

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the License to)
Conduct Gambling Activities of:)
Adam Kilminster)
Kenmore, Washington,)
Licensee.)

NO. CR 2013-02049

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

I.

The Washington State Gambling Commission issued Adam Kilminster the following license: Number 68-29699, authorizing Card Room Employee activity with Silver Dollar Casino in Mill Creek. The license expires on March 31, 2014, and was issued subject to Mr. Kilminster's compliance with state gambling laws and rules.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of Chapter 9.46 RCW, and WAC Title 230.

SUMMARY:

On July 22, 2013, Adam Kilminster, Poker Supervisor, admitted he took \$100 from the Silver Dollar Casino in Mill Creek.

FACTS:

1) On September 9, 2013, Commission staff received an anonymous complaint regarding Adam Kilminster, Poker Supervisor at Silver Dollar Casino Mill Creek, about taking money from the poker podium. The complainant said the Poker Supervisor, Mr. Kilminster, instructed employees to leave poker bank overages in a drawer under his name. The money was not turned in to the cage cashier as is the house-banked card room's policy.

2) On September 25, 2013, a Washington State Gambling Commission Special Agent (agent) and Special Agent Supervisor (SAS) visited Silver Dollar Casino to conduct a routine inspection and to follow up on the complaint. The agent asked Mr. Kilminster about any excess money in the pit podium or poker table. Initially, Mr. Kilminster said to his knowledge there had never been any extra money found on the poker table or in the poker podium. When the agent asked about the last time extra money was found in the poker area he said there was \$100 found and placed in the poker podium in July 2013. Mr. Kilminster said the money was turned in to the cashier's cage, but he could not recall who did it.

3) On September 25, 2013, the agent spoke to a Jennifer Canfield, Accounting Manager; she said any extra money found in the poker area that was turned into the cage cashier would have been recorded on the cashier cage paid in/paid out log. She reviewed the log and said there was no record of a \$100 being paid in from July.

4) Ms. Canfield wrote a sworn statement on October 7, 2013. She stated she reviewed the cage cashier records for the period of July 1, 2013, to October 7, 2013, and there was no record of \$100 being turned in by the poker staff to the cage cashier. Ms. Canfield wrote she reviewed the paid in/out log and the "found money" log. She also explained that if the poker bank is over, at the end of the night the procedure would be to bring the overage to the cage and complete a paid in slip. The cashier would then record it on the "found money" log and accounting would record it on the paid in/out log. She also explained paid-ins are numbers with brackets around them, meaning they are recorded as a negative number.

5) On September 25, 2013, the agent contacted the complainant, who said on either July 20, 2013, or July 21, 2013, he and a poker dealer were working the poker table when they determined the poker bank had an extra \$100. He said he called Mr. Kilminster, who told him to convert the \$100 poker chips and place them in the poker podium with a piece of paper with his name on it.

6) The complainant said he thought this was suspicious and texted a message to the poker dealer and didn't feel this was in line with the company policy regarding found money. He said a few days later the chips were gone. When he asked Mr. Kilminster about it, Mr. Kilminster said the money was turned into the cage cashier.

7) On September 26, 2013, the agent met with Todd Marshall, General Manager of Silver Dollar Casino. Mr. Marshall said the company policy regarding found money was to turn it in to the cage cashier, document it as a paid in to the cage, notify surveillance, and attempt to locate the owner. He said if the amount found was \$100 the house-banked card room would have reviewed the surveillance tapes and determined who the proper owner was and returned the money.

8) Mr. Marshall provided a copy of the house-banked card room procedures regarding any found money. The procedures state a supervisor will ensure the found money is immediately deposited in the cashier's cage. The supervisor will request surveillance attempt to determine who the owner of the found money is. The found money is then recorded on the "found money" log. Mr. Marshall said Mr. Kilminster did not report finding a \$100 or the poker bank being over by \$100.

9) On September 26, 2013, Christina Singer, Surveillance Manager, wrote a sworn statement detailing the procedures for documenting found money and her analysis of the surveillance log entries. Ms. Singer said when the money is found in a card room it is turned into the cage cashier and documented in the surveillance log. She showed the agent an entry on the surveillance log dated July 30, 2013, which documented \$5 being found on a poker table and being turned in. Ms. Singer stated when people find money they notify surveillance of the location where the money was found. Surveillance will notify security and the money will be transported to the cage where the cashier will do a paid-in.

10) Ms. Singer said she reviewed the surveillance log for the period of July 21, 2013, to July 25, 2013, and did not see any entries documenting money found in the poker area that was turned in to the cage cashier other than \$5 on July 30, 2013.

11) Ms. Singer provided the agent with a copy of the surveillance log for the period of July 18, 2013 to July 25, 2013. The agent reviewed this log and did not see any documentation of money found in the poker area that was turned in to the cage cashier.

12) On September 30, 2013, the agent met with the poker dealer at the Washington State Gambling Commission Everett office. The dealer wrote a sworn statement detailing the circumstances of having \$100 extra in the poker podium in July 2013. The dealer said he could not recall the exact date, but knew it was before July 30, 2013. He later showed the agent a text documenting the date of the incident as July 25, 2013. The dealer said he was closing the poker area with the complainant; upon counting the amount of poker chips and cash the dealer determined they had \$15,100 in chips and money. The poker bank is supposed to be exactly \$15,000. The complainant then recounted and came up with the same amount.

13) The dealer said the complainant went outside the casino and contacted Mr. Kilminster. He said the complainant told him Mr. Kilminster said to put the \$100 in poker chips in the section of the pit podium where tournament chips are stored. The complainant stated he noticed the \$100 in chips was missing a few days later. Mr. Kilminster told him he converted the chips into cash and put it in an envelope in the cabinet.

14) The dealer showed the agent text messages to Mr. Kilminster. Mr. Kilminster texted the dealer that he, "took the rock (rack) [sic] and put it [the money] in an envelope for safekeeping. In about a week I will deal with it."

15) On October 7, 2013, agents met with Mr. Kilminster at the Silver Dollar Casino. Mr. Kilminster provided a sworn statement stating he worked as a lead poker supervisor at Silver Dollar Casino in Mill Creek on July 22, 2013. He further stated a dealer reported to him an extra \$100 was found in the poker bank. Mr. Kilminster stated he told the dealer to place a \$100 in poker chips in the tournament chips section of the poker podium. He stated his intent was to determine which player may not have been properly paid \$100. Mr. Kilminster stated he told the dealer not to do a "paid into the cage." He acknowledged making no attempt to locate the player and not reporting this to the house-banked card room.

16) Mr. Kilminster stated the next day or so he converted the \$100 in poker chips to a \$100 in US currency. He then placed the money in an envelope with his initials, the date, and the amount on it. The envelope was placed inside his binder, which he stated was normally kept in the poker podium where it remained for about a month. Mr. Kilminster stated one day the poker bank was short cash and he had lost money gambling. He took the \$100 home with him, opened the envelope, and added the \$100 to his money on his counter.

17) Mr. Kilminster stated he understood he made a bad choice and should have told the dealer to turn in the \$100 to the cage. He said once he decided to wait for a customer to approach him he

felt trapped by his choices. He stated, "Taking the money was wrong. I knew that at the time. I know that now."

18) Mr. Kilminster stated when the agents asked him about the poker bank having extra money he said it never did. He explained this was done since the poker bank records are always made to reflect \$15,000, regardless of the actual amount. He further stated he was concerned the agents would examine poker operations and find problems. He said he felt nervous about the questioning and said he paid the same \$100 that was in his binder into the cage. He stated perhaps he had confused that \$100 with some other money, but \$100 was not paid to the cage. Mr. Kilminster said he knew the \$100 in his binder was suppose to be turned into the casino and had not been. Mr. Kilminster stated "This was a faulse [sic] statement."

19) Criminal charges of theft in the third degree and two counts of making a false or misleading statement to a public servant have been recommended to the Snohomish County Prosecutor.

ADMINISTRATIVE HISTORY:

In 2013, Mr. Kilminster, while employed as a poker supervisor, had his Washington State gambling license suspended for 10 days for intentionally under-reporting \$1,192 in tips during the period of January 18, 2013, to February 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 licensee, 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.¹

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the commission;

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

¹ RCW 9A.76.175 Making a false or misleading statement to a public servant- A person who knowingly makes a false or misleading material statement to a public servant is guilty of a gross misdemeanor. "Material statement" means a written or oral statement reasonably likely to be relied upon by a public servant in the discharge of his or her official powers or duties.

(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

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, licensee, or anyone holding a substantial interest in the applicant's or licensee'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 9.46.190 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.

4) 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.

Adam Kilminster admitted to taking \$100 from the Silver Dollar Casino and making two false statements about what occurred, in violation of RCW 9.46.190. By doing so, Mr. Kilminster has failed to establish by clear and convincing evidence, as required by RCW 9.46.153(1), that he is qualified to be licensed. In addition, based on his actions, he poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods,

² RCW 9A.76.175 Making a false or misleading statement to a public servant- A person who knowingly makes a false or misleading material statement to a public servant is guilty of a gross misdemeanor. "Material statement" means a written or oral statement reasonably likely to be relied upon by a public servant in the discharge of his or her official powers or duties.

and activities in the conduct of gambling activities. As a result, there are grounds to revoke Adam Kilminster's license based on RCW 9.46.075(1), (7), (8), and (10) and WAC 230-03-085(1), and (8).

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

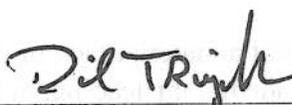
In order to have a hearing or discuss settlement options, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

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.

IV.

I have read this Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding, know the contents of it, believe it to be true, and have executed this Notice in my capacity as Director of the Washington State Gambling Commission.

Dated 2/3/2014



DAVID TRUJILLO, DIRECTOR

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 3 day of February, 2014
