STATE OF WASHINGTON
GAMBLING COMMISSION

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| In the Matter of the Suspension of the License to Conduct Gambling Activities of: | ) | NO. CR 2013-00280 |
| Nareth Dysom<br>Bothell, Washington, | ) | **NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING** |
| Licensee. | ) | |

I.

The Washington State Gambling Commission issued Nareth Dysom the following license: Number 68-24642, authorizing Card Room Employee activity with the Silver Dollar Casino in Mill Creek. The license expires on January 10, 2014, and was issued subject to Ms. Dysom's compliance with state gambling laws and rules.

II.

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

**SUMMARY:**

Nareth Dysom under-reported $1,216 in tips from January 23, 2013, to February 2, 2013.

**FACTS:**

1) On December 17, 2012, a Washington State Gambling Commission Special Agent (agent) met with Todd Marshall, General Manager of Silver Dollar Casino. During the meeting, Mr. Marshall and the agent reviewed the card room's internal controls section regarding the requirement for employees to accurately report all tips they received. Mr. Marshall said all dealers had recently received a letter from Washington Gold[1] management reminding them they are required to report all tips received. The letter included WAC 230-15-475 6(d), which provides that all employees must "Accurately report all tips to their employer as described in the licensee's internal controls." Mr. Marshall said Ms. Dysom signed a copy of the Washington Gold tip letter on October 19, 2012.

[1] Washington Gold, located in Renton, manages Coyote Bob's Roadhouse Casino, Crazy Moose Casino, Golden Nugget Casino, Club Hollywood Casino, Red Dragon Casino, Royal Casino, and Silver Dollar Casino.

2) The Silver Dollar Casino internal control regarding reporting tips was revised on January 14, 2013. The current policy states, "Card room employees will report tips earned utilizing the Aloha[2] computer program. Tips earned will be reported on the day they are received."

3) The previous internal control policy dated June 14, 2010, stated: "All dealers will redeem their tips under surveillance at the cashier's cage. All toke[3] earnings will be reported to management."

4) On January 18, 2013, the agent reviewed the payroll records at the Silver Dollar Casino. Zehn Valdez, of Accounting, was the primary point of contact. The payroll records include the amount of tips reported by the dealers. The agent knew that dealers take their toke boxes to the cashier's cage. The cashier unlocks the toke box, places all of the casino chips inside on the counter, and gives the dealers cash for the chips. The dealers then log out as off-duty. The Aloha computer tracker asks the dealers how much they collected in tips, and the dealers then input the amount they received for that shift.

5) The agent noticed Ms. Dysom reported no tips received between January 2, 2013 and January 16, 2013.

6) Ms. Valdez provided me a copy of the Washington Gold letter Ms. Dysom signed dated October 19, 2012, indicating she was notified of the requirement to report all of her tips and was given a copy of WAC 230-15-475.

7) The Washington Gold Team Member Handbook, given to all Silver Dollar Casino employees, states on page fifteen; "All tipped Team Members are required to declare 100% of their tipped income." Ms. Valdez provided me a copy of the receipt Ms. Dysom signed on July 25, 2011, indicating she had received the handbook.

8) On January 18, 2013, the agent met with Christian Singer, Surveillance Manager, and requested the Silver Dollar Casino surveillance staff document and record via surveillance camera the amount Ms. Dysom received when she cashed in her tips.

9) Ms. Valdez provided the agent with a copy of Ms. Dysom's payroll records, including the amount of tips she reported, for the entire period of January 23, 2013 to February 1, 2013. The tips were documented by the gaming day when Ms. Dysom started her shift.

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[2] Computer based software where employees log in at the start of their shift, and log out at the end of their shift. The program requires each employee to input the last four numbers of their social security number. The program has an icon labeled "Tips." When the tips icon is pressed the user is presented a screen similar to the number keys on a calculator, they are then required to input a tip amount and hit the enter key before the program will allow them to log out.

[3] Tokes are gratuity received by card room employees who are dealers from players or patrons.

10) On February 4, 2013, the agent compared the tip amount surveillance documented for Ms. Dysom with the payroll report the agent received from Ms. Valdez. The agent determined that Ms. Dysom cashed in $1,496 in tips at the cashier's cage during the period of January 23, 2013, to February 1, 2013. Ms. Dysom reported $280 in tips, a difference of $1,216, in violation of WAC 230-15-475(6)(d).

11) The agent observed the surveillance recordings of each incident. Ms. Dysom was readily identifiable handing her toke box to the cage cashier and receiving cash back. The agent saw the cage cashier open the toke boxes, remove the tips, count the tips, and cash the chips in for U.S. currency, which was then given to Ms. Dysom. The agent compared the amount of tips cashed by the cage cashier to amounts reported by surveillance staff. They appeared to be materially accurate. The agent used the Silver Dollar Casino internal controls documentation of house-banked and poker chips color and marks to confirm amounts.

12) On February 15, 2013, the agent interviewed Ms. Dysom, who wrote a sworn statement indicating she received a copy of the Washington Gold letter and WAC rules reminding her to report all of her tips. She stated she under-reported the tips in order to be eligible for low income state health insurance for her three kids. Additionally, Ms. Dysom knew fewer federal income taxes would be taken out of her paycheck. Ms. Dysom further stated she knew the requirement to report the tips and knew how to. She said she received a copy of the Washington Gold letter and WAC rules reminding her to report all of her tips.

**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.

Nareth Dysom 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. On October 19, 2012, Ms. Dysom signed a copy of WAC 230-15-475 from Silver Dollar Casino, acknowledging she must accurately report tips as described in the internal controls. As a result, she has demonstrated willful disregard for complying with Commission rules. Ms. Dysom 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 Nareth Dysom'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, the enclosed REQUEST FOR HEARING must be completed in full by the licensee or representative 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 30-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 Interim Director of the Washington State Gambling Commission and in that capacity has executed these Charges.

David Trujillo
DAVID TRUJILLO, INTERIM DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 15 day of March, 2013.

Maureen Pretell
NOTARY PUBLIC in and for the State of
Washington residing at Thurston County
My Commission expires on December 2, 2015

MAUREEN PRETELL
COMMISSION EXPIRES
NOTARY
PUBLIC
DEC. 2, 2015
STATE OF WASHINGTON

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 18 day of March, 2013
Maureen Pretell