

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of)
the License to Conduct Gambling Activities of:)
)
James Gang Tavern)
Union Gap, Washington,)
)
Licensee.)

NO. CR 2014-00220

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

I.

The Washington State Gambling Commission issued James Gang Tavern, located at 2101 S. 3rd Avenue Union Gap, organization number 00-12690, the following licenses:

Number 65-01966, authorizing Class "D" Public Card Room activity; and

Number 05-06910, authorizing Class "B" Punchboard Pull-Tab activity.

The licenses expire on March 31, 2015, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

SUMMARY:

Patrick Jeffries, owner of the James Gang Tavern, operated two sport pools one for one sporting event, and one of the sports pools was \$10.00 per square. Mr. Jeffries also collected money for a third sports pool that was originally sold at \$100 per square and was subsequently lowered to \$50 per square.

FACTS:

1) On January 30, 2014, two Washington State Gambling Commission Special Agents (agents) went to the James Gang Tavern to investigate an anonymous tip about a Super Bowl Sports Board that was being sold for \$100 per square. When the agents walked in, they observed an individual, who they later determined to be Douglas Weiss, holding a paper with a grid of approximately 100 squares, with the numbers 0-9 on both the top and left side of the grid.

2) Mr. Weiss told one of the agents it was a sports board for the Super Bowl game. Mr. Weiss explained at first the squares sold for \$100, but not many people were purchasing the squares so he decided to lower the price to \$50 a square. The people who already purchased a \$100 square were given another square. At this time, one of the agents observed Pat Jeffries, owner of the James Gang Tavern, take what appeared to be two sports boards, fold them in half, and place them behind a garbage can under the bar. The agents asked Mr. Weiss where the money for his sports board was located, and he said it was at his house.

3) Once all the patrons left the premises, one of the agents went to the garbage can and pulled out the two sports boards. The agent asked Mr. Jeffries why he put the boards behind the garbage can, and he said he didn't know. Mr. Jeffries later admitted that the board Mr. Weiss was operating was illegal, and he was only allowed to have one sports board per sporting event. Mr. Jeffries said he already had a board completed for the Super Bowl and pointed to a sports board on the wall, with all the squares sold. The agent asked the cost per square for the boards, Mr. Jeffries pointed to the one Mr. Weiss was operating and said it was \$50 per square, and then he pointed to the other two and he said they were \$1 per square.

4) On February 6, 2014, the agents interviewed Mr. Jeffries about Mr. Weiss' sports board that was sold for \$50 a square. When asked if he knew the legal amount of cost per square, he said \$1.00 Mr. Jeffries said he knew it was illegal. He accepted money for Mr. Weiss' sports board. Mr. Jeffries admitted that one of his boards was \$10 per square. The second board was only for \$1.00 per square. Mr. Jeffries explained he had returned approximately \$300 to the players he could remember who had purchased squares. He said the rest of the money is in a bank account. Mr. Jeffries stated some other people had claimed they had a square, but he refused to refund their money because he couldn't remember them purchasing a square and really didn't trust them. The agent wrote a written statement on Mr. Jeffries' behalf.

ADMINISTRATIVE HISTORY:

On February 14, 2011, agents conducted an inspection at the James Gang Tavern. The gambling license had expired on December 31, 2010, yet Mr. Jeffries continued operating pull-tabs. Also, found was a sports board that was being operated at \$10 a square and a sports pool. On May 12, 2011, Mr. Jeffries signed a Settlement in Lieu of Administrative Charges, which provided for a 10-day suspension of all gambling activities.

On June 22, 2011, agents visited James Gang Tavern and observed pull-tabs being operated during the suspension period, which resulted in another set of Administrative Charges. Mr. Jeffries signed a Settlement Order and agreed to a seven-day suspension, with six of the days deferred for one year.

VIOLATIONS:

1) RCW 9.46.075(1) and (5) Denying, suspending, or revoking a 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) 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) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the commission.

2) WAC 230-03-085 Denying, suspending, or revoking a 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; 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; or

(d) Habits; or

(e) Associations.

3) RCW 9.46.0335 Sports pools authorized.

The legislature hereby authorizes any person, association, or organization to conduct sports pools without a license to do so from the commission but only when the outcome of which is dependent upon the score, or scores, of a certain athletic contest and which is conducted only in the following manner:

(The following subsections apply.)

(1) A board or piece of paper is divided into one hundred equal squares, each of which constitutes a chance to win in the sports pool and each of which is offered directly to prospective contestants at one dollar or less;

(2) The purchaser of each chance or square signs his or her name on the face of each square or chance he or she purchases; and

(3) At some time not later than prior to the start of the subject athletic contest the pool is closed and no further chances in the pool are sold;

(4) After the pool is closed a prospective score is assigned by random drawing to each square;

(5) All money paid by entrants to enter the pool less taxes is paid out as the prize or prizes to those persons holding squares assigned the winning score or scores from the subject athletic contest;

(6) The sports pool board is available for inspection by any person purchasing a chance thereon, the commission, or by any law enforcement agency upon demand at all times prior to the payment of the prize;

(7) The person or organization conducting the pool is conducting no other sports pool on the same athletic event; and

(8) The sports pool conforms to any rules and regulations of the commission applicable thereto.

4) RCW 9.46.220 Professional gambling in the first degree.

(The following subsections apply.)

(1) A person is guilty of professional gambling in the first degree if he or she engages in, or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter, and:

(a) Acts in concert with or conspires with five or more people; or

(b) Personally accepts wagers exceeding five thousand dollars during any thirty-day period on future contingent events; or

(c) The operation for whom the person works, or with which the person is involved, accepts wagers exceeding five thousand dollars during any thirty-day period on future contingent events; or

(d) Operates, manages, or profits from the operation of a premises or location where persons are charged a fee to participate in card games, lotteries, or other gambling activities that are not authorized by this chapter or licensed by the commission.

(2) However, this section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts in furtherance of such activities when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted pursuant to this chapter.

(3) Professional gambling in the first degree is a class B felony subject to the penalty set forth in RCW 9A.20.021.

5) RCW 9.46.0269 "Professional gambling."

(The following subsections apply.)

(1) A person is engaged in "professional gambling" for the purposes of this chapter when:

(a) Acting other than as a player or in the manner authorized by this chapter, the person knowingly engages in conduct which materially aids any form of gambling activity; or

(b) Acting other than in a manner authorized by this chapter, the person pays a fee to participate in a card game, contest of chance, lottery, or other gambling activity; or

(c) Acting other than as a player or in the manner authorized by this chapter, the person knowingly accepts or receives money or other property pursuant to an agreement or understanding with any other person whereby he or she participates or is to participate in the proceeds of gambling activity; or

- (d) The person engages in bookmaking; or
- (e) The person conducts a lottery; or
- (f) The person violates RCW 9.46.039.

6) RCW 9.46.180 Causing person to violate chapter.

Any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any provision of this chapter shall be guilty of a class B felony subject to the penalty in RCW 9A.20.021.

The licensee previously received a Settlement in Lieu of Charges for sports pool violations in 2011. Mr. Jeffries demonstrated willful disregard by operating two sports pools for one sporting event at the James Gang Tavern. He charged \$10 a square for one of these sports pools and accepted money for a third illegal sports pool operated by Douglas Weiss. All of these activities are in violation of RCW 9.46.0335, RCW 9.46.220, and RCW 9.46.180. Therefore, grounds exist for the suspension or revocation of James Gang Tavern's license to conduct gambling activities, based on RCW 9.46.075(1), and (2), 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, the enclosed REQUEST FOR HEARING must be completed in full by the licensee or representative 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 REVOCATION OF 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 March 17, 2014



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, 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 17 day of March, 2014.
