

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or)
Revocation of the Licenses to Operate)
Gambling Activities of:)
)
Charlie's,)
Montesano, Washington,)
)
Licensee.)
_____)

No. CR 2013-02000

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

I.

The Washington State Gambling Commission issued Charlie's, organization number 00-17016, the following licenses:

- Number 53-02084, Authorizing Class "A" Commercial Amusement Game activity; and
- Number 05-09342, Authorizing Class "F" Punchboard/Pull-Tab activity.

The licenses expire on December 31, 2013, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

David Trujillo, 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:

SUMMARY:

Charlie's failed to pay the second-half payment for another licensee with common ownership, Betty's Kitchen. Both locations are owned 100% by Charles Cook.

FACTS:

- 1) On October 9, 2012, Commission Staff sent a notice of failure to pay its second-half license payment to Charles Cook for Betty's Kitchen (Betty's). Betty's punchboard/pull-tab license second half payment of \$1540 was due September 30, 2012, for the year end March 31, 2013.
- 2) On June 10, 2013, the debt was turned over to AllianceOne, a debt collection agency.
- 3) On July 3, 2013, Mr. Cook spoke with a Customer Service Specialist (CSS) in person at Commission headquarters. Mr. Cook stated that he had not received any of the previous correspondence regarding his delinquent second-half payment. The CSS confirmed the

mailing address on the file was correct. Mr. Cook asked to compromise on the amount owed. The CSS stated that as the fees are based on a rule and law; no compromise was possible.

- 4) On July 16, 2013, a Washington State Gambling Commission Special Agent (agent) contacted Mr. Cook via telephone as no payments had been received. Mr. Cook stated that he would start making payments immediately, estimating that he could pay \$200 per month at a minimum until the debt was paid.
- 5) As of September 5, 2013, no payments were received from Mr. Cook. The agent called Mr. Cook and informed him that since he had made no payment attempts on the delinquent second-half payment for Betty's, the agent would be recommending administrative charges against his other licensed location, Charlie's, as Betty's no longer has an active license.
- 6) Mr. Cook stated that he would immediately make a payment in-person on September 6, 2013.
- 7) On September 9, 2013, Mr. Cook made a \$200 payment on his account. On September 18, 2013, a Licensing Supervisor sent correspondence to Mr. Cook verifying that his payment had been received and that his remaining balance of \$1,340 was due no later than October 18, 2013.
- 8) On September 25, 2013, Mr. Cook made another \$200 payment on his account. On September 27, 2013, a CSS sent correspondence to Mr. Cook verifying that his payment had been received and that his remaining balance of \$1,140 was still due no later than October 18, 2013.
- 9) On October 9, 2013, the agent spoke with Mr. Cook. Mr. Cook stated he would not be able to make the final payment by October 18, 2013, deadline. He asked the agent to explain the administrative process to him. At the conclusion of the conversation, Mr. Cook acknowledged his full understanding of the administrative process and the potential repercussions if he failed to make the final payment by the deadline.
- 10) On October 25, 2013, Commission staff received a payment for Betty's Kitchen in the amount of \$300. This payment drops the amount due for the delinquent second half payment to \$840.00.

VIOLATIONS:

1) RCW 9.46.075 Denying, suspending, or revoking of a license, or permit

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:

(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.

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.

3) WAC 230-05-015 Two-part payment plan for license fees.

(The following subsections apply.)

(1) If you are renewing an annual license or applying for an additional license, you may pay the license fee in two payments if:

(a) You elect to participate; and

(b) The license fee is at least eight hundred dollars; and

(c) You pay an administrative processing fee as set out in WAC 230-05-020 or 230-05-030, plus one-half of the annual license fee at the time of application or renewal.

(2) We issue licenses under the two-part payment plan with an expiration date of not more than one year and a second-half payment due date.

(a) If we receive your second-half payment on or before the due date, the license will remain in effect until the expiration date.

(b) If you do not submit the second-half payment on or before the due date, the license expires and gambling activities must stop. You must pay us the second-half payment regardless if you stop operating the gambling activity, close your business, surrender your license, or your license is revoked. If you do not pay the second-half payment, we may take action against other licenses you hold or refer the debt to collections, or both.

The licensee's failure to timely submit Betty's second-half payment demonstrates its willful disregard for complying with WAC 230-05-015. Therefore, grounds exist to suspend or revoke Charlie's licenses under RCW 9.46.075(1) and WAC 230-03-085(1), (3) and (7).

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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 licenses.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

David Trujillo, being first duly sworn on oath, deposes and says: That he has read the foregoing Notice of 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.

David Trujillo

DAVID TRUJILLO, DIRECTOR

SUBSCRIBED AND SWORN TO before me this 6 day of November, 2013.

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)
)
COUNTY OF THURSTON)

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, property 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 6 day of November, 2013

Maureen Pretell

Maureen Pretell