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

NO. CR 2011-00808

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. Brian Considine, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Commission. Don Harris represents the licensee.

I.

The Washington State Gambling Commission issued James Gang Tavern, Organization Number 00-12690, the following licenses:

Number 05-06910, authorizing Class "A" Punchboard/Pull-Tab activity and
Number 65-01966, authorizing Class "D" Public Card Room activity.

The licenses expire on March 31, 2012, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

In the above-entitled case, the Gambling Commission issued a Notice of Administrative Charges and Opportunity for an Adjudicative Hearing on or about August 3, 2011, seeking the suspension of James Gang Tavern's gambling licenses. On August 22, 2011, 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:

1) From January through February 2011, the licensee conducted gambling activity after its license expired and failed to timely submit its Punch Board/Pull-Tab Activity Report for the third and fourth quarters of 2010.

2) To resolve those violations, on May 12, 2011, Pat Jeffries, owner of James Gang Tavern, entered into a Settlement in Lieu of Charges. The licensee received new licenses and paid its back license fees. The licensee also agreed to a 15-day suspension, with five days deferred for one year and 10 days served from June 13, 2011, through June 22, 2011. During the suspension

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period, the licensee agreed to suspend all gambling activities on its premises. According to the Settlement, the licensee was authorized to resume gambling activities at 8:00 a.m. on June 23, 2011.

3) On June 22, 2011, Commission Special Agents (agents) went to the James Gang Tavern to make sure the licensee was complying with the suspension period. However, the agents observed Mr. Jeffries selling pull-tabs, in violation of the Settlement In Lieu of Charges.

4) The agents asked Mr. Jeffries about the Settlement and the suspension. Mr. Jeffries informed the agents that he did not recall signing the Settlement. Mr. Jeffries did recall that he was subject to a suspension of gambling at James Gang Tavern. He stated that although he was told on the telephone by Commission staff that he would have to serve the suspension in June, he did not know the specific dates. Mr. Jeffries also signed a statement saying he did not believe he had received any information about the suspension dates.

5) The agents informed Mr. Jeffries that he could sell no additional pull-tabs or undertake card-room activity until 8:00 a.m. on June 23, 2011, as described in the Settlement Agreement. The agents asked Mr. Jeffries how many pull-tab games he had played since getting his license back, and Mr. Jeffries showed the agents a sheet with nine games.

6) Therefore, under RCW 9.46.075(1) and WAC 230-03-085(1) and (3), grounds exist to suspend James Gang Tavern's licenses. There are also grounds to impose up to five days deferred from the May 2011 Settlement Order.

VIOLATIONS:

RCW 9.46.075 Denial, suspension, or revocation of license, 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 subsection applies.)

(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.

WAC 230-03-085 Denying, suspending, or revoking an application, 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.

The licensee entered into a Settlement in Lieu of Charges, which it signed through its owner, Patrick Jeffries. The Settlement required the licensee to suspend all gambling activities between 8:00 a.m. June 13, 2011, and 8:00 a.m. on June 23, 2011. The licensee, however, operated pull-tabs on June 22, 2011, and admitted to not having yet served any of the suspension. By violating the Settlement in Lieu of Charges, the licensee demonstrated willful disregard for complying with administrative rules, and demonstrated that the licensee poses a threat to the effective regulation of gaming. Grounds exist for the suspension of the licenses issued to James Gang Tavern based on RCW 9.46.075(1) and WAC 230-03-085(1) and (3).

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 August 22, 2011; 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 **seven (7) days**, provided that:

a) **Six (6) 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 six-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 seven 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 **nine (9) days** imposed in the May 12, 2011, Settlement in Lieu of Charges, which have not yet been served.

- 3) The licensee shall serve a **one (1) day** suspension under this Order.
- 4) The licensee shall serve a **one (1) day** suspension of the five (5) days deferred in the May 12, 2011 a Settlement in Lieu of Charges.
- 4) **The licensee has agreed to serve the total of eleven (11) days of this suspension beginning at 8:00 a.m. on Sept 26, 2011, and ending at 8:00 a.m. on October 6, 2011.** During the suspension, no gambling activities may be conducted, and all games, including cards and flares, shall be removed from public view.
- 3) If no violations occur within the one (1) year period, this matter will be deemed closed.

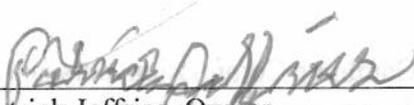
DATED this 12 day of Sept, 2011.


 Administrative Law Judge 9/29/11

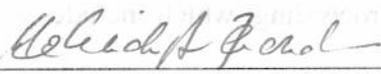
APPROVED FOR ENTRY:

APPROVED AS TO FORM:

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


 Brian Considine, WSBA # 39517
 Assistant Attorney General,
 Representing the Washington State
 Gambling Commission


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

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