STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of the Licenses to Conduct Gambling Activities of:	)	NO. CR 2010-01377
	)	*AMENDED* **NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING**
Parker's Sports Bar & Casino Shoreline, Washington,	)	
Licensee.	)	
	)	**Amendments are italicized*

Rick Day alleges as follows:

I.

He is the Director of the Washington State Gambling Commission and makes these charges in his official capacity.

II.

Jurisdiction of this proceeding is based on Chapter 9.46 RCW, Gambling, Chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

III.

The Washington State Gambling Commission issued Parker's Sports Bar & Casino, 17001 Aurora Avenue N., Shoreline, Organization Number 00-13542, the following licenses:

Number 67-00027, Authorizing Class "12" House-Banked Card Room Activity;
Number 05-07549, Authorizing Class "B" Punchboard/Pull-Tab Activity; and
Number 53-01099, Authorizing Class "A" Amusement Game Activity.

The licenses, which expire on September 30, 2011, were issued subject to the licensee's compliance with state gambling laws and regulations.

IV.

SUMMARY:

Parker's Sports Bar & Casino is not qualified to continue to be licensed based on owing $449,969.88 in state and federal taxes as shown by warrants and liens filed against it for taxes, interest, fees and penalties. *As of June 21, 2011, the license owed a total of $603,865.48 in taxes, an increase of $153,895.60. Additionally, as of July 20, 2011, the licensee has failed to submit its financial statement that was due on June 30. The financial statement was originally due on April 30, but the licensee asked for, and was granted a 60-day extension until June 30. Despite the extension, the licensee failed to submit its financial statement, which is also a violation of a prior Settlement Order.*

FACTS:

(1) Parker's Sports Bar & Casino has been licensed since 1996. A Commission Special Agent (agent) investigated the licensee's qualifications after he became aware of the licensee's tax debts during a routine review of the licensee's financial records in October 2010.

(2) The agent reported that the licensee allegedly owes $449,969.88 in taxes, interest, fees and penalties to the following state and federal agencies. *As of June 21, 2011, the agent found additional warrants and liens that increased the total amount by $153,895.60, to $603,865.48*:

Agency	Lien Amount	Type of Tax	Date Warrant or Lien Filed
Washington State Dept. of Labor and Industries (L&I)	*$23,723.66*	*Industrial insurance*	*05/31/2011*
Washington State Employment Security Dept.	*$26,278.71*	*Unemployment*	*02/09/2011*
IRS[1]	*$118,046.00*	*Payroll*	*11/15/2010*
Washington State Dept. of	$14,152.77	Industrial insurance	10/27/2010 (The licensee did not appeal the Notice of

[1] The agent obtained the following information about IRS tax liens from the IRS' public website: federal tax liens give the IRS a legal claim to a debtor's property as security for a tax debt. The IRS files liens after it assesses a liability, notifies the company of the outstanding debt and the company neglects or refuses to fully pay the debt within 10 days of notification. The IRS is required to notify a company of tax debts, in person, or via certified or registered mail, within 5 business days of filing the lien. The full amount of each lien remains a public record until the IRS releases the liens.

Labor and Industries (L&I)			Assessment and Order within 30 days, and the Order is final)
Washington State Dept. of Labor and Industries (L&I)	*-$14,152.77*	*Industrial insurance*	*Paid in Full as of June 21, 2011.*
IRS	$15,533.42	Payroll	09/09/2010
Dept. of Revenue	$42,179.48	Sales	08/26/2010
IRS	$66,867.63	Payroll	06/25/2010
IRS	$6,657.35	Income tax from non-payroll payments (pensions, for example)	04/26/2010
IRS	$304,579.23	Payroll and non-payroll payments (pensions, for example)	12/10/2009

(3) Although the licensee paid about $221,146 *and an additional $14,152.77* in taxes owed to the State between 2009 and 2010, *most* of the warrants listed remain in effect.

(4) The licensee has the following administrative history:

(a) In October 2010, the licensee agreed to a Settlement Order to resolve administrative charges for player supported jackpot violations, failure to timely disclose a new substantial interest holder, failure to timely submit its 2009 financial statement, and a previous Settlement Order violation. The licensee agreed to a 15-day suspension, with 12 days deferred for one year, and three days vacated by a fine and costs of $13,902. The licensee also served a one-day suspension for the prior Settlement Order violation. (CR 2010-0460 and CR 2010-00789)

(b) In April 2009, the licensee agreed to a Settlement Order to resolve administrative charges for multiple surveillance system and recording violations. The licensee agreed to a five-day suspension, with four days deferred for one year, and one day served. (CR 2008-02024)

(c) In December 2005, the licensee agreed to a Settlement Order to resolve administrative charges for allowing a minor to gamble. Previously, in 2004, Commission staff issued a Notice of Violation and Settlement (NOVAS) to the licensee for the same violation. The licensee agreed to a five-day suspension, with four days deferred for one year, and one day vacated by a fine of $14,012. (CR 2005-01370)

(5) As of July 20, 2011, the licensee has failed to submit its 2010 financial statement that was due on June 30, 2011. The financial statement was originally due on April 30th, but the licensee asked for, and was granted a 60-day extension until June 30th. Despite the extension, the licensee failed to submit its financial statement, which is also a violation of a prior Settlement Order in the matter of CR 2010-0460 and CR 2010-00789 (see attached). The Settlement Order was entered into on September 29, 2010 (see summary of violations above, in paragraph (4)(a), administrative history). Parker's licenses were suspended for 15 days, with 12 of those days deferred for one year (from the date of entry of the Settlement Order). The licensee chose to vacate the remaining three days by paying a penalty of $9,522.

VIOLATIONS:

RCW 9.46.075 Denying, suspending, or revoking an application, license or permit.
The Commission may 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 licensee or any person with any interest therein:
(The following subsection(s) 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.

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the Commission.

(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 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 purposed of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain.

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit.
We may deny, suspend, or revoke license or permit, when the licensee, or anyone holding a substantial interest in the licensee's business or organization:
(The following subsection(s) 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 (d) Habits.

WAC 230-06-090 Report administrative and civil actions filed.
(The following subsection(s) apply.)

(2) Licensed organizations must report to us in writing within thirty days all civil and administrative actions that are filed by or against any manager of the licensed gambling activity, the business organization, or any person holding a substantial interest in the business organization. Action include, but are not limited to:

(a) Divorces; and
(b) Bankruptcy; and
(c) Tax Liens; and
(d) Business dissolution.

(3) The report must consist of a complete copy of the original documents filed. Licensees must notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(5) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

WAC 230-15-740 Preparing required financial statements
(The following subsection(s) apply.)

Filing with the commission.

(2) House-banked card game licensees must submit financial statements covering all financial activities of the licensees' business premises for each business year within one hundred twenty days following the end of their business year.

(3) We may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

RCW 9.46.153(1) Applicants, licensees-Responsibilities, and duties-Waiver of liability- Investigation statement as privileged.
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.

By failing to pay its tax obligations, the licensee has filed to establish by clear and convincing evidence that it is qualified to be licensed, violating RCW 9.46.153. By its failure to pay taxes that resulted in state and federal liens, the licensee has pursued economic gain in an occupational manner which violates the civil public policy, and creates probable cause to believe that the licensee's participation in gambling would be inimical to the proper operation of gambling in this state.

In addition, the licensee has demonstrated willful disregard for rules and laws, and that it poses a threat to the effective regulation of gambling based on its prior activities or habits, by its failure to resolve federal and state tax liens filed against it, and by its history of administrative violations. The licensee also failed to notify the Commission of its tax liens in writing within 30 days, violating WAC 230-06-090.

The licensee has also failed to submit its 2010 financial statement, violating WAC 230-15-740, and a prior Settlement Order. The licensee's failure to submit its financial statement after entering into a previous Settlement Order for the same violation further demonstrates the licensee's willful disregard for rules and laws, and that it poses a threat to the effective regulation of gambling based on its prior activities or habits.

Grounds exist to suspend or revoke the licenses under 9.46.075(1), (7), (8) and (10), and WAC 230-03-085(1), (3) and (8). *The Settlement Order violation also constitutes grounds to impose the twelve-day deferred suspension pursuant to the terms of the Settlement Order entered into in the matter of CR 2010-0460 and CR 2010-00789.*

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V.

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 LICENSES.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding for Parker's Sports Bar & Casino, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

Rick Day

RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me this 22 day of July, 2011.

Michelle M. Pardee

NOTARY PUBLIC in and for the State of Washington residing at LACEY

My commission expires on 6/16/2013

STATE OF WASHINGTON)
)ss
COUNTY OF THURSTON)

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, 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 22 day of July, 2011

Maureen Perkell

Communications and Legal Department
Washington State Gambling Commission

MICHELLE M. PARDEE
COMMISSION EXPIRES
NOTARY
PUBLIC
JUNE 16, 2013
STATE OF WASHINGTON

STATE OF WASHINGTON)
)ss
COUNTY OF THURSTON)

I hereby certify that I have this day served a copy of the document upon all parties of record in this proceeding by mailing a copy thereof, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or their attorney or authorized agent.

Dated at Olympia, Washington this _____day of _____, _____

Communications and Legal Department
Washington State Gambling Commission

MICHELLE M. PARDEE
COMMISSION EXPIRES
NOTARY
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JUNE 16, 2012
STATE OF WASHINGTON