

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension of the License)
to Conduct Gambling Activities of:)
)
)
Ai H. Pan)
Bellevue, Washington,)
)
Licensee.)
_____)

NO. CR 2013-01090

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

I.

The Washington State Gambling Commission issued Ai H. Pan the following license.

Number 68-18523, authorizing Card Room Employee activity currently with Great American Casino in Kent and Silver Dollar Casino in Mill Creek.

The license and certification expire on October 21, 2013, and were issued subject to Ms. Pan'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:

Ai H. Pan, also known as Wendy, a dealer at Silver Dollar Casino in Mill Creek, cashed in \$650 in tips at the cashier's cage during the period of May 23, 2013 to May 25, 2013. Ms. Pan reported \$70 in tips, a difference of \$580.

FACTS:

1) On May 30, 2013, a Washington State Gambling Commission Special Agent (agent) was notified by Todd Marshall, General Manager of Silver Dollar Casino that Ms. Pan under-reported her tips. Mr. Marshall provided the agent a disciplinary report documenting Ms. Pan reported \$15 tips on May 18, 2013, when she actually received \$264, a difference of \$249. Ms. Pan wrote on the form, "First day back vacation made mistake."

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- 2) Mr. Marshall had previously told the agent that all card room employees had recently received a letter from Washington Gold¹ management reminding them they are required to report all tips received. The agent later received a copy of the letter Ms. Pan signed dated October 17, 2012. The letter included a copy of the Washington Administrative Code (WAC) 230-15-475. The WAC stated in section (6), (d), all employees must "Accurately report all tips to their employer as described in the licensee's internal controls."
- 3) The Silver Dollar Casino internal control policy regarding reporting tips, dating 1/14/2013, states "Card room employees will report tips earned utilizing the Aloha² computer program. Tips earned will be reported on the day they are received."
- 4) On May 31, 2013, the agent reviewed Ms. Pan's payroll record at the Silver Dollar Casino for the period of May 15 to May 30, 2013. The payroll records include the amount of tips and the card room employees reported they had received.
- 5) The card room employees report their tips by taking their token boxes to their cashier's cage. The cashier unlocks the token (tip) box, places all the casino chips inside on the counter, and gives the dealers cash for the chips. The card room employees then log out of duty. The Aloha POS computer tracker asks the card room employees how much they collected in tips; the card room employees then input the amount they received for the shift.
- 6) The Washington Gold Team Member Handbook, given to all Silver Dollar Casino employees, states on page 15, "All tipped Team Members are required to declare 100% of their tipped income." Sara Scott, from the Silver Dollar accounting department, provided the agent a copy of the receipt Ms. Pan signed on July 25, 2011, indicating she had received the handbook.
- 7) On May 30, 2013, the agent requested Christian Singer, Surveillance Manager, review via surveillance cameras and document the amount Ms. Pan received when she cashed in her tips for the period of May 23, 2013 to May 30, 2013. The agent compared the amount surveillance documented for Ms. Pan with the payroll report provided by Ms. Scott. It was determined Ms. Pan cashed in \$650 in tips at the cashier's cage during the period of May 23, 2013, to May 25, 2013. Ms. Pan reported \$70 in tips, a difference of \$580, in violation of WAC 230-15-475 and the licensee's internal controls.
- 8) The agent reviewed the surveillance recordings of each incident. Ms. Pan was readily identifiable handing her token box to the cage cashier and receiving cash back. The agent could see the cage cashier open the token boxes, remove the tips, count the tips and cash the casino chips in for U.S. currency, which was then given to Ms. Pan. The agent compared the amount of tips being cashed by the cage cashier to amounts reported by surveillance staff. They appeared to be materially accurate. The agent used the Silver Dollar Casino internal controls documentation of house-banked and poker chips color and marks to confirm amounts.

¹ Washington Gold, located in Renton, manages Coyote Bob's Roadhouse Casino, Crazy Moose Casino, Golden Nugget Casino, Club Hollywood Casino, Red Dragon Casino, Royal Casino, and Silver Dollar Casino.

² Computer based software where employees log in at the start of their shift, and log out at the end of their shift. When the tips icon is pressed the user is presented a screen similar to the number keys on calculator, they are then required to input a tip amount and hit the enter key before the program will allow them to log out.

9) On June 14, 2013, the agent interviewed Ms. Pan at the Silver Dollar Casino in Mill Creek. Ms. Pan wrote a sworn statement stating she under-reported the amount of tips she received in order to reduce the amount of federal income taxes and she was paying and to increase the size of her paycheck.

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.

Ai H. Pan failed to comply with internal control procedures by not accurately reporting her tips, in violation of WAC 230-15-425 and WAC 230-15-475. On October 17, 2012, Ms. Pan signed a copy of WAC 230-15-475 from Silver Dollar 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. Pan 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 his activities. As a result, there are grounds to suspend Ai H. Pan license based on RCW 9.46.075(1), 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 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 THIS DOCUMENT WILL RESULT IN THE ENTRY OF A DEFAULT ORDER FOR A 20-DAY SUSPENSION YOUR LICENSE/CERTIFICATION.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

David Trujillo being first duly sworn on oath deposes and says: He has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents, and believes the same to be true, and that he is the duly appointed and qualified Director of the Washington State Gambling Commission and in that capacity has executed these Charges.

David Trujillo
DAVID TRUJILLO, DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 9 day of September, 2013.

Maureen Pretell
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 9 day of September, 2013

Maureen Pretell

