

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension of the License)
to Conduct Gambling Activities of:)
)
)
Riley L. Bradley)
Bellevue, Washington,)
)
Licensee.)
_____)

NO. CR 2013-01553

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

I.

The Washington State Gambling Commission issued Riley L. Bradley the following license.

Number 68-15290, authorizing Card Room Employee activity, formerly with Roxy's Bar and Grill in Seattle.

The license expires on December 5, 2013, and was issued subject to Ms. Bradley's compliance with state gambling laws and rules.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of Chapter 9.46 RCW, and WAC Title 230.

SUMMARY:

Riley Bradley failed to accurately report tips to her employer.

FACTS:

1) The Gambling Commission began an emphasis inspection program to address concerns with inaccurate tip reporting at house-banked card rooms. On March 7, 2013, a Washington State Gambling Commission Special Agent (agent) delivered a letter to Vernon Westerdahl, Casino Manager and Douglas Harrell, Secretary and Treasurer of Roxy's Bar & Grill. The letter informed them of the internal control and procedures required to ensure tips are accurately counted, recorded and reported to the card room.

2) Roxy's Bar & Grill's internal controls require the cage cashier to count a dealer's chips at the end of each shift. The dealer must record their tips on the Internal Revenue Service tip report form and turn the report into the accounting office.

3) On May 3, 2013, the agent met with Joseph Larsen, Surveillance Manager at Roxy's Bar & Grill. He provided the surveillance recordings of dealers exchanging their tips for cash at the cashier cage for the period of April 19, 2013 through April 21, 2013. During this period, the agent reviewed a sample of the dealers and documented the amount of tips they received from their exchange at the cashier cage. The agent later compared this amount to the amount the dealer recorded. The agent found a number of employees under-reporting their tips. The agent decided to expand the investigation to include sample days in the month of May 2013.

4) The agent reviewed dealer Riley Bradley's tip report for May and compared the amount of tips she had recorded to the amount he observed her collect in the surveillance recording for the following dates:

Date	Recorded	Surveillance	Difference
5/15/13	\$15	\$172	(\$157)
5/16/13	\$109	\$218	(\$109)
5/18/13	\$136.50	\$273	(\$136.50)
Total			(\$402.50)

The agent determined that Ms. Bradley had under-reported by \$402.50 for the dates reviewed.

5) The agent contacted Glenda Harrell, President of Roxy's Bar & Grill and asked her if they implemented any procedures regarding tip reporting after receiving the letter from the Commission. She said Vernon Westerdahl, discussed the importance of tip reporting at a staff meeting and said the Commission would be inspecting their procedure.

6) On June 10, 2013, the agent issued Riley L. Bradley a Notice of Violation and Settlement (NOVAS)¹ for failure to accurately report tips to her employer.

7) On June 25, 2013, Ms. Bradley left the agent a phone message stating she would not be able to pay the NOVAS and was requesting an extension. The agent returned her phone call per the number she provided. Ms. Bradley's mother had answered the phone and said she was not home. The agent told the mother she had asked for an extension regarding her NOVAS and that she had until July 15, 2013 to pay the NOVAS.

8) On July 12, 2013, Ms. Bradley had contacted the agent and stated she was terminated from Roxy's Bar & Grill and was currently looking for employment at another card room. She proceeded to say her utility and rent bill were due and she was not able to pay the NOVAS. The agent told Ms. Bradley she had until July 31, 2013 to pay the NOVAS. Ms. Bradley said she was having a rough time paying bills, but was thankful for the extension.

9) As of October 4, 2013, Ms. Bradley has not paid the NOVAS.

¹NOVAS- Notice of Violation and Settlement identifies the violation and gives the licensee the opportunity to pay a fine to settle the matter within 15 days from the date the NOVAS was issued.

VIOLATIONS:

1) RCW 9.46.075 Denial, suspension, or revocation of license, application, 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 certified employee, 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 an application, license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, certified employee, or anyone holding a substantial interest in the applicant's or certified employee'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.

3) WAC 230-15-425 Internal controls

(The following subsection applies.)

(2) Licensed card room employees must follow the internal control procedures for their individual functions.

4) WAC 230-15-475 Tips from players and patrons to card room employees

(The following subsection applies.)

(6) Employees must...

(d) accurately report all tips to their employer as described in the licensee's internal controls.

5) RCW 9.46.153 Applicants and licensees — Responsibilities and duties — Waiver of liability — Investigation statement as privileged.

(The following subsection applies.)

(1) 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.

Riley L. Bradley failed to comply with internal control procedures by not accurately reporting her tips, in violation of WAC 230-15-425 and WAC 230-15-475. Ms. Bradley has failed to establish by clear and convincing evidence, as required by RCW 9.46.153(1), that she is qualified to be licensed. In addition, failure to comply with internal controls and accurately report tips establishes that the licensee 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 based on her activities. As a result, there are grounds to suspend Riley L. Bradley's license based on RCW 9.46.075(1), and WAC 230-03-085(1), (3) and (8).

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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 FOR A 20-DAY SUSPENSION YOUR LICENSE.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

David Trujillo being first duly sworn on oath deposes and says: He has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents, and believes the same to be true, and that he is the duly appointed and qualified Director of the Washington State Gambling Commission and in that capacity has executed these Charges.

DR Trujillo

DAVID TRUJILLO, DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 7 day of October, 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 7 day of October, 2013

Maureen Pretell