

AUG 20 2012

STATE OF WASHINGTON  
OFFICE OF ADMINISTRATIVE HEARINGS GAMBLING COMMISSION  
FOR THE GAMBLING COMMISSION COMM & LEGAL DEPT

In the Matter of the Suspension or  
Revocation of the License to Conduct  
Gambling Activities of:

SCOTT PETERSON,  
Everett, Washington

Licensee.

OAH Docket No. 2012-GMB-0039

WSGC No. CR 2012-00402

INITIAL ORDER

1. HEARING:

1.1 This case came before Administrative Law Judge Douglas H. Haake for an administrative hearing on August 15, 2012, at the Washington State Gambling Commission Hearing Room in Lacey, Washington, after due and proper notice to all parties. The hearing was digitally recorded.

1.2 Scott Peterson, Licensee, did not appear.

1.3 The Washington State Gambling Commission (Commission) appeared through legal counsel, Stephanie U. Happold, Assistant Attorney General.

1.4 Special Agent Julie Sullivan, investigator for the Commission, appeared and testified on behalf of the Commission.

1.5 The Commission presented 20 exhibits, all of which were admitted

2. STATEMENT OF THE ISSUES:

2.1 Whether the Commission correctly determined to revoke Mr. Peterson's Public Card Room Employee license.

3. FINDINGS OF FACT:

3.1 At all relevant times, Scott Peterson has held a Public Card Room Employee license. He was first licensed in 2002. He has worked at the Great American Casino since 2005.

3.2 Special Agent Julie Sullivan has been with the Washington Gambling Commission for over ten years. She is currently assigned to the Commission's Criminal History Investigation unit. She has undergone 240 hours of Commission

training and Washington Criminal Justice Academy training in securing court records and police reports. She has received training as and is a nationally certified fraud investigator. Special Agent Sullivan is in her senior year at Washington State University, studying criminal justice with a minor in sociology. Sullivan testimony.

3.3 Mr. Peterson applied for renewal of his license. On March 22, 2012, Special Agent Sullivan was assigned Mr. Peterson's file to investigate his eligibility to qualify for a gambling license. During that review, Sullivan accessed the Judicial Information System (JIS), which is the repository for court records in Washington. She found that Mr. Peterson had financial obligations owing to various courts totaling \$3,926.36. She also noted six failure to appear (FTA) entries. The licensee's offenses spanned the period 2003 to 2011. The 2003 case had an outstanding balance of \$818.00. *Id.*

3.4 Failure to appear (FTA) is entered into a defendant's record when the offender has failed to make payments as directed on court imposed financial obligations. *Id.*

3.6 On March 22, 2012, Special Agent Sullivan sent a letter to Mr. Peterson and his employer Great American Casino/Everett noting her findings and that she would be recommending that his license be revoked. Exhibits 5 and 6. Ms. Sullivan did not receive any response from Mr. Peterson or his employer. Sullivan testimony

3.7 Based on her findings, Special Agent Sullivan contacted the courts at issue, requesting certified copies of court dockets and other information pertaining to Mr. Peterson's, court ordered financial obligations, and payment history. *Id.*

3.8 In case number IN 0134644, Mr. Peterson was charged in Everett Municipal Court with failure to renew expired registration and operating a motor vehicle without insurance. Committed findings were entered for both offenses on August 1, 2011. The court imposed fines totaling \$818. Exhibits 7, 8, and 9

3.9 Mr. Peterson did not make any payments toward that obligation. Exhibit 10 On October 3, 2011, the obligation was assigned to collections. Exhibit 9

3.11 In case number IN 0131884, Mr. Peterson was charged in Everett Municipal Court with operating a motor vehicle without insurance. Mr. Peterson requested a mitigation hearing for which he failed to appear. On June 15, 2011, the court entered a committed finding and imposed fines totaling \$602. Exhibit 11

3.12 Mr. Peterson did not make any payments toward that obligation. Exhibit 12 On August 8, 2011, the obligation was assigned to collections. Exhibit 11

3.13 In case number I00974530, Mr. Peterson was charged with operating a motor vehicle without insurance and no valid operators license in Snohomish County District Court, South Division. On April 29, 2009, the court entered committed

findings to both charges and imposed \$1,152 in fines. Exhibit 13.

3.14 On April 29, 2009, an FTA was entered and the obligation sent to collections. On February 8, 2011, Mr. Peterson entered into a time payment agreement with the court. Between February 8, 2011, and June 3, 2011, Mr. Peterson complied with that agreement. In July 2011, he defaulted on the agreement leaving a balance owing of \$639.36. *Id.* Mr. Peterson paid a total of \$512.64. Exhibit 14

3.15 In case number I05350289, Mr. Peterson was charged with failure to renew expired tags in Snohomish County District Court, Everett Division. On September 14, 2007, the court entered a committed finding, imposed \$268 in fines and entered a Failure to Remit (FTR). On October 22, 2007, the case was assigned to collections. Exhibit 15

3.16 On February 8, 2011, Mr. Peterson entered into a time payment agreement. He made no payments. The court found him in default on July 6, 2011, and entered an FTR. *Id.*

3.17 In case number I04253559, Mr. Peterson was charged with speeding in King County District Court. A mitigation hearing was set for which Mr. Peterson did not appear. On August 10, 2005, the court entered a committed finding and imposed a \$205 fine. The court also entered an FTR and on October 4, 2005, the case was turned over to collections. Exhibit 18

3.18 In case number C00010221, Mr. Peterson was charged with possession of marijuana in Snohomish County District Court, South Division. On March 10, 2003, Mr. Peterson was found guilty and sentenced to one day of jail and a \$250 fine. Exhibit 19 Mr. Peterson failed to turn himself in to serve the jail time. On April 28, 2003, the court ordered him remanded to custody and added costs for a total of \$576 owing. *Id.*

3.19 Mr. Peterson did not make any payments on the court ordered obligation in C00010221. Exhibit 20

#### 4. CONCLUSIONS OF LAW:

##### *Jurisdiction*

4.1 Office of Administrative Hearings has jurisdiction over the person and subject matter herein pursuant to RCW 9.46.140, Chapter 34.05 RCW, and Title 230.

##### *Burden Of Proof*

4.2 Licensees bear the burden of establishing their qualifications by clear and convincing evidence. RCW 9.46.153(1). Each applicant and holder of a license

issued pursuant to Chapter 9.46 RCW is subject to continuous scrutiny regarding his/her general character, integrity, and ability to engage in or participate in, or associate with, gambling or related activities impacting this state. RCW 9.46.153.

#### *Legislative Intent*

4.3 The legislative intent expressed in RCW 9.46.010 provides in relevant part: "The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities by strict regulation and control." The statute further provides: "All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end." In short, those persons who wish to work in this highly regulated industry are held to the very highest character and integrity standards.

#### *License Suspension and Revocation*

4.4 RCW 9.46.075(1) and (8) and WAC 230-03-085(1), (3), and (8), provide that the Commission may revoke a license for any reason which it finds is in the public interest, including where the licensee has violated or failed or refused to comply with the provisions, requirements, conditions, limitations, or duties imposed under Chapter 9.46 RCW or any rules adopted by the Commission under law. Likewise, WAC 230-04-400(1) and (11) provide that the Commission may revoke a license for any action which violates 9.46 RCW. The Commission may, therefore, revoke the class III certification of any individual who fails to prove by clear and convincing evidence that he or she meets the character requirements for a gambling license. RCW 9.46.075(8).

4.5 WAC 230-03-085(3), provides that the Commission may suspend a gambling license when the license holder has demonstrated willful disregard of federal, state or local laws, administrative rules, and the lawful orders of administrative bodies and courts with jurisdiction to enforce such laws and rules.

4.6 WAC 230-03-085(8), provides that the Commission may suspend a gambling license when the license holder poses a threat to the effective regulation of gaming or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities, as demonstrated through the person's prior activities, criminal record, reputation, habits, or associations.

4.8 RCW 9.46.075(8) and RCW 9.46.153(1) place the burden on the licensee to affirmatively establish by clear and convincing evidence that he is qualified to hold a gambling license in accordance with the laws and regulations governing gambling in the State of Washington.

*Analysis*

4.9 Here, Mr. Peterson has exhibited a pattern of ignoring court ordered financial obligations. His actions have resulted in an outstanding debt of \$3,926.36, some of which has been in collections since 2003. He entered into time payment agreements with one court, only to have that court revoke the agreements when he did not make payments as promised. Mr. Peterson's actions reflect a willful disregard for rules and court orders.

4.10 Mr. Peterson's pattern of behavior poses a present threat to the effective regulation of gaming and presents a threat to the public in his position as a gambling licensee; it is in the public interest that his gambling license be revoked. The Commission therefore has the authority to revoke Mr. Peterson's Public Card Room license, and has delegated the initial decision regarding suspension or revocation to the Office of Administrative Hearings through the provisions of RCW 9.46.140.

4.11 Mr. Peterson has not affirmatively established by clear and convincing evidence that he is qualified to hold a gambling certification in accordance with the laws and regulations governing gambling in the State of Washington. RCW 9.46.075.

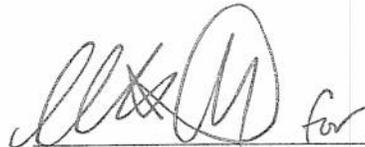
4.12 Accordingly, pursuant to the foregoing Findings of Fact and Conclusions of Law, Mr. Peterson's Public Card Room license shall be revoked.

**1. INITIAL ORDER:**

IT IS HEREBY ORDERED,

Pursuant to law and public interest, Mr. Peterson's Public Card Room license, is hereby revoked.

SERVED on the date of mailing.

 for  
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Douglas H. Haake  
Administrative Law Judge  
Office of Administrative Hearings

NOTICE TO THE PARTIES OF APPEAL RIGHTS

You may file an appeal of this order within twenty three days from the day OAH mails this initial order to you. WAC 230-17-090(2); *see also* WAC 230 -17 -030(2), WAC 230 -17 -035(2) [Service by first class mail is complete three days after mailing.]. An appeal from an initial order is known as a "petition for review". Your petition for review should (a) identify the parts of the initial order you disagree with and (b) refer to the evidence in the record that supports your position. If you decide to petition for review, you must serve copies of your petition on all parties or their representatives at the same time you file it with the Gambling Commission. If the Commission does not receive a petition for review within 23 days, the Commission will automatically make this order its final order.

Any party may file a written response to a petition for review, known as a reply. If you wish to file a reply, it must be filed with the Commission within thirty days of the date you are served with the petition. You must serve copies of the reply on all parties or their representatives at the same time you file your reply.

Any party may file a cross appeal. Cross appeals must be filed with the commission within ten days of the date when the petition for review is filed with the Commission. WAC 230 -17 -090(5). If you wish to make a cross appeal, you must serve copies of the cross appeal upon all other parties or their representatives at the same time you file your cross appeal.

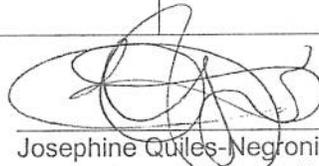
If a party timely files a petition for review, then at least a majority of the Commission members shall review the petition within 120 days and render a final order.

**Certificate of Service – OAH Docket No. 2012-GMB-0039**

I certify that true copies of this document were served from Tacoma, Washington upon the following as indicated:

Address: <b>Scott Peterson</b> <b>510 West Casino Road, Apt. #8</b> <b>Everett WA 98204</b>	First Class US Mail, postage prepaid
Address: <b>Stephanie U. Happold</b> <b>Assistant Attorney General</b> <b>Office of the Attorney General</b> <b>PO Box 40100</b> <b>Olympia WA 98504-0100</b>	First Class US Mail, postage prepaid
Address: <b>Washington State Gambling Commission</b> <b>ATTN: Maureen Pretell</b> <b>PO Box 42400</b> <b>Olympia WA 9850</b>	First Class US Mail, postage prepaid
Address:	
Address:	
Address:	

Date: August 17, 2012



Josephine Quiles-Negrone  
Office of Administrative Hearings