not much."
- The agent asked Mr. Li if he has ever post-dated a check so that it didn't look like he already got his VIP check writing limit for the day, and he said he couldn't remember. Mr. Li was asked if he has a gambling problem, and he said he does. Mr. Li asked if he could take the statement forms with him. The agent said yes, but not to sign anything until Mr. Li was in the agent's presence.

17) On February 1, 2012, the agent met Mr. Li at the Everett field office so he could turn in the statement. The agent read over the statement and noticed some of the details he told the agent before had changed slightly. Before, Mr. Li told the agent that he had asked the dealer or floor supervisor at the poker podium to hold the check because he was afraid he didn't have enough money in his bank account. In Mr. Li's statement he wrote that he didn't want the cage to be short on cash.

18) Mr. Li also wrote in his statement that due to constant family financial pressure and job pressure, he made a bad habit of getting out of control with his drinking and gambling. He said that originally Parker's Sports Bar & Casino used to allow him to write checks for a larger amount, and it has decreased. He said that Parker's Sports Bar & Casino has not taken away his check writing privileges.

19) On February 1, 2012, the agent went to Red Dragon to get the statement from Susan Weckworth. She asked the agent if Mr. Li and Mr. Jones were aware that the agent was talking to her. The agent told her no, and asked why. She said that both Mr. Jones and Mr. Li pulled her aside and asked if she had talked to the Gambling Commission. She said she wasn't sure what to say, so she told them the truth. Ms. Weckworth said that everyone at Parker's Sports Bar & Casino seems to be treating her differently now. She said they are not as friendly.

20) Ms. Weckworth gave the agent her statement:

- She described the check cashing procedures at Parker's Sports Bar & Casino. There is a VIP list that shows check cashing limits for specific individuals within one day, and Mr. Li had a limit of \$3,000.

- When she came in on Saturday, January 21, 2012, there were three checks waiting for her at the cage in the amounts of \$400, \$500, and \$2,100 that Mr. Li had written. That weekend, Mr. Li had begun gambling on Friday, and did not stop until Sunday.
- Mr. Li was writing checks and having the poker podium cash them for him. She said once he had reached his daily limit of \$3,000, he would post-date checks for the following day.
- That Sunday morning, one of the poker dealers came to the cage with another \$2,100 check with the date of January 22, 2012. She said she could not remember which dealer brought it to her. Ms. Weckworth said Mr. Li was not even in the building when the check was brought to her. The dealer told her that Mr. Li had actually cashed the check the day before but was just getting the check to her now.
- She also mentioned that there was one other time that Mr. Li had asked her to hold a personal check until the following day. She explained to Mr. Li that she would not do it because it was against policy, and accounting paperwork would not allow it.

21) On February 10, 2012, agents interviewed Justin Hsu, poker dealer at Parker's Sports Bar & Casino. The agent told Mr. Hsu he was free to leave at anytime. The following is a summary of the interview:

- Mr. Hsu said he has worked at Parker's Sports Bar & Casino since 2010. He is a dual-rate employee and works as a dealer and backup floor supervisor. He usually works Thursdays or Fridays through Sunday 2:00 p.m. to midnight or 3:00 a.m. He said he is usually a supervisor until Nathan Nguyen arrives around 8:00 p.m., and then Mr. Hsu deals for the rest of the night.
- The agent asked Mr. Hsu about the typical check cashing procedures at Parker's casino. He said that sometimes customers take their checks to the cage or, if they are playing, Parker's Sports Bar & Casino would accept checks at the poker podium. The agent asked if the players actually come up to the podium. He said that sometimes they accept checks at the table for the customer and bring the money or chips back to them so it's easier.
- Mr. Hsu said Mr. Li gambles often. Mr. Hsu has accepted checks for Mr. Li. The agent asked if he ever accepts checks for Mr. Li, and he said that he has. The agent asked if he has ever held a check for Mr. Li, and at first he said no. He then said that Mr. Li asked him not to send a check to the cashier's cage so he could buy it back. The agent asked him how often that happens, and he said, "all the time." The agent asked whether he does this for any other customers. Mr. Hsu said that sometimes a customer will ask if they can buy a check back at the end of the night if they have money and before the check has gone to the cashier's cage. Mr. Hsu has not held a check until the next day for anyone else other than Mr. Li.
- Mr. Hsu has seen Mr. Li go on a drinking or gambling binge; he said it happens about once a month or so. Mr. Li gambles big, buys in for \$1,000 at a time and drinks a lot.

Mr. Hsu said that as Mr. Li drinks more, he seems to become angrier. He said that sometimes when he sees this, he changes shifts around so he can cover the supervisor shift if Mr. Li isn't able to make it in. The agent asked if he is intimidated by Mr. Li, and he said that he has known him for a long time, so he is not.

- The agent asked Mr. Hsu if Mr. Li has ever bought one of his checks back with another check. Mr. Hsu said that sometimes if Mr. Li has lost all of his chips and if he already wrote a check, he will write a check to buy back the original check and more chips.

22) Mr. Hsu gave the agent his statement. Mr. Hsu wrote that once when he was flooring, Mr. Li asked him to hold a check because he didn't have enough money in his account. Mr. Li said that he was relieved as a supervisor when Mr. Nguyen came in, so he passed on the information to Mr. Nguyen before leaving. He was not sure what happened after that. He said that normally Mr. Li adds all of his checks up at the end of playing and writes one check for the full amount, buying back all the checks that were written for smaller amounts.

### **ADMINISTRATIVE HISTORY:**

Mr. Li received a Notice of Infraction in 2006 for Failure to follow Internal Controls. Mr. Li allowed checks to be held at the poker podium rather than immediately bringing them to the cage to be cashed.

### **VIOLATIONS:**

#### **RCW 9.46.075 Denial, suspension, or revocation of license, 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:

(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, she or it is qualified in accordance with the provisions of this chapter.

(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, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

(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.

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

(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

The licensee pursued economic gain in an occupational manner by cashing NSF checks at Parker's Sports Bar & Casino. As a result, his participation in gambling related activities would be inimical to the proper operation of gambling. Additionally, his conduct demonstrates that he poses a threat to the effective regulation of gaming and increases the likelihood of illegal practices as demonstrated through his actions.

By his actions, the licensee has failed to show by clear and convincing evidence that he is qualified for licensure, in violation of RCW 9.46.153(1). Grounds, therefore, exist to revoke Qiang Li's license, pursuant to RCW 9.46.075(1), (8), and (10) and WAC 230-03-085(1), (3), and (8).

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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.

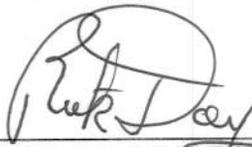
The licensed employee will have the opportunity to have a hearing on the alleged violations.

**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.

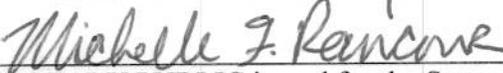
Based on RCW 34.05.440, failure to return a request for hearing will result in the entry of a default order REVOKING your license.

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, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 24 day of May, 2012.

  
\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington residing at Thurston County  
My commission expires on 10-19-15



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 24 day of May, 2012

  
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Communications and Legal Department  
Washington State Gambling Commission