

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Summary Suspension of the )  
License to Operate Gambling Activities of: ) NO. CR 2013-00938  
)  
)  
Jing-Ru Lu )  
Seattle, Washington, ) **FINDINGS OF FACT,**  
) **CONCLUSIONS OF LAW,**  
) **AND ORDER OF SUMMARY**  
) **SUSPENSION OF LICENSE**  
Licensee. )  
\_\_\_\_\_ )

RCW 9.46.070(17) authorizes the Washington State Gambling Commission (Commission) to summarily suspend<sup>1</sup> a license, subject to final action by the Commission. The Interim Director has reviewed this Order of Summary Suspension and has issued it for service.

This order takes effect when served on the licensee, representative, or agent. A Commission Special Agent shall seize Jing-Ru Lu's license and the licensee must stop conducting gambling activities.

**FINDINGS OF FACT**

I.

David Trujillo is the Interim Director of the Washington State Gambling Commission and issues this order. Jurisdiction of this proceeding is based on, chapter 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and Title 230 WAC.

II.

The Washington State Gambling Commission issued Jing-Ru Lu the following license:

Number 68-14746, authorizing Card Room Employee activity with the Riverside Casino, Tukwila.

The license expires on August 19, 2013, and was issued subject to Mr. Lu's compliance with, state gambling laws and rules.

<sup>1</sup> WAC 230-17-165 defines summary suspension as immediately taking a license or permit from a person or organization which prevents them from operating or conducting gambling activities.

### III.

After a thorough review of the report by a Commission Special Agent about the facts in this matter, the Interim Director accepts the report as true and has determined that the summary suspension is necessary.

### IV.

#### **SUMMARY:**

During an investigation conducted by the Snoqualmie Tribal Gaming Agency, it was discovered that Jing-Ru Lu and Lei Zhong colluded together and committed theft that resulted in at least a \$900 loss to the Snoqualmie Casino.

#### **FACTS:**

- 1) On April 16, 2013, a Washington State Gambling Commission Special Agent (agent) was assigned to Jing-Ru Lu's file for a suitability investigation after receiving information from the Snoqualmie Gaming Commission (SGC) of their investigation.
- 2) Mr. Lu first applied for a public card room employee license in 2001 to work at the former Great Wall Casino in Tacoma. He has maintained his license since and has worked in several establishments including the Silver Dollar Casino in Tukwila, the Silver Dollar in SeaTac and at the Riverside casino.
- 3) As part of the investigation, the agent received the investigation file from SGC pertaining to Ms. Zhong, which is summarized as follows:
  - In February 2012, the Table Games Director of the SGC received an anonymous letter reporting that Ms. Zhong was rating a guest, Jing-Ru Lu, with points on his player account when he was not present.<sup>2</sup> The letter stated that Mr. Lu cashed out the points and got \$600 in cash at one time and \$300 in cash at another time.
  - On February 14, 2013, the Table Games Director of the SGC received an anonymous phone call from a man who claimed that Mr. Lu was being rated by a Supervisor, Ms. Zhong, when Mr. Lu was not playing.
  - A review was completed by surveillance, which showed six discrepancies when Mr. Lu was rated while not at the table. Ms. Zhong was present during the discrepancies.

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<sup>2</sup> The Snoqualmie Casino has a player rewards program that awards points based on a patron's playing activity.

- In March 2013, the Table Games Director of the SGC received another anonymous letter, this time from an employee. The letter stated that Ms. Zhong “is abusing the customer rewards program for personal profit” by awarding her friend “enough points to turn it into a substantial profit.”
- Another review was completed by surveillance, which showed another discrepancy when Mr. Lu was rated while not present or playing. Ms. Zhong was present during the discrepancy.

4) An incident file was opened to document the review and shows the seven discrepancies. The following is a summary:

- On March 2, 2013, according to the player tracking system, Mr. Lu’s account was credited for \$600, and he was rated for playing from 16:23 to 18:08. Surveillance could not confirm the identity of Mr. Lu during this time, and the only buy-in for \$600 was from a female. Ms. Zhong was seen accessing the player tracking system.
- On March 5, 2013, according to their player tracking system, Mr. Lu’s account was credited for \$500 and he was rated for playing from 00:24 to 01:04. Surveillance could not confirm the identity of Mr. Lu during this time, and no guests had bought in for \$500. Ms. Zhong was seen accessing the player tracking system.

5) The incident file summarized five similar occurrences from February 2013 to April 2013 when Mr. Lu’s account was credited, he was not identified by surveillance at the time, and Ms. Zhong was seen accessing the player tracking system.

6) On April 10, 2013, SGC investigators interviewed Mr. Lu regarding the allegations against Ms. Zhong. At the end of the interview, a Voluntary Statement was typed out and signed by Mr. Lu, and is summarized as follows:

- Mr. Lu has known Ms. Zhong for about seven years. The only games he plays at Snoqualmie are Baccarat, Pai Gow, and Roulette. His usual buy-in is between four and five hundred dollars. The last time he gambled at Snoqualmie was a couple of months ago.
- Ms. Zhong started adding points to his account when he wasn’t there about two years prior. He told her to stop. He admitted to eating at the buffet or eating sushi at the casino using his points. About twice a month, Ms. Zhong would eat with him. He also admitted to cashing out his points on two separate occasions, resulting in a total of \$900 in cash. He gave some cash back to Ms. Zhong even though she didn’t expect it.
- He told Ms. Zhong to stop adding the points to his account and told her she could get in trouble for it, but she didn’t stop. He was very worried about what would happen to Ms. Zhong, and he asked SGC to not fire her. He said, “Everyone makes mistakes and maybe you should just suspend her for two weeks.”

- 7) Mr. Lu was permanently trespassed from the Snoqualmie Casino and Reservation.
- 8) On April 15, 2013, SGC interviewed Ms. Zhong about the discrepancies, which is summarized as follows:

- When asked if she knew why she was being interviewed, Ms. Zhong replied that she hadn't done anything wrong, and that she had not cheated or stolen chips. She was asked about the procedures of rating guests and was able to explain them.
- She said she knew Mr. Lu for seven years and had been in an intimate relationship with him for two years. She said they had broken up two months ago, and she has a new boyfriend. Ms. Zhong was asked if Mr. Lu was at the casino the night before, and she answered, "no."
- She was then asked if she knew why she was being interviewed, and she lowered her head. She said, "Yes, I do, I have been rating Mr. Lu at the tables when he is not here." She admitted to rating Mr. Lu as recently as the night before.
- When asked, she said in return for rating him, she received \$500 and dined several times using the points. She admitted what she did was wrong, and she knew it was a crime.

Along with this typed statement, there is a brief hand written statement that says, "I actually [sic] break the Gambling rules from Snoqualmie Casino because I was helping my ex boyfriend Jing Lu to cheat the point [sic] from the casino to cash out."

- 9) SGC provided a report that shows on September 5, 2012, Mr. Lu's account was cashed out and \$600 was received. The same report also shows that on January 2, 2013, Mr. Lu's account was cashed out and \$300 was received.
- 10) On April 25, 2013, SGC sent Ms. Zhong a letter notifying her of their intention to revoke her tribal license, and advised that she was entitled to a revocation hearing.
- 11) On May 13, 2013, the agent called and spoke with Susan Lee with the Tribal Gaming Agency (TGA) at SGC. She stated that TGA is pursuing criminal charges on both Mr. Lu and Ms. Zhong.

## CONCLUSIONS OF LAW

### I.

- 1) **RCW 9.46.070** provides that the Commission shall have the following powers and duties: The Commission may authorize the Director to temporarily suspend licenses subject to final action by the Commission.

2) **WAC 230-17-165(2)** provides that the Commission delegates its authority to the Director to summarily suspend any license if the Director determines that a licensee has performed one or more of the actions identified in RCW 9.46.075 as posing a threat to public health, safety, or welfare.

3) **WAC 230-17-165(3)** The Commission deems the following actions of a licensee constitute an immediate danger to the public safety and welfare:  
(The following subsections apply.)

(a) Failing or refusing to comply with the provisions, requirements, conditions, limitations, or duties imposed by chapter 9.46 RCW or any rules adopted by the Commission;

(b) Knowingly causing, aiding, abetting, or conspiring with another to cause any person to violate any of the laws of this state or the rules of the commission; or

(i) Having pursued or 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.

Mr. Lu admitted receiving fraudulent points from his girlfriend, Ms. Zhong, on his player tracking account that he was able to convert to expensive dining and cash at the Snoqualmie Casino, resulting in a loss of at least \$900. His actions constitute an immediate danger to public safety and welfare based on WAC 230-17-165(3) (a), (b), and (i) are a basis for Jing-Ru Lu to immediately stop conducting gambling activities.

4) **RCW 9.46.075 Denial, suspension, or revocation of certification, 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;

(2) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the commission;

(8) Fails to prove, by clear and convincing evidence, that he, 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.

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

**6) 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. The certified employee's pending criminal charges demonstrate that the Class III employee poses a threat to the effective regulation of gambling, creates, or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities.

Mr. Lu received fraudulent points from his girlfriend, Ms. Zhong, on his player tracking account that he was able to convert to expensive dining and cash at the Snoqualmie Casino, resulting in a loss of at least \$900. Mr. Lu admitted he knew it was wrong but continued until it was discovered. Jing-Ru Ling has failed to establish clearly and convincingly that he is qualified for licensure, as required by RCW 9.46.153(1). As a result, there are grounds to revoke Mr. Lu's license based on, RCW 9.46.075(1), (2), (8), and (10), and WAC 230-03-085(1) and (8).

II.

The licensee's actions are an immediate danger to public safety and welfare, and the licensee has failed to comply with chapter 9.46 RCW or Commission rules. The immediate suspension of Jing-Ru Lu's license to conduct gambling activity is required to protect public safety and welfare.

**ORDER**

Based on the FINDINGS OF FACT AND CONCLUSIONS OF LAW and the Interim Director's authority under RCW 34.05.422, RCW 9.46.070(17), and WAC 230-17-165, the Director orders that Jing-Ru Lu's license is summarily suspended, pending a formal hearing by an Administrative Law Judge.

**STATEMENT OF RIGHTS**

(1) **You may ask for a stay of this Order.** To do so, you must complete and return to the Commission the enclosed Application for Stay Hearing form within fifteen (15) days from the date you receive this Order. If the Commission receives a timely request, we will hold a hearing within seven (7) days as required by WAC 230-17-170(3). The stay hearing will determine if your suspension should continue, or whether the suspension may be modified.

At the stay hearing, you will have to prove by clear and convincing evidence that:

- (a) You will likely win at hearing; and
- (b) If your suspension continues, you will suffer serious injury. Under this section, loss of income from licensed activities is not considered serious injury; and
- (c) Removing the immediate suspension will not hurt others in this case; and
- (d) The threat to the public safety or welfare does not justify continuing the suspension, or that modifying the suspension will adequately protect the public.



