

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the License to ) NO. CR 2012-01044  
Conduct Gambling Activities of: )  
)  
William R. Shepard ) **NOTICE OF ADMINISTRATIVE**  
Spanaway, Washington, ) **CHARGES AND OPPROTUNITY**  
) **FOR AN ADJUDICATIVE**  
) **PROCEEDING**  
Licensee. )

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I.

The Washington State Gambling Commission issued William R. Shepard license number 68-14084, authorizing Card Room Employee activity at Macau Casino, Lakewood.

The Commission issued this license, which expires on July 19, 2013, subject to the licensee's compliance with state gambling laws and Commission rules.

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:**

On August 10, 2012, William R. Shepard, a licensed card room employee, was playing Mini-Baccarat at the Macau Casino in Lakewood. He took approximately \$95 in casino chips from another player while she was away from the table. When confronted, Mr. Shepard paid back the money to the Macau Casino and apologized to the Operations Manager.

**FACTS:**

(1) On August 10, 2012, a Washington State Gambling Commission Special Agent (agent) received an e-mail from Mark Higgins, Casino Operations Manager of the Macau Casino in Lakewood. He said, "Another one of my employees inadvertently picked up someone else's chips. William Shepard indeed took the chips." Mr. Higgins defended Mr. Shepard as a "good employee since being hired here."

(2) On August 13, 2012, the agent visited the Macau Casino and met with Coma Soun, Surveillance Observer. He provided the agent with a copy of the surveillance recording of the incident.

(3) Coma Soun provided the agent with a "Surveillance Observation" form Surveillance Observer Sundegna Mey used to document his review of Mr. Shepard's theft of casino chips the night it happened.

Mr. Mey stated he had been notified by Floor Supervisor Savy Tiv to review the recording to determine who took Ms. Le's casino chips from Mini-Baccarat table 4 (MB4). In his report, Mr. Mey stated Will Shepard took the casino chips. Mr. Mey reported it to Mr. Higgins.

(4) Mr. Higgins provided the agent with the "Cage Paid In/Paid Out" forms he used to document the reimbursement to Ms. Le from the cashier's cage for the theft and reimbursement to the cashier's cage by Mr. Shepard for the theft.

(5) The agent reviewed the surveillance video and summarized the following:

- On August 10, 2012, at about 12:03 a.m., Ngoc Le was playing at spot 5 on table MB4. She placed about \$35 in casino chips and a Match Play coupon for \$25 onto spot 5. She won about \$95 in casino chips and placed them in front of the rail in the middle of Spot 5.
- At about 12:04 a.m., Ms. Le left the table to go to the cashier's cage. She left her casino chips to reserve her spot.
- At about 12:05 a.m., William Shepard stepped up to Spot 5 on MB4 and remained standing. He exchanged at least \$110 in cash for casino chips. He pushed the cup-holder, and the Match Play coupon under it, near the Spot 3/5 line away from himself. (There is no Spot 4 in MB.) He then pulled a Match Play out of his shirt pocket and placed a bet on Spot 5.
- Mr. Shepard bet about \$100 of his money (plus the \$100 Match Play coupon) onto the "Banker" betting spot. He placed at least \$5.00 bets on the "Dragon 7" circle and "Panda 8" circle bonus bets.<sup>1</sup>
- At about 12:06 a.m., Mr. Shepard picked up and appeared to count the chips Ms. Le left at the Spot 5 rail. He then put them down near the Spot 3/5 line. A few seconds later, he picked Ms. Le's chips back up and counted them directly in front of his face.
- As Mr. Shepard was counting Ms. Le's casino chips, Ms. Le returned to the table MB4. Mr. Shepard placed at least \$5.00 of Ms. Le's casino chips in front of "Dragon 7" bonus bet indicating it was a toke bet (tip) for the dealer, David Petersen. He then backed up and let Ms. Le walk up to the table while still holding her chips.
- Ms. Le immediately pointed at the spot where she left her casino chips. Mr. Shepard just looked at her as she and the dealer were talking. She continued to point at the spot her casino chips disappeared from for a couple of minutes. During their conversation, Mr. Shepard just crossed his arms with the casino chips hidden inside of his hand. Other players were involved in the conversation but no one appeared to point at Mr. Shepard.

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<sup>1</sup> Each player has to bet on either the "Banker" spot or the "Player" spot. Each player has the option to bet on bonus spots as well like "Dragon 7" and "Panda 8."

- At about 12:08 a.m., the dealer revealed Mr. Shepard had a losing hand, took all the chips at Spot 5, and dropped the Match Play coupon into the drop box. Mr. Shepard just walked away from the table with Ms. Le's chips as Ms. Le talked to the dealer and the floor supervisor, Savy Tiv. Ms. Le was still pointing at the spot her casino chips disappeared from.

(6) The agent asked Mr. Higgins for written statements from Mr. Peterson and Mr. Tiv. The agent asked Mr. Higgins to have Mr. Shepard contact him for an interview.

(7) On September 27, 2012, the agent interviewed Mr. Shepard. The agent told Mr. Shepard he was being recorded on a digital voice recorder. The agent advised him of his constitutional rights, and Mr. Shepard agreed to waive them and answer questions. During the interview, Mr. Shepard told the agent the incident happened too quickly, and he does not remember it. He claimed he did not know the casino chips in his hand belonged to Ms. Le even after she returned to the table and asked where her casino chips went.

#### **VIOLATIONS:**

##### **1) 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 certified employee, 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, 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;

##### **2) 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.)

(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;

**3) 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.

By taking casino chips from another player who was away from the table, William R. Shepard has demonstrated he poses a threat to the effective regulation of gambling or increases the likelihood of unfair or illegal practices. Mr. Shepard has failed to establish clearly and convincingly that he is qualified to be licensed, as required by RCW 9.46.153(1). Grounds exist to revoke William R. Shepard's license based on RCW 9.46.075(1), (8) and (10), WAC 230-03-085(1) and (8).

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

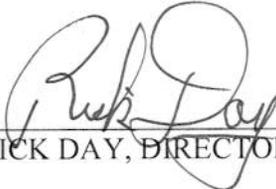
The licensee will have the opportunity to have a hearing on the alleged violations.

**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 cause 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 13 day of November, 2012.

  
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NOTARY PUBLIC in and for the State of  
Washington residing at Thurston County  
My commission expires on December 2, 2015



STATE OF WASHINGTON )  
 )  
COUNTY OF THURSTON )

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, property 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 14 day of November 2012  
