

FEB 07 2014

STATE OF WASHINGTON
GAMBLING COMMISSION

Gambling Commission
Comm. & Legal Division

In the Matter of the Suspension or Revocation of)
the License to Conduct Gambling Activities of:)
Chorak's Sportsman's Inn)
Vashon, Washington,)
Licensee.)
_____)

No. CR 2013-01637

SETTLEMENT ORDER

The Washington State Gambling Commission and the licensee, Chorak's Sportsman's Inn, enter into this Settlement Order to resolve the administrative charges issued against the licensee. Gregory J. Rosen, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. Chorak's Sportsman's Inn is represented by its owner, Peter Chorak.

I.

The Washington State Gambling Commission issued Chorak's Sportsman's Inn, organization number 00-14400, the following license:

- Number 05-08045, Authorizing Class "C" Punchboard/Pull-Tab activity.

The license expires on March 31, 2014, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on September 9, 2013. On September 20, 2013, the Director issued an Amended Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee. The licensee received the Notice, and on October 7, 2013, Commission staff received the licensee's request for hearing. On January 3, 2014, the Director issued a Second Amended Notice of Administrative Charges and Opportunity for an Adjudicative Hearing.

III.

The following summary of facts and violations were alleged in the Second Amended Notice of Charges:

SUMMARY:

The licensee failed to timely submit its punchboard/pull-tab activity report for the 1st and 2nd quarters of 2013. This is a Settlement Order violation.

VIOLATIONS:

1) RCW 9.46.075(1) and (5) Denying, suspending, or revoking a license or 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 subsections apply.)

(1) 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.

(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.

3) WAC 230-14-284 Activity reports for punchboard and pull-tab licensees

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

(The following subsections apply.)

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

4) RCW 9.46.071 Information for pathological gamblers — Fee increases.

(The following subsection applies.)

(1) The legislature recognizes that some individuals in this state are problem or pathological gamblers. Because the state promotes and regulates gambling through the activities of the state lottery commission, the Washington horse racing commission, and the Washington state gambling commission, the state has the responsibility to continue to provide resources for the support of services for problem and pathological gamblers. Therefore, the Washington state

gambling commission, the Washington horse racing commission, and the state lottery commission shall jointly develop informational signs concerning problem and pathological gambling which include a toll-free hot line number for problem and pathological gamblers. The signs shall be placed in the establishments of gambling licensees, horse racing licensees, and lottery retailers. In addition, the Washington state gambling commission, the Washington horse racing commission, and the state lottery commission may also contract with other qualified entities to provide public awareness, training, and other services to ensure the intent of this section is fulfilled.

5) WAC 230-14-100 Removing prizes from flares.

(The following subsection applies.)

(1) After receiving a winning punch or pull-tab for more than twenty dollars or merchandise with a retail value of more than twenty dollars, operators must immediately permanently and conspicuously delete all reference to the prize from the flare and from any other list, sign, or notice. Operators then must pay or deliver the prize to the winner.

Chorak's has shown willful disregard by repeatedly failing to timely submit activity reports to Commission staff within the due dates. Chorak's is in violation of WAC 230-14-284 (2). In addition, Chorak's failed to post a problem gambling sign at its establishment, in violation of RCW 9.46.071. Chorak's also failed to remove multiple prizes from the flare, in violation of WAC 230-14-100. Therefore, grounds exist for the suspension or revocation of Chorak's license to conduct gambling activities, based on RCW 9.46.075(1), and WAC 230-03-085(1), (3), and (7).

IV.

On September 23, 2013, Commission staff received the licensee's request for a hearing. The licensee has now submitted its delinquent Quarterly Activity Report. The licensee waives its right to a hearing, and the parties agree to settle this matter under the following terms:

The licensee's gambling license is hereby **suspended for a period of thirty-five (35) days**, provided that:

- a) **Eight (8) days of the suspension shall not be currently served, but shall be deferred for a period of two years** from the date of entry of this Settlement Order, subject to the following:
 - The licensee must not violate the terms of this Settlement Order, or Washington's gambling statutes and/or regulations during the two (2) year term, including failing to submit future activity reports when due.
 - If the licensee violates the terms of this order, 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 eight (8) day suspension of the current gambling license and any subsequently acquired gambling license(s).

- b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this settlement, has sole discretion to determine whether the licensee has violated any term of this settlement.
- c) In the event the Director determines that a violation of this section or any other type of violation has occurred, he may suspend the license(s) issued to Chorak's Sportsman's Inn, by mailing or delivering a Notice of Administrative Charges to the licensee. The suspension shall be in addition to the consequences of the new violation. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.
- d) **The licensee has chosen to serve the remaining twenty (27) days of the suspension, and will serve an additional three (3) days from a previous settlement order signed on April 25, 2012, for a total of thirty (30) day's suspension.**
 - i. The suspension period begins at 8:00 a.m. on Monday, February 10, 2014, and runs through Tuesday, March 11, 2014.
 - ii. During this period of suspension, no gambling activities shall take place at the licensed premises.
 - iii. The licensee may resume its gambling activities at 8:00 a.m. on Wednesday, March 12, 2014.

The signed Settlement Order must be received by Commission staff on or before February 6, 2014, and mailed to Commission Headquarters at the following address:

Washington State Gambling Commission
Communications and Legal Division - Fines
P.O. Box 42400
Olympia, WA 98504-2400

Or **delivered** (in person or via private courier) to the following address:

Washington State Gambling Commission
Communications and Legal Division
4565 7th Avenue SE;
Third Floor Reception
Lacey, Washington

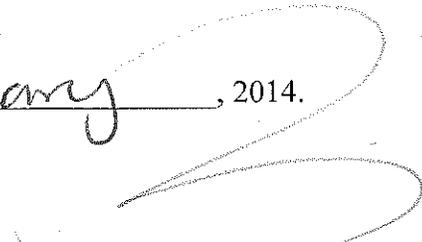
The licensee agrees to submit its activity reports within 30 days following the end of the reporting period. Failure to do so may cause filing administrative charges for the revocation of Chorak's Sportman's Inn license to conduct gambling activities.

\\

\\

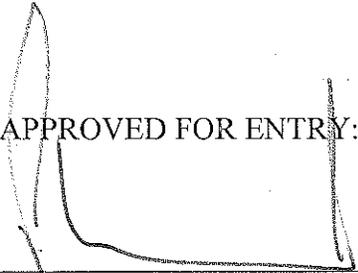
\\

DATED this 18th day of February, 2014.



Administrative Law Judge

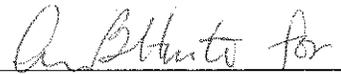
By his signature, the Licensee understands and accepts the terms and conditions of this Order.

APPROVED FOR ENTRY:


Peter Chorak, Owner
Chorak's Sportman's Inn
2-4-14
(Date)

APPROVED AS TO FORM:


Gregory J. Rosen WSBA# 15870
Assistant Attorney General
Representing the Washington State
Gambling Commission



Melinda Froud, WSBA #26792 #23773
Staff Attorney
Washington State Gambling Commission