

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension of the License/)
Certification to Conduct Gambling Activities of:)
)
)
Leng Soeum)
Seatac, Washington,)
)
Licensee/Class III Employee.)

NO. CR 2013-00763

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

I.

The Washington State Gambling Commission issued Leng Soeum the following license and certification:¹

Number 68-15715, authorizing Card Room Employee activity, formerly with Macau Casino in Lakewood; and
Number 69-22550, authorizing Class III Employee activity with the Snoqualmie Casino.

The license and certification expire on March 3, 2014, and were issued subject to Mr. Soeum's compliance with state gambling laws and rules.

II.

David Trujillo, Interim Director of the Washington State Gambling Commission, charges the licensee/Class III employee with the following violations of the Snoqualmie Tribal/State Compact, Chapter 9.46 RCW, and WAC Title 230.

SUMMARY:

Leng Soeum received a Notice of Violation and Settlement (NOVAS)² for under-reporting \$1,512 in tips from March 19, 2012, to April 1, 2012. Mr. Soeum failed to pay the NOVAS.

FACTS:

1) On March 19, 2012, the agent received a call from an employee who wished to remain anonymous. The individual made several complaints and said that the Macau Casino's dealers fail to report tips as a matter of policy/recruiting. The complainant said the dealers do not report all of

¹ Class III Certification is issued to employees working at tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may also hold a commercial Card Room Employee license.

² NOVAS- Notice of Violation and Settlement identifies the violation and gives the licensee the opportunity to pay a fine to settle the matter.

their tips to the casino, and the casino knowingly allows it to happen.

2) Former shift manager Sheila Clifton contacted the agent about June 8, 2012, and explained she was “fired” by the casino for “following the rules.” On July 6, 2013, the agent interviewed Ms. Clifton. During the interview, Ms. Clifton stated that the dealers do not report their tips as a matter of practice. She said many of them draw state benefits and teach each other how to get the benefits.

3) The agent obtained copies of the surveillance logs for March 23, 2012, through March 27, 2012. The agent reviewed surveillance videos with Mark Higgins, operations manager. Mr. Higgins verified the identity of each dealer as they came to the cashier’s cage to cash in their tips and helped the agent to determine the amounts of cash/chips exchanged. The agent recorded all entries of dealers, tracing their tips from the logs onto a spreadsheet. The total for one day was \$6,339 in under-reported tips. Jennifer Wadsworth and Michelle Rochard in the Accounting/Human Resources section provided the agent with Internal Revenue Service (IRS) Form 4070’s that employees of the casino filed to officially record their tips. They also provided access to the personnel records for licensed employees.

4) On April 2, 2012, the agent visited the Macau Casino. While onsite, he met with Surveillance Observer Sokhom Buntun. He provided the agent with a DVD made directly from the digital surveillance system. The agent created a spreadsheet of the information obtained directly from the surveillance logs, the video recordings, and the IRS Form 4070’s.³ Of the twenty entries the agent looked at, there were ten people who reported fewer tips for the two-week period than they cashed out on the one day the agent reviewed.

5) Macau Casino’s internal controls state, “Other than cashiers, tipped employees will fill out IRS Form 4070 to accurately report all tips to Macau Casino, and will turn it in to the cage cashier to [sic], not less than once a month, in accordance with US Code Title 26, Subtitle F, Chapter 31, Subchapter A, Part III, Subpart C, 6053. Copies of IRS Form 4070 will be available at the cashier window. These records shall be forwarded to accounting daily.”

6) The agent was notified by Mr. Higgins that one of the ten individuals, Leng Soeum, no longer works at the Macau Casino. However, Mr. Soeum is still working for the Snoqualmie Tribe as a dealer.

7) On March 7, 2013, the agent contacted Mr. Soeum and explained he would like to meet with him. The agent and Mr. Soeum arranged to meet at the Washington State Gambling Commission Tacoma Field Office on March 11, 2013 at 11:00 a.m. However, Mr. Soeum failed to show up for the meeting. The agent attempted to contact him again but was told Mr. Soeum had a new number, and the man on the other end did not provide anything. The agent told the man that Mr. Soeum needed to contact him or he could lose his gambling license.

³ A tax form distributed by the Internal Revenue Service (IRS) and used by employees who are compensated by tips to report those tips to their employer.

8) The agent asked another agent to reach out to the Snoqualmie Tribe for help and pass along the information that the agent needed to meet with Mr. Soeum.

9) On March 14, 2013, Mr. Soeum left the agent a voicemail. The next day, the agent and Mr. Soeum set up a meeting on March 18, 2013. When they met, Mr. Soeum said he did not receive the original phone messages, as it was an old phone number.

10) A NOVAS was given to and signed by Mr. Soeum on March 18, 2013. Mr. Soeum was required to pay the \$200 fine by April 2, 2013. On April 8, 2013, the agent made contact with Mr. Soeum and asked if he intended on paying the fine and settle the matter. Mr. Soeum asked if he could do it by phone. The agent gave him instructions on how he could pay the fine. Mr. Soeum asked the agent if he had to overnight it but the agent told him he would extend the deadline. Mr. Soeum said he would "take care of it today."

11) As of May 9, 2013, Commission staff has not received any money or checks this year from Mr. Soeum except for his license/certification renewal.

VIOLATIONS:

1) Snoqualmie Tribal/State Compact

Section V.C. of the Tribal-State Compact states the SGA may revoke, suspend or deny a State certification for any reason it deems to be in the public interest. These reasons shall include when the holder of a certification:

V.C.1. Is determined to be a person who because of prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities used in the conduct of the gaming activities permitted pursuant to this compact.

V.C.2. Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal-State Compact.

V.C.4. has demonstrated a willful disregard or failed to comply with the requirements of any gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of a gaming license.

2) 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.

3) 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.

4) WAC 230-15-475 Tips from players and patrons to card room employees.

(1) House-banked card game licensees may allow selected employees to accept tips from players or patrons.

(2) If licensees allow house-banked card game dealers to accept tips, licensees must ensure that tips are controlled so that only authorized employees receive tips, that tips are properly accounted for, and that tips are maintained separately from all other gambling funds.

(3) Cage cashiers may accept tips. They must locate their tip containers outside the cage enclosure. Players or patrons must deposit the tips directly into the container. A shift or floor supervisor, security, or an accounting manager who does not work as a cashier must verify the tips cage cashiers receive.

(4) Employees directly concerned with management, supervision, accounting, security, or surveillance must not ask for, accept, or share any tip originating from players or patrons; however, this restriction does not apply to poker "floor supervisors."

(5) House-banked card game licensees must:

(a) Establish and implement procedures for the accounting of tips received by authorized card room employees.

(b) Fully document the procedures in their internal controls and describe in detail any methods used to allocate tips.

(c) Establish procedures necessary to ensure that the floor supervisor and surveillance observe card room employees accepting tips. Procedures must include an overt display of received tips, for example tapping the table with the tip before placing it in the tip container.

(6) Employees must:

(a) Drop all tips into a locked tip container which prevents the removal of tips except by unlocking the container. Tips may be accumulated on the table, exchanged into higher denomination chips, and then deposited into the tip container. Tip containers must remain under camera coverage of the closed circuit television system at all times; and

- (b) Keep all tips received or pool them with tips of all card room employees according to the licensee's internal controls; and
- (c) Redeem all tips received under surveillance at the cashier's cage; and
- (d) Accurately report all tips to their employer as described in the licensee's internal controls.

(7) Licensees may determine whether employees must retain or pool tips among employees. Employees must redeem all pooled tips under surveillance at the cashier's cage, count room, or a gaming table.

Leng Soeum willfully failed to comply with internal control procedures by not accurately reporting his tips, in violation of WAC 230-15-475, and subsequently received a NOVAS. Mr. Soeum has failed to pay the fine and as a result, there are grounds to suspend Leng Soeum's license and certification based on the Snoqualmie Tribal/State Compact, RCW 9.46.075(1), and WAC 230-03-085(1) and (3).

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III.

Jurisdiction of this proceeding is based on Snoqualmie Tribal/State Compact, 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

The licensee/Class III employee 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 Interim Director of the Washington State Gambling Commission and in that capacity has executed these Charges.

David Trujillo
DAVID TRUJILLO, INTERIM DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 21 day of May, 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 21 day of May, 2013

Maureen Pretell

