

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension of )  
the License to Conduct Gambling Activities of: )  
Sports Keg, )  
Burlington, Washington, )  
Licensee. )  
\_\_\_\_\_ )

NO. CR 2009-01573

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

I.

The Washington State Gambling Commission issued Sports Keg, Organization number 00-13608, the following license:

Number 05-07599, Authorizing Class “C” Punchboard/Pull-Tab Activity.

The license expires on September 30, 2010, and was issued subject to the licensee’s compliance with state gambling laws and regulations.

II.

Rick Day, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

**SUMMARY**

Sports Keg failed to retain played pull-tab games for at least the time period of August 2009 through October 2009.

- 1) On October 14, 2009, a Special Agent (agent) completed a pull-tab compliance module at the Sports Keg. During the inspection, the agent reviewed monthly records for games with a large over/short dollar amount. The two games the agent requested to take into evidence were “Beans on the Green: WSGC # 35108407,” and a game simply identified on the monthly records as “Ro: WSGC # 35981104.” Upon request for those two games, the bartender provided two pull-tab flares, each with a brown bag attached. The agent then asked for the unplayed pull-tabs from the two games. The bartender informed the agent that when she removes games from play,<sup>1</sup> she places them in the back office, occupied by Sports Keg president, Gilbert Pegram, and that she never sees the played games after that. The agent left

<sup>1</sup> Punch board and pull-tab operators must keep all punch boards or pull-tab series removed from play, including at least, all unplayed tabs. Operators must retain punch board or pull-tab series removed from play for two months following the last day of the month in which they removed the board or series from play.

her phone number with the bartender, and asked that Mr. Pegram save the requested games for her and have them available for pickup within 48 hours.

- 2) On October 15, 2009, the agent received a voicemail from Mr. Pegram. In the message, Mr. Pegram informed the agent that neither of the games she requested was available for inspection. Mr. Pegram said the dead games were being stored on the roof, and had gotten wet, so he threw them away.
- 3) The agent returned to the Sports Keg on October 15, 2009 to meet with Mr. Pegram and to observe his pull-tab storage procedures.
- 4) During their meeting, the agent asked Mr. Pegram where dead games were stored. Mr. Pegram pointed to a large empty spot in the middle of the floor of his office. He added that when his staff removes the games from play, he then takes them outside and throws them on the roof. The agent and Mr. Pegram walked outside to look at the roof. The agent observed a typical slanted roof, without a storage unit of any type. Mr. Pegram reported that he throws the games on the roof while standing in the parking lot, and then throws up a tarp to cover them. The agent did not observe a tarp or a ladder nearby.
- 5) The agent asked Mr. Pegram why there were not any games currently on the roof. Mr. Pegram replied that they all got wet, so he threw them away approximately three weeks ago. The agent then asked where the games were that had been removed in the last three weeks. Mr. Pegram replied that they were stored in his office. When asked where they were now, Mr. Pegram replied that he threw those away too.
- 6) Upon review of the pull-tab monthly records, the agent discovered that the licensee had thrown away 18 games for August 2009, 20 games for September 2009, and 13 games for October, 2009. The licensee therefore failed to retain at least 51 pull-tab series removed from play for at least the period of August 1, 2009 through October 15, 2009.
- 7) The licensee has the following administrative history:
  - a) In April 2009, a Notice of Infraction (NOI) <sup>2</sup> was issued to the licensee for failing to have a gambling Commission Rules Manual on premises, and for failure to deface any of the winning pull-tabs over \$20.

Therefore, under RCW 9.46.075(1), WAC 230-03-085(1) and WAC 230-14-265, grounds exist to suspend Sports Keg's license.

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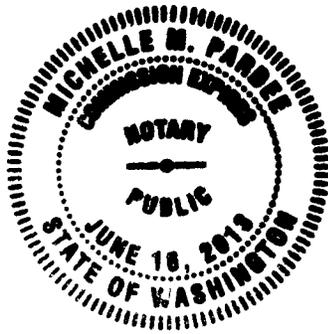
<sup>2</sup> A Notice of Infraction is a written notice, which advises the licensee of a violation of an administrative rule or law. It is often given after the licensee has been given the opportunity for compliance. There is no fine involved.



Based on RCW 34.05.440, failure to return this document will result in the entry of a default order SUSPENDING your license for 30 days.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.



Rick Day  
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 13 day of November, 2009.

Michelle M Pardee  
NOTARY PUBLIC in and for the State of  
Washington residing at \_\_\_\_\_  
My Commission expires on \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF THURSTON )

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly 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 13<sup>th</sup> day of Nov., 2009  
M. Friedrich  
Communications and Legal Department  
Washington State Gambling Commission