STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the License to Conduct Gambling Activities of: Hanh T. Tran Burien, Washington, Licensee.	)	NO. CR 2013-01068 ***AMENDED*** **NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING** ***(Amendments appear in italics and strikeouts)***

I.

The Washington State Gambling Commission issued Hanh T. Tran license number 68-21228, authorizing Card Room Employee activity formerly at Casino Caribbean, Kirkland and currently at with Goldie's Casino in Shoreline.

The Commission issued this license, which expires on January 30, 2016, subject to the licensee's compliance with state gambling laws and Commission 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:

Hanh T. Tran loaned money to individuals, primarily card room employees, at rates higher than legally permissible.[1]

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[1] RCW 19.52.020
Highest rate permissible — Setup charges.
(1) Any rate of interest shall be legal so long as the rate of interest does not exceed the higher of: (a) Twelve percent per annum; or (b) four percentage points above the equivalent coupon issue yield (as published by the Board of Governors of the Federal Reserve System) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the calendar month immediately preceding the later of (i) the establishment of the interest rate by written agreement of the parties to the contract, or (ii) any adjustment in the interest rate in the case of a written agreement permitting an adjustment in the interest rate. No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater interest for the loan or forbearance of any money, goods, or things in action.

FACTS:

1) A Washington State Gambling Commission Special Agent (agent) was informed by a confidential source that Hanh T. Tran loaned money to persons. The source said Ms. Tran's rate was ten percent per month.
The source also said that Ms. Tran keeps track of her loans on an excel spreadsheet kept in her purse.

2) On July 5, 2013, the agent interviewed Sophie Luu. The agent asked her if she had ever borrowed money from anyone and she said she had. Ms. Luu borrowed $2,000 from Ms. Tran and she would pay it off by August 2015. The agent asked what the loan terms were to pay Ms. Tran back and she said she pays Ms. Tran $300 a week for eight weeks for a total of $2,400. The interest rate per annum was 54.55%. Ms. Luu said she needed the money to fix her daughter's car.

3) Ms. Luu said it was the second loan she had received from Ms. Tran. Ms. Luu said she made deposits into Ms. Tran's bank account to pay the loan. Ms. Luu produced a deposit slip from June 20, 2013, for a payment that she made. Ms. Luu also provided a written statement.

4) On July 9, 2013, the agent interviewed Tony Nguyen. Mr. Nguyen told the agent he borrowed money from someone because he needed to fix his car and times were hard. The agent asked Mr. Nguyen if he borrowed money from Ms. Tran and he said yes, $1,000. The agent asked him if he still owes Ms. Tran and he said he paid it off last week. He had to pay her $275 for four weeks for a total of $1,100. The interest rate per annum was 56.59%. At first Mr. Nguyen said it was just one time he borrowed from Ms. Tran but later told the agent about another loan for the same amount and terms.

5) On October 11, 2013, an agent received paperwork that was found in a desk in one of the manager's office at ~~Casino Caribbean~~ *Roman Casino*. The paperwork was an excel spreadsheet that included the following information: Month, Name, Original Date, Amount, Percent, Terms, Pay Day, Duration, Projected Monthly Profit, Projected Total Return, Projected Payoff Date, Amount Owed, Paid Off and Status. The agent took a copy and asked if the confidential source recognized the spreadsheet and they confirmed it as Ms. Tran's spreadsheet of her loans.

6) The agent reviewed the spreadsheet that was dated October 2012 to June 2013 and summarized the following loans allegedly made by Ms. Tran:

October 2012	Two loans were made with monthly terms. The two interest rates per annum were 37.5% and 70.59%. The total amount loaned at a rate exceeded 24% was $7,000 and projected monthly profit was $1,100.
November 2012	Eleven loans were made. Four of the loans were "favors" so there was no interest rate. Three of the loans had monthly terms, three loans and 8 week terms with weekly payments had one of the loans was a one-week loan. Other than the favors, the per annum interest rates ranged between 32.43% and 83.91%. The total amount loaned at a rate that exceeded 24% was $16,000 and projected monthly profit was $1,480.

December 2012	Seven loans were made and the per annum rates ranged between 38.71% and 56.59%. The loan terms were from 5 weeks to two months. The total amount loaned at a rate that exceeded 24% was $12,800 and projected profit was $2000.
January 2013	One loan was listed as a "favor." Another loan listed was "cancelled." Twenty-one loans were made at a per annum rate between 38.71% and 98.12%. The terms of the loan were daily, weekly and monthly. The total amount loaned at a rate that exceeded 24% was $39,400 and projected monthly profit was $4,624.
February 2013	Seventeen loans were made in February. Two of the loans were "favors" and the remaining 15 were at the per annum rate between 54.55% and 94.81%. The terms of the loans were anywhere from one day to monthly. The total amount loaned at a rate that exceeded 24% was $23,300 and projected monthly profit was $4,174.
March 2013	Twenty-one loans were made and five of the loans were "favors." The rates of the loans per annum varied between 46.5% and 63.48% the highest. The terms of the loan were anywhere from one day to monthly. The total amount loaned at a rate that exceeded 24% was $29,000 and the projected monthly profit was $5,761.
April 2013	There was one loan with a per annum rate of 56.69% with weekly terms. The total amount loaned at a rate that exceeded 24% was $3,000 and the projected monthly profit was $300.
May 2013	There were no new loans listed.
June 2013	There were no new loans listed.

7) On September 9, 2014, Ms. Tran came into the office for an interview. The agent asked her specifically if she loaned money at the card rooms. She said she loaned money to her friends at the card room so they could gamble. When the agent asked if she charged interest, she asked to terminate the interview so she could talk to her lawyer.

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 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[2] 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, 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; or

(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.

3) 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.

Hanh T. Tran loaned money to individuals, primarily card room employees, at rates higher than legally permissible. Between October 2012 to April 2013, Ms. Tran loaned at least $3,000 and in addition, allegedly loaned $130,500 at a rate higher than is allowed by law. Hanh T. Tran has demonstrated willful disregard for complying with state laws, and that she poses a threat to the effective regulation of gambling or increases the likelihood of unfair or illegal practices. Ms. Tran has failed to establish clearly and convincingly that she is qualified to be licensed, as required by RCW 9.46.153(1). As a result, grounds exist to revoke Hanh T. Tran's license based on RCW 9.46.075(1),(8), and (10), and WAC 230-03-085(1), (3), and (8).

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[2] RCW 9A.82.045 Collection of unlawful debt. It is unlawful for any person knowingly to collect any unlawful debt. A violation of this section is a class C felony.
RCW 9A.82.010 Definitions. (21) "Unlawful debt" means any money or other thing of value constituting principal or interest of a debt that is legally unenforceable in the state in full or in part because the debt was incurred or contracted: (a) In violation of any one of the following: …(ii) Chapter 9.46 RCW relating to gambling; …(c) In connection with the business of lending money or a thing of value at a rate that is at least twice the permitted rate under the applicable state or federal law relating to usury.

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.

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.

DR TRujillo 4-27-15

DAVID TRUJILLO, DIRECTOR (Date)

STATE OF WASHINGTON)
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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, properly 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 27 day of April, 2015

Maureen Pratt