

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension of the )  
Licenses to Conduct Gambling Activities of: )  
)  
)  
Fraternal Order of Eagles #02327 )  
Monroe, Washington, )  
)  
Licensee. )  
\_\_\_\_\_ )

No. CR 2011-01357

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

I.

The Washington State Gambling Commission issued Fraternal Orders of Eagles (FOE) 02327, organization number 00-00467, the following licenses:

- Number 05-02498, authorizing class "C" Nonprofit Punchboard Pull-Tab activity;
- Number 08-00017, authorizing class "A" Combination License activity; and
- Number 60-00254, authorizing class "B" Special Card Room activity.

The licenses expire on June 30, 2012, and were issued subject to the licensee's compliance with state gambling laws and rules.

II.

Rick Day, 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 November 9, 2011, a Gambling Commission Special Agent (agent) conducted a punchboard/pull-tab records inspection at FOE 02327 for the period covering April 1, 2011, through November 9, 2011. During the inspection, a verbal warning was given for the following violations:

- The licensee failed to keep a set of permanent monthly records documenting their bingo gambling activity.
- The licensee failed to deposit at least five pull-tab games within two banking days and failure to record the Washington State identification number on the deposit slip at least nine times.
- The punchboard/pull-tab inventory review showed a negative five games.
- The monthly income summary showed incorrect prize amounts for two pull-tab games.

2) During his review, the agent noted bingo was one of the gambling activities conducted at this club. Ms. Anglin, club manager, stated that one of their members, Janette Fausett, prepares the gambling records for the bingo activity. The agent confirmed that Ms. Fausett prepares the

gambling records for their raffle activities. She stated she does not keep records for bingo activity. The agent then informed Ms. Fausett what records are required. The licensee failed to notify Commission staff when Ms. Fausett assumed the responsibility for gambling manager duties, in violation of WAC 230-07-120.

3) The licensee failed to assume that Ms. Fausett prepared bingo records required by gambling laws and rules. The licensee conducted gambling activities and failed to supervise Ms. Fausett, who was responsible for preparing its gambling records. As a result, the licensee violated WAC 230-07-110 and WAC 230-07-060.

4) Janine M. Shaffer was the last licensed nonprofit gambling manager assigned to FOE 02327. Ms. Shaffer no longer had gambling manager responsibilities when her license expired on June 10, 2008. On December 22, 2011, James Evans applied for a nonprofit gambling manager license, and he is the current licensed manager for FOE 02327.

5) The licensee has had two violations within the last five year period. The two violations were failing to submit their activity report within 30 days. The disposition for both of these violations was a Notice of Violation and Settlement (NOVAS)<sup>1</sup>.

6) Therefore, grounds exist to suspend FOE 02327's license under RCW 9.46.075(1) and (8), WAC 230-03-085(1) and (8), WAC 230-07-120 (1) and (2), and WAC 230-07-110.

#### **RCW 9.46.075 Denial, suspension, or revocation of license**

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) 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 it is qualified in accordance with the provisions of this chapter.

#### **WAC 230-03-085 Denying, suspending, or revoking an application, license**

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,

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<sup>1</sup> A NOVAS is a Notice of Violation and Settlement identifies the violation and gives the licensee the opportunity to pay a fine to settle the matter.

The following subsections apply:

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(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
- (b) Criminal record; or
- (c) Reputation; or
- (d) Habits; or
- (e) Associations.

**WAC 230-07-060 Independent management structure required**

The following subsection applies:

(2) Organizations must develop and maintain an independent management control system that ensures they:

- (b) Supervise and operate gambling activities according to gambling laws and our rules.

**WAC 230-07-120 Notifying us of changes in responsibilities of charitable or nonprofit gambling managers-**

The following subsections apply:

(1) A charitable or nonprofit organization must notify us in writing when a gambling manager:

- (a) Has been assigned primary responsibility for operating any gambling activity or disbursing funds; or
- (b) Has terminated employment or responsibilities.

(2) Individuals required to be licensed under WAC 230-03-235 must immediately submit a license application.

**WAC 230-07-110 Supervision requirements-**

Charitable or nonprofit organizations must closely supervise all persons involved with the conduct of gambling activities to ensure that they follow all gambling laws and rules.

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I hereby certify that I have this day served a true and correct copy of the document upon all parties to the proceeding by mailing a copy thereof, properly addressed with postage prepaid, by registered mail and certified mail to each party to the proceeding in the name of the attorney or authorized agent.  
 Dated at Olympia, Washington this \_\_\_\_\_ day of \_\_\_\_\_, 2011.  
 Communications and Legal Department  
 Washington State Gambling Commission

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 SUSPENDING your license for 30 days.

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, 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 1 day of March, 2012.

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

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 1 day of March, 2012

*Maureen Pretell*

Communications and Legal Department  
Washington State Gambling Commission

