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STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension of the License to Conduct Gambling Activities of: Denise M. Harris Everett, Washington, Licensee.	)	NO. CR 2013-00003 **SETTLEMENT ORDER**

I.

This Settlement Order is entered into between the Washington State Gambling Commission and Denise M. Harris. Chad Standifer, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. Denise M. Harris, licensee, represents herself.

II.

The Washington State Gambling Commission issued Denise M. Harris license number 68-07026, authorizing Card Room Employee activity at Royal Casino in Everett.

The license expires on September 5, 2013, and was issued subject to the licensee's compliance with state gambling laws and rules.

III.

Then-Director, Rick Day, issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on February 22, 2013. On March 4, 2013, Commission staff received the licensee's request for a hearing.

IV.

SUMMARY:

Denise M. Harris under-reported $898 in tips from December 19, 2012, to January 3, 2013.

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 subsection applies.)

(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) 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.

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

3) WAC 230-15-425 Internal controls
(The following subsection applies.)

(2) Licensed card room employees must follow the internal control procedures for their individual functions.

4) WAC 230-15-475 Tips from players and patrons to card room employees
(The following subsection applies.)

(6) Employees must…
(d) Accurately report all tips to their employer as described in the licensee's internal controls.

5) RCW 9.46.153 Applicants and licensees — Responsibilities and duties — Waiver of liability — Investigation statement as privileged.
(The following subsection applies.)

(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.

Denise M. Harris failed to comply with internal control procedures by not accurately reporting her tips, in violation of WAC 230-425 and WAC 230-15-475. On October 18, 2012, Ms. Harris signed a copy of WAC 230-15-475 from Royal Casino, acknowledging she must accurately

report tips as described in the internal controls. As a result, she has demonstrated willful disregard for complying with Commission rules. Ms. Harris has failed to establish by clear and convincing evidence, as required by RCW 9.46.153(1), that she is qualified to be licensed. In addition, failure to comply with internal controls and accurately report tips establishes that the licensee 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 based on her activities. As a result, there are grounds to suspend or revoke Denise M. Harris's license based on RCW 9.46.075(1), and WAC 230-03-085(1), (3) and (8).

V.

The licensee acknowledges that she has read the Notice of Administrative Charges and understands the facts contained in it. The licensee has now informed her employer of all under-reported tips identified in the Charges.

1) Denise M. Harris agrees that her license is **suspended for a period of twenty (20) days**, provided that:

a) **Ten (10) days of the suspension shall not be currently served, but shall be deferred for a period of one year** from the date of entry of this Settlement Order, subject to the following: The licensee agrees not to violate the terms of this Settlement Order, or any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates this Settlement Order or gambling statutes or regulations, and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the ten-day deferred suspension of the current gambling license and any subsequently acquired gambling licenses.

b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this Settlement Order, has discretion to determine whether the licensee has violated any term of this Settlement Order. In the event the Director determines that a violation has occurred, he may suspend the license issued to the licensee, and any subsequently acquired licenses, for up to ten days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any consequences of the new violation. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

c) **The licensee shall serve the remaining ten (10) days of this suspension, as follows:**

- **The suspension period will begin at 8:00 a.m. on June 17, 2013, and runs through June 26, 2013.**
- **The licensee may resume gambling activities at 8:00 a.m. on June 27, 2013.**

d) During this period of suspension, the licensee shall not conduct any gambling activities. Ms. Harris' suspension does not prevent her from working in any non-gambling activity, such as employment in restaurants located in card rooms.

2) Ms. Harris agrees to accurately report all of her tips as described in her employer's internal controls. Failure to do so will likely result in the revocation of Ms. Harris' license.

3) **The signed Settlement Order must be received by Commission staff by June 10, 2013.** Please mail 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
Attention: Communications and Legal Division
4565 7th Avenue SE; Third Floor
Lacey, WA 98503

DATED this 20th day of June, 2013.

Administrative Law Judge

APPROVED FOR ENTRY:
By her signature, the licensee understands and accepts the terms and conditions of this Order.

Denise M. Harris 6/5/13
Denise M. Harris (DATE)
Licensee

APPROVED AS TO FORM:

Chad Standifer WSBA# 29724
Assistant Attorney General
Representing the Washington State Gambling Commission

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