

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the ~~Revocation~~ Suspension of) NO. CR 2013-01679
the License to Conduct Gambling Activities of:)
))
)) **AMENDED**
)) **NOTICE OF ADMINISTRATIVE**
Jennifer Su) **CHARGES AND OPPORTUNITY**
Kent, Washington,) **FOR AN ADJUDICATIVE**
) **PROCEEDING**
) **(Amendments in italics and strikeouts)**
Licensee.)

I.

The Washington State Gambling Commission issued Jennifer Su the following license: Number 68-11370, authorizing Card Room Employee activity with Macau Casino in Tacoma and Roman Casino in Seattle. The license expires on January 22, 2014, and was issued subject to Ms. Su'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:

Jennifer Su under-reported \$1,547 in tips from June 10, 2013 to June 23, 2013. *In 2010, Ms. Su received administrative charges in 2010 for cheating and theft in connection with playing Progressive Fortune Pai Gow. In 2012, she received a warning letter for violating card game rules, causing another person to violate card game rules, and exceeding the wager limits.*

FACTS:

- 1) On March 12, 2013, a Washington State Gambling Commission Special Agent (agent) met with Mark Higgins, General Manager of Macau Casino. During the meeting, the agent said he would be conducting an inspection to verify accurate tip reporting and advised him to notify all of his employees. Mr. Higgins provided his dealers with small books from the Internal Revenue Service (IRS) so employees could track their tokes¹ (tips) for each day.
- 2) In order to get a fair assessment of dealer toke reporting, the agent e-mailed Mr. Higgins on June 10, 2013, and gave him the names of eleven dealers to be audited. The agent and Mr. Higgins agreed that Surveillance Observer Sarem Mang would be a good candidate to do the collecting. The agent and Mr. Higgins selected June 10, 2013, through June 23, 2013, for the audit.

¹ Tokes are gratuity received by card room employees who are dealers from players or patrons.

- 3) On June 25, 2013, the agent visited the Macau Casino in Lakewood to collect records for the audit. Michelle Rochard in Human Resources and Accounting provided the agent with copies of the dealer-signed IRS Forms.² The Macau Casino's Internal Controls requires tipped licensees to fill out the IRS form and accurately report all tips. She also provided the agent with copies of the dealers' timesheets for June 10, 2013, through June 23, 2013. The agent gave copies to Surveillance so they could finish collecting video recordings.
- 4) On June 27, 2013, the agent met with Mr. Mang, Surveillance Manager Phat Phan, and Surveillance Contractor Gary Wunderlich. Mr. Phan gave the agent the daily surveillance logs for gaming days June 11, 2013, through June 23, 2013, and all the video recordings they could find.
- 5) On June 28, 2013, the agent combined all the relevant data from the surveillance logs, timesheets, IRS Form 4070s, and surveillance recordings onto a single spreadsheet. It was apparent that at least seven of the dealers significantly under-reported their tokens.
- 6) Ms. Su worked a total of 46.5 hours over eight days. For the entire pay period June 10, 2013, through June 23, 2013, she reported and signed \$1,100 in tips on her IRS Form 4070. According to the video recordings and surveillance logs, she earned a minimum of \$2,647 and under-reported her tokens by at least \$1,547.

ADMINISTRATIVE HISTORY:

- 7) *On May 25, 2010, Ms. Su cheated while playing Progressive Fortune Pai Gow at Riverside Casino. Ms. Su picked up her cards after the dealer exposed their hands and re-set her hand so that she would push against the dealer rather than lose her wager. Ms. Su retained an approximate \$110 wager rather than losing it.*
- 8) Ms. Su received administrative charges in 2010 for cheating and theft. The case was resolved by a Settlement Order agreeing to a one-year suspension, ~~and~~ which was signed on December 14, 2010. Ms. Su received a new license on January 23, 2012.
- 9) *In the associated criminal case, Ms. Su admitted to Cheating in the Second Degree and Theft in the Third degree in her Stipulation and Order for Stay of Prosecution. After twelve months of complying with the Order, issued October 23, 2010, the charges were dismissed by the court.*
- 10) *Ms. Su showed a lifetime loss to the casino in the amount of \$529,284 as of July 25, 2012, according to the player tracking system.*
- 11) *In another administrative case, on November 17, 2012, Ms. Su was playing on a Mini-Baccarat table at the Macau Casino in Lakewood. She placed a side bet and exceeded the table betting limits by handing some casino chips to the woman sitting next to her. The woman placed Ms. Su's casino chips onto the bonus betting spot of the spot she was already playing. Ms. Su bet more than the allowed limit for bonus wagers while side betting on another player's spot. Before the hand was dealt, Ms. Su got up and walked around the table and gave casino chips to other*

² IRS form 4070 Employee's Report of Tips to Employer for the dates of June 10, 2013 to June 23, 2013.

players at the table. Those casino chips were co-mingled and bet. After the hand, casino chips were given back to Ms. Su by the involved players. Commission staff issued her a warning letter for violating card game rules, causing others to violate card game rules, and exceeding wager limits.

12) Ms. Su's repeated violations and her failure to comply with gambling rules and regulations demonstrate that she is a threat to the effective regulation of gambling.

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.

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

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.

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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.

Ms. Su has failed to establish by clear and convincing evidence, as required by RCW 9.46.153(1), that she is qualified to be licensed. *Most recently*, Jennifer Ms. Su failed to comply with internal control procedures by not accurately reporting her tips, in violation of WAC 230-425 and WAC 230-15-475. 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. As a result of Ms. Su's repeated violations, there are grounds to ~~suspend or~~ revoke Jennifer Su's license based on RCW 9.46.075(1) and (8), 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.

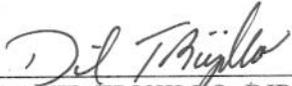
In order to have a hearing or discuss settlement options, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

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.

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 December 30, 2013



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 30 day of December, 2013
