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JUN 18 2014

STATE OF WASHINGTON  
Gambling Commission GAMBLING COMMISSION  
Comm. & Legal Division

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JUN 13 2014

Gambling Commission  
Comm. & Legal Division

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

NO. CR 2014-00220

**SETTLEMENT ORDER**

The Washington State Gambling Commission and James Gang Tavern have agreed to this Settlement Order to resolve the administrative charges issued against the licensee. Gregory J. Rosen, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Commission. Patrick Jeffries, Owner, represents the licensee.

I.

The Washington State Gambling Commission issued James Gang Tavern, located at 2101 S. 3<sup>rd</sup> 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.

In the above-entitled case, the Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Hearing on or about March 17, 2014, seeking the suspension of James Gang Tavern's gambling licenses. On March 31, 2014, staff received the licensee's request for a hearing. The following summary of facts and violations were alleged in the Notice of Administrative Charges:

**SUMMARY:**

Patrick Jeffries, owner of the James Gang Tavern, operated two sport pools for one sporting event, and one of the sports pools was \$10 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.

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## **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).

III.

The licensee acknowledges reviewing and understanding the facts and violations contained in the Notice of Administrative Charges issued in this case. Commission staff received James Gang's request for a hearing on March 31, 2014; however, the licensee has waived its right to a hearing, based on the terms and conditions of this Settlement Order.

The licensee further agrees to the following terms and sanctions:

- 1) James Gang gambling licenses are hereby suspended for a period of **twenty-five (25) days**, provided that:

- a) Five (5) days of the suspension shall not be currently served, but shall be deferred for a period of one year from the date of entry of this Settlement Order, subject to the following: The licensee agrees not to violate the terms of this Settlement Order, or any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates this Settlement Order or gambling statutes or regulations, and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the five-day deferred suspension of the current gambling licenses and any subsequently acquired gambling licenses.
  - b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this settlement, has discretion to determine whether the licensee has violated any term of this settlement. In the event the Director determines that a violation of this settlement has occurred, he may suspend the license(s) issued to the licensee for five days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In addition to the consequences of the new violation, the deferred sentence shall also be served. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.
- 2) The licensee shall serve a twenty-day (20) day suspension under this Order.
- a) **The licensee has chosen to serve the remaining twenty (20) days of the suspension on June 19, 2014 to July 9, 2014.**
    - i. The suspension period begins at 8:00 a.m. on Thursday, June 19, 2014, and runs through Tuesday, July 8, 2014.
    - ii. During this period of suspension, no gambling activities shall take place at the licensed premises.
    - iii. The licensee may resume its gambling activities at 8:00 a.m. on Wednesday, July 9, 2014.

**The signed Settlement Order must be received by Commission staff on or before June 16, 2014, and mailed to Commission Headquarters at the following address:**

Washington State Gambling Commission  
Communications and Legal Division - Fines  
P.O. Box 42400  
Olympia, WA 98504-2400

**Or delivered (in person or via private courier) to the following address:**

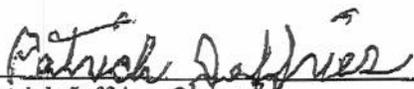
Washington State Gambling Commission  
Communications and Legal Division  
Third Floor Reception  
4565 7<sup>th</sup> Avenue SE;  
Lacey, Washington

18 706  
DATED this ~~17~~ day of June, 2014.

  
\_\_\_\_\_  
DAVID TRUJILLO, DIRECTOR

APPROVED FOR ENTRY:

By the signature below, the licensee acknowledges reading and understanding the terms and conditions contained in this Settlement Order.

  
\_\_\_\_\_  
Patrick Jeffries, Owner  
James Gang Tavern

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Gregory J. Rosen, WSBA #15870  
Assistant Attorney General,  
Representing the Washington State  
Gambling Commission

  
\_\_\_\_\_  
Melinda A. Froud, WSBA # 26792  
Lead Staff Attorney,  
Washington State Gambling Commission