

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the License to )  
Conduct Gambling Activities of: )  
)  
)  
Arong E. Phoumkeo )  
Everett, Washington, )  
)  
Licensee. )

NO. CR 2013-01337

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

I.

The Washington State Gambling Commission issued license number 68-29810 to Arong E. Phoumkeo, authorizing Card Room Employee activity currently at the Hideaway in Shoreline and formerly at the Drift on Inn in Shoreline. The license expires on February 16, 2014, and was issued subject to the licensee'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 the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

**SUMMARY:**

On May 26, 2013, Arong E. Phoumkeo stole \$200 in poker chips so he could play poker. He tried to conceal his actions by rearranging the chips in the poker cabinet to appear as though the \$200 in chips were not missing.

**FACTS:**

- 1) On May 29, 2013, a Washington State Gambling Commission Special Agent (agent) was contacted via e-mail by a manager at the Drift on Inn. The manager's e-mail stated, "a poker floor [supervisor] played out of the bank a couple days ago." The money was returned and written statements were obtained. The poker floor supervisor was terminated.
- 2) The agent went into the Drift on Inn and collected a DVD and three written statements that the manager had left on the desk for the agent.
- 3) The first written statement was written by Mr. Phoumkeo and was signed and dated May 28, 2013. It also had the badge number 264 written on it. In the statement, Mr. Phoumkeo wrote that he was "short on a few bills and I was panicing [sic], I took 200 [sic] to try and cover everything. I used rent money to play and try to get everything back. Nothing worked out. I ended up using everything I had left to cover everything."

- 4) The second statement was written by a Drift on Inn Poker Supervisor. In the statement, he wrote that Mr. Phoumkeo had asked him if he wanted to start his shift early. While he was checking chip count, the supervisor pulled out the red chip racks and noted the row in the back had two racks with one tube missing (\$200). Mr. Phoumkeo said he would pay the supervisor later. Mr. Phoumkeo paid the \$200 back.
- 5) Another Drift on Inn Supervisor stated that the other supervisor showed him that his poker bank was "clearly missing two tubes of red from two of the racks in the back of his poker podium." He had checked the bank the night before and as it was balanced, the missing chips "had to have happened on day shift today." The supervisors took Mr. Phoumkeo aside and he told them he "took the money out of the bank."
- 6) The agent reviewed the surveillance for May 26, 2013, which is summarized as follows:
  - At 09:53:00 – Mr. Phoumkeo reached up to the top of the shelf of the poker chip cabinet that he had earlier opened. Mr. Phoumkeo moved around the red chips which were on the top of the cabinet for approximately one minute. However, the positioning of the chips inside the cabinet by Mr. Phoumkeo blocked the camera from viewing what happened. Mr. Phoumkeo finished moving the red chips around and then brought his hands down from the top of the shelf.
  - At 10:02:37 – Mr. Phoumkeo picked up a rack of blue chips (\$100), and then again at 10:02:39 hours, he picked up another rack of blue chips (\$100) without paying for either. Mr. Phoumkeo walked out of camera view with the chips.
  - At 19:51:27 – The poker supervisor counted the chips in the poker chip cabinet and pointed to something on the top shelf. He had another dealer come over and look at it. He left and came back with Mr. Phoumkeo.
  - At 19:52:13 – The poker supervisor reached up to the top shelf of the cabinet and took down a rack of red chips that had the middle row of chips missing. He placed the rack of chips on the bottom shelf of the cabinet.
  - At 19:52:22 – The poker supervisor again reached up to the top shelf of the cabinet and took down a rack of red chips that had the middle row of chips missing. He placed the rack of chips on the bottom shelf of the cabinet.
  - The second DVD was a copy of the surveillance video that showed the poker podium, poker chip cabinet, a far view of both, and one of the poker tables. The first view was condensed version of DVD 1 and contained the incidents at 10:02:37 and 10:02:39.

The third view is summarized as follows:

- At 10:02:49 – Mr. Phoumkeo set down the chips as mentioned above, however, this view shows the area where the chips were placed. Mr. Phoumkeo set the two racks of blue chips on top of two other racks of blue chips that were already at the table.

- At 10:11:58 – Mr. Phoumkeo took one rack of blue chips off of the other three racks and set it down on the poker table in front of him. He left the other three racks of blue chips off to his right side.
  - At 10:12:05 – Mr. Phoumkeo took one row (\$20) out of the front of the rack of blue chips in front of him and exchanged it for money with a player at the table. Mr. Phoumkeo walked away toward the chip cabinet, came back, and placed 20 blue chips back into the rack in front of him at 10:12:37. Mr. Phoumkeo sat down and began to play out of the one rack of blue chips in front of him, while the other three racks of blue chips remained immediately to his right.
  - At 10:12:45 – Mr. Phoumkeo made his first bet.
- 7) On July 10, 2013, the agent interviewed the poker supervisors. They informed Mr. Phoumkeo that the rack of chips was missing \$200. At first, Mr. Phoumkeo denied knowing anything but when he was told they were going to review surveillance video, Mr. Phoumkeo said, “Oh you don’t have to, it’s me.” Before leaving, Mr. Phoumkeo paid back \$200.
- 8) On July 10, 2013, the agent interviewed Mr. Phoumkeo, who said that early in the morning on May 26<sup>th</sup>, he was working as the poker floor supervisor. He said he was short on money in the morning and needed to get a poker game going, so he “played out of the bank, basically.” Mr. Phoumkeo added that, “at first I tried to hide it...I panicked.” Mr. Phoumkeo informed the agent that he had been fired from the Drift on Inn. Mr. Phoumkeo did not want to provide a written statement but would call back with his updated California address.
- 9) On July 11, 2013, the agent called Mr. Phoumkeo and asked if he had found out his address in California. He stated he had not but would call back. The agent asked Mr. Phoumkeo when, during the day, he moved the red chips. Mr. Phoumkeo stated that he moved the red chips on the top shelf before he took the blue chips to gamble.

## **VIOLATIONS:**

### **1) RCW 9.46.075 Denying, suspending, or revoking an application, license 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.

(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, 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.

(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) 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:

(The following subsections apply.)

(1) Employ any device, scheme, or artifice to defraud; or

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;

Shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

**4) 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.

Arong E. Phoumkeo took \$200 in poker chips to play poker. He tried to conceal his actions by rearranging the chips in the poker cabinet to make it appear as though the \$200 in chips were not missing, in violation of RCW 9.46.190. Mr. Phoumkeo has failed to establish clearly and convincingly that he is qualified for licensure, as required by RCW 9.46.153(1).

Therefore, under RCW 9.46.075(1), (8), and (10), and WAC 230-03-085(1), (3), and (8), grounds exist to revoke Arong E. Phoumkeo's license.

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.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

David Trujillo, 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.

David Trujillo  
DAVID TRUJILLO, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 12 day of August, 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 13 day of August, 2013  
Maureen Pretell