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JAN 07 2013

GAMBLING COMMISSION
COMM & LEGAL DIVISION

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or)
Revocation of the Licenses to Conduct)
Gambling Activities of:)
)
Tin Hat)
Kennewick, Washington,)
)
Licensee.)
_____)

No. CR 2012-01161

SETTLEMENT ORDER

The Washington State Gambling Commission and the licensee, Tin Hat, enter into this Settlement Order to resolve the administrative charges issued against the licensee. Stephanie U. Happold, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. Tin Hat is represented by its owner, Shanna Atwood.

I.

The Washington State Gambling Commission issued Tin Hat, organization number 00-21828, the following licenses:

- Number 65-07259, Authorizing Class "D" Public Card Room activity.
- Number 05-20798, Authorizing Class "B" Punchboard/Pull-Tab activity.

The licenses expire on March 31, 2013, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on October 12, 2012. The licensee received the Notice, and on October 29, 2012, Commission staff received the licensee's request for hearing.

III.

The following summary of facts and violations were alleged in the Notice of Charges:

SUMMARY:

The licensee failed to timely submit its punchboard/pull-tab activity report for the first and second quarters of 2012. The report was due by July 30, 2012. This is the fifth time out of the last five reporting cycles that the licensee has failed to timely submit its activity reports. The

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licensee was issued two Notices of Violations and Settlements (NOVAS)¹ for late reporting, on September 15, 2011, and February 29, 2012.

On September 7, 2012, the licensee submitted the late activity reports due on July 30, 2012.

RCW 9.46.075 Denying, suspending, or revoking of a license, or permit

Provides that 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 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.

WAC 230-03-085 (1), (3), and (7) Denying, suspending, or revoking a 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.

(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us.

WAC 230-14-284 Activity reports for punch board and pull-tab licensees.

Punch boards and pull-tab licensees must submit an activity report to the commission. Licensees must complete the report in the format we require and must:

(The following subsections apply.)

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¹ NOVAS –A Notice of Violation and Settlement identifies the violation and gives the licensee the opportunity to pay a fine to settle the matter.

- (1) Cover the periods: (a) January 1 through June 30; and (b) July 1 through December 31; and
- (2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period; and
- (3) Be signed by the licensee's highest-ranking executive officer or a designee. If someone other than the punch board and pull-tab licensee or its employee prepares the report, then it must provide the preparer's name and business telephone number; and
- (4) Be filed even if they do not renew their license. They must file a report for the period between the previous report filed and the expiration date of the license; and
- (5) Unless they are also licensed for Class D or above bingo, charitable and nonprofit licensees must submit a semiannual activity report for punch boards and pull-tabs; and
- (6) Class D or above bingo licensees with a punch board and pull-tab license must report punch board and pull-tab activity, on the combined quarterly report provided by the commission as explained in WAC 230-10-331.

The licensee's failure to timely submit its activity reports demonstrates its willful disregard for complying with WAC 230-14-284. Therefore, grounds exist to suspend or revoke Tin Hat's licenses under RCW 9.46.075 (1) and WAC 230-03-085(1), (3) and (7).

IV.

On October 29, 2012, Commission staff received the licensee's request for a hearing. The licensee waives its right to a hearing and the parties agree to settle this matter under the following terms:

- 1) The licensee's gambling licenses are **suspended for a period of fifteen (15) days**, provided that **three (3) days of the suspension** shall not be served, but **shall be deferred for a period of two years** from the date of entry of this Settlement Order, subject to the following:
 - The licensee must not violate the terms of this Settlement Order, or Washington's gambling statutes and/or regulations during the two (2) year term, including failing to submit future activity reports when due.
 - If the licensee violates the terms of this order, gambling statutes, or regulations, and if the violation is the type that warrants filing administrative or criminal charges, then the Director may impose the three (3) day suspension of the current gambling licenses and any subsequently acquired gambling license(s).
- 2) The parties agree that the Director of the Washington State Gambling Commission, under this settlement, has sole discretion to determine whether the licensee has violated any term of this settlement.

3) If the Director determines that a violation of this section or any other type of violation has occurred, he may suspend the license(s) issued to the licensee by mailing or delivering a Notice of Administrative Charges to the licensee. The suspension shall be besides the consequences of the new violation. The licensee shall be given the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

4) Under RCW 9.46.077, the licensee has chosen to **vacate the remaining twelve (12) days** of this suspension by paying a fine for **one thousand dollars (\$1,000)**. The licensee has also agreed to reimburse the Commission for its investigative and administrative costs in the amount **three hundred dollars (\$300)**, for total fines and costs of **one thousand, three hundred dollars (\$1,300)**.

Payments must be **mailed** to Commission Headquarters at the following address:

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

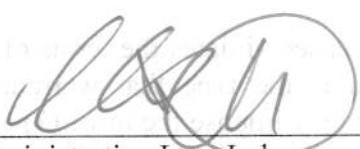
or **delivered** (in person or via private courier) to the following address:

Washington State Gambling Commission
Attention: Communications and Legal Division – Fines
4565 7th Avenue SE; Fourth Floor
Lacey, WA 98503

5) **The signed order and payment of one thousand, three hundred dollars (\$1,300) is due on December 17, 2012, and must be received by Commission staff on or before December 17, 2012.**

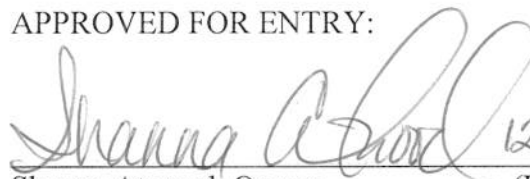
6) The licensee agrees to submit its activity reports within 30 days following the end of the reporting period. Failure to do so may cause filing administrative charges for the suspension or revocation of Tin Hat's licenses to conduct gambling activities.

DATED this 17th day of January, 2012.


Administrative Law Judge

By her signature, the Licensee understands and accepts the terms and conditions of this Order.

APPROVED FOR ENTRY:

 12/15/12

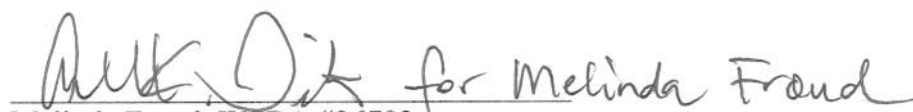
Shanna Atwood, Owner
Tin Hat

(Date)

APPROVED AS TO FORM:

 1/8/13

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

 for Melinda Froud

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

