

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or)	No. CR 2011-01584
Revocation of the License to)	
Conduct Gambling Activities of:)	AMENDED
)	NOTICE OF ADMINISTRATIVE
Blinker Tavern)	CHARGES AND OPPORTUNITY
Kent, Washington,)	FOR AN ADJUDICATIVE
)	PROCEEDING
Licensee.)	<i>(Amendments appear in italics</i>
_____)	<i>and strikeouts)</i>

I.

The Washington State Gambling Commission issued Blinker Tavern, organization number 00-06885, the following license:

- Number 05-02969, Authorizing Class "D" Punchboard/Pull-Tab activity.

The license expires on September 30, 2012, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

Rick Day, Director ~~David Trujillo, Deputy 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:

1) On October 18, 2011, a warning letter was sent to Blinker Tavern regarding their failure to pay delinquent Department of Revenue taxes in excess of \$40,000. The licensee avoided administrative charges by entering into a repayment program and has been compliant with the repayment agreement.

2) On December 2, 2011, Commission staff received an affidavit from the City of Kent indicating that Blinker Tavern failed to make required gambling tax payments for the third and fourth quarters of 2009, the first, second, and third quarters of 2010, May 2011 and September 2011. The affidavit further states that the amount of gambling taxes owed for September 2011 cannot be accurately calculated because Blinker Tavern also failed to submit the required gambling tax return to the city.

3) The affidavit provided to Commission staff on December 2, 2011, documents the City's attempts to collect the past due gambling taxes due, as follows:

- On February 10, 2010, a collection notice was sent to Blinker Tavern by the City of Kent informing it that the gambling taxes from third and fourth quarters 2009 had not been received.

- On February 23, 2010, a notice was sent from Commission staff informing Blinker Tavern that staff was aware of the delinquent gambling taxes. The notice warns that failure to pay required gambling taxes may result in suspension or revocation of its gambling license.
 - On April 5, 2010, a notice was sent from Commission staff informing Blinker Tavern that the Commission had again been contacted by the City of Kent regarding the delinquent gambling taxes. The notice warns that failure to pay required gambling taxes may result in suspension or revocation of its gambling license.
 - On October 5, 2010, a collection notice was sent to Blinker Tavern by the City of Kent informing them that the gambling taxes from first and second quarters 2010 had not been received. The notice provided a 30-day deadline for the delinquent payment to be made.
 - On December 8, 2010, a notice was sent to Blinker Tavern by the City of Kent. The notice stated: "Due to the ongoing delinquencies of your Gambling Taxes since 2009, with accumulated Gambling Tax debt of over \$12,547.27 (amount excludes 3rd and 4th quarters 2010), you are hereby required to report Gambling Taxes monthly, to the City of Kent, along with remittance, starting with January 2011 activity."
 - On March 3, 2011, a collection notice was sent to Blinker Tavern by the City of Kent, informing them that the gambling taxes from third quarter 2010 had not been received. The notice provided a 30-day deadline for the delinquent payment to be made.
 - On September 6, 2011, a notice was sent to Blinker Tavern by the City of Kent, informing them that gambling taxes were due from the third and fourth quarters 2009, the first, second, and third quarters 2010, and May, June 2011 and July 2011. This notice states, "If you fail to comply with the requirements set forth above, this office will file a petition with the Gambling Commission to revoke your license."
- 4) As of January 24, 2012, these delinquent taxes had not been paid, and the issue ~~has been~~ was turned over to a collection agency.
- 5) *On March 27, 2012, the licensee's gambling taxes were paid in full to the City of Kent.*
- 6) *The licensee failed to timely submit its punchboard/pull-tab Activity Report for the third and fourth quarters of 2011.*

The licensee has the following history submitting its Activity Reports:

<i>Quarter</i>	<i>Due Date</i>	<i>Date Received</i>	<i>Days Late</i>
<i>3rd & 4th 2011</i>	<i>1/30/2012</i>	<i>4/16/2012</i>	<i>77</i>
<i>1st & 2nd 2011</i>	<i>7/30/2011</i>	<i>8/23/2011</i>	<i>24</i>
<i>3rd & 4th 2010</i>	<i>1/30/2011</i>	<i>2/2/2011</i>	<i>3</i>
<i>1st & 2nd 2010</i>	<i>7/30/2010</i>	<i>8/2/2011</i>	<i>3</i>

7) *The activity report for the 3rd and 4th quarters 2011 was due no later than January 30, 2012. On February 27, 2012, Cheryl Bogart, a CPA retained by Blinker Tavern, contacted Commission staff via e-mail. In her e-mail, Ms. Bogart stated that she had just received the gambling revenue and expense figures from Blinker and could now process the activity report as required. Commission staff provided a copy of a blank activity report to Ms. Bogart.*

8) *On April 16, 2012, Ms. Bogart submitted an unsigned copy of the activity report for 3rd and 4th quarters 2011.*

9) *On April 17, 2012, the signed copy of the activity report for 3rd and 4th quarters 2011 was received by Commission staff.*

10) *The licensee's failure to timely submit its Quarterly Activity Report, in violation of WAC 230-14-284 and failure to pay local gambling taxes to the City of Kent demonstrates its willful disregard for complying with local ordinances. Therefore, grounds exist to suspend or revoke Blinker Tavern's licenses under RCW 9.46.075 (1) and (8) and WAC 230-03-085(1), (3) and (4).*

RCW 9.46.075 provides that 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:

(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;

WAC 230-03-085 (1), (3), (4) and (7) Denying, suspending, or revoking an 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:

(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.

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action.

(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us; or

WAC 230-14-284 Activity reports for punch board and pull-tab licensees.

Punch boards and pull-tab licensees must submit an activity report to the commission. Licensees must complete the report in the format we require and must:

(2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period; and

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.

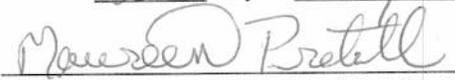
Based on RCW 34.05.440, failure to return this document will result in the entry of a default order REVOKING your license.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

Rick Day, being first duly sworn on oath, deposes and says: That he has read the foregoing Notice of Amended Administrative Charges and Opportunity for Adjudicative Proceeding, knows the contents thereof, and believes the same to be true, and that he is the Director of the Washington State Gambling Commission and in that capacity has executed said Statement of Charges.


RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me this 2 day of May, 2012.


NOTARY PUBLIC in and for the State of Washington residing at: Thurston County
My commission expires on December 2, 2015



CR 2011-01584

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 3 day of May, 2012


Communications and Legal Department
Washington State Gambling Commission