

RECEIVED

MAR 12 2012

GAMBLING COMMISSION STATE OF WASHINGTON  
COMM & LEGAL DIVISION GAMBLING COMMISSION

RECEIVED

MAR 01 2012

GAMBLING COMMISSION  
COMM & LEGAL DIVISION

In the Matter of the Suspension or Revocation of the )  
 License to Conduct Gambling Activities of: ) NO. CR 2011-01439  
 )  
 Jay S. Hines ) **SETTLEMENT ORDER**  
 Olympia, Washington, )  
 )  
 Licensee. )  
 \_\_\_\_\_ )

RECEIVED

MAR 07 2012

HEADQUARTERS OFFICE OF  
ADMINISTRATIVE HEARINGS

I.

This Settlement Order is entered into between the Washington State Gambling Commission and Jay S. Hines. Stephanie Happold, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. The licensee represents himself.

II.

The Washington State Gambling Commission issued Jay Hines license number 63-00335, authorizing Service Supplier's Representative<sup>1</sup> activity.

The license expires on November 18, 2012, and was issued subject to the licensee's compliance with state gambling laws and rules.

III.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on January 9, 2012. On January 25, 2012, Commission staff received the licensee's request for a hearing.

IV.

The following is a summary of the facts alleged and the violations charged in the Notice of Administrative Charges:

- 1) Southwest Surveillance provides video surveillance systems for casinos in Washington State. As a representative of Southwest Surveillance, Mr. Hines has access to controlled areas in gambling facilities. Due to the sensitivity of these areas, Mr. Hines is required to be licensed.
- 2) On November 17, 2011, a Commission Special Agent (agent) was assigned to investigate licensee Jay Hines' qualifications for continued licensure in light of his outstanding court-ordered fines and fees.

---

<sup>1</sup> Under WAC 230-03-210 a person must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation: (f) Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system.

RECEIVED  
MAR 15 2011  
GAMING  
COMMISSION

3) The agent determined that Mr. Hines failed to pay court-ordered fines and fees, and has had \$3,287 sent to collections due to his nonpayment. As a result of his fines and fees being in collections, the court issued Mr. Hines eleven Failures to Appear. Through his actions, Mr. Hines has demonstrated willful disregard for complying with court orders.

4) The agent reviewed Mr. Hines' license file and found that previously, in 2010, an agent sent a letter to Mr. Hines and his employer, Southwest Surveillance. The letter notified Mr. Hines and his employer of Commission staff's concerns regarding Mr. Hines' unpaid fines and fees. At that time, \$2,685 had been sent to collections. The agent also wrote in the letter that although Commission staff was not pursuing administrative action at that time, Mr. Hines was encouraged to begin complying with his court obligations to avoid revocation of his license in the future.

5) On November 17, 2011, the agent sent Mr. Hines and Southwest Security a notification letter regarding Mr. Hines' increased collection balances. The letter also stated that based on his pattern of criminal history, including his failure to comply with court ordered fines and fees, Mr. Hines may pose a threat to the effective regulation of gaming and enhance the chances of unfair or illegal practices. Commission staff was also concerned that since Mr. Hines had failed to comply with a judge's rulings, he may not comply with internal control requirements or adhere to the direction of the Commission in the future. The purpose of the letter was to notify the licensee and his employer that the agent was going to start writing a case report stating why Mr. Hines may not continue to qualify for certification, and that the agent would recommend revocation of Hines' license.

6) Based on the licensee's failure to pay court-ordered fines and fees and his willful disregard of court orders, he poses a threat to the effective regulation of gaming and enhances the chance of unfair illegal practices. Therefore, Mr. Hines has failed to establish by clear and convincing evidence the necessary qualifications for licensure under RCW 9.46.153(1).

7) Therefore, under RCW 9.46.075(1) and (8), and WAC 230-03-085(1), (3), and (8), grounds exist to suspend or revoke Jay Hines' license.

**RCW 9.46.075 Denying, suspending, or revoking an application, 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) 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 he is qualified in accordance with the provisions of this chapter.

**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.

(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.

**RCW 9.46.153(1) Applicants and licensees-Responsibilities and duties**

(The following subsection applies.)

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

V.

The licensee acknowledges that he has read the Notice of Administrative Charges and understands the facts contained in it.

As of February 15, 2012, the licensee has paid \$2,642.52 and has promised to make monthly payments towards the rest of the outstanding debt, demonstrating that he no longer poses a threat to the effective regulation of gaming. The licensee further agrees to timely pay all future court-ordered fines and fees. In the future, if the licensee renews or reapplies for a gambling license, Commission staff will review the amount of outstanding court-ordered fines and fees and notify the licensee if he no longer qualifies for a license.

The licensee waives his right to a hearing, based on the following terms and conditions of this Settlement Order. The parties further agree to the following:

1) Jay S. Hines agrees that his license is **suspended for a period of ten (10) days**, provided that:

- a) **Three (3) 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 three-day deferred suspension of the current gambling license and any subsequently acquired gambling licenses.

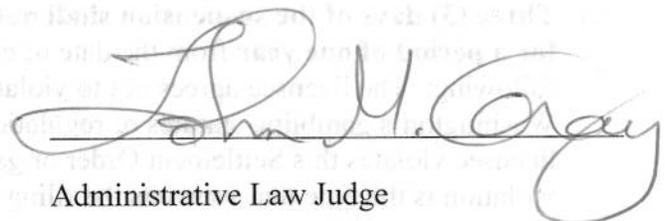
- b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this Settlement Order, has discretion to determine whether the licensee has violated any term of this Settlement Order. In the event the Director determines that a violation has occurred, he may suspend the license issued to the licensee, and any subsequently acquired licenses, for up to three days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any 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.
- c) **The licensee shall serve the remaining seven (7) days of this suspension, as follows:**
- **The suspension period will begin at 8:00 a.m. on Monday March 12, 2012, and end on Sunday, March 18, 2012.**
  - **The licensee may resume his gambling activities at 8:00 a.m. on Sunday, March 18, 2012.**
- d) During this period of suspension, the licensee shall have no involvement, directly or indirectly, with any gambling activity, including punchboard/pull-tab activity. Mr. Hines's suspension does not prevent him from working in any non-gambling activity, such as employment in restaurants located in establishments engaged in authorized gambling activity.
- e) **The signed Settlement Order must be received by Commission staff by March 8, 2012, and mailed to Commission Headquarters at the following address:**

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

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

Washington State Gambling Commission  
4565 7<sup>th</sup> Avenue SE; Fourth Floor  
Attention: Communications and Legal Division  
Lacey, WA 98503

DATED this 1 day of March, 2012.

  
Administrative Law Judge

APPROVED FOR ENTRY:

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

  
\_\_\_\_\_  
Jay S. Hines                      3-1-12  
Licensee                              (DATE)

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Stephanie U. Happold WSBA#38112  
Assistant Attorney General  
Representing the Washington State  
Gambling Commission

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