

JAN 07 2020

**WASHINGTON STATE
OFFICE OF ADMINISTRATIVE HEARINGS**

RECORDS

In the matter of:

Docket No. 12-2019-GMB-00136

Lighthouse Lounge,

INITIAL ORDER

Appellant.

Agency: Washington State Gambling
Commission

License No. 05-21465

Program: License Fees & Reports
Agency No. CR 2019-02069

1. ISSUES

- 1.1. Did Lighthouse Lounge fail to submit quarterly license reports and quarterly license fees for the third quarter of 2019 by the due date of October 30, 2019, or by the additional 30-day late reporting deadline of November 30, 2019, in violation of WAC 230-05-124 and WAC 230-05-132(1)?
- 1.2. Is the Commission authorized to revoke Lighthouse Lounge’s license pursuant to RCW 9.46.075(1) and WAC 230-03-085(1) and (5)?

2. ORDER SUMMARY

- 2.1. The Washington State Gambling Commission’s action is AFFIRMED.
- 2.2. Lighthouse Lounge failed to submit the quarterly license report and fees due on or before October 30, 2019, and is subject to sanctions, including license revocation under RCW 9.46.075(1) and WAC 230-03-085(1) and (5).
- 2.3. Lighthouse Lounge License No. 05-21465 is revoked.
- 2.4. Lighthouse Lounge is liable for \$50 for its quarterly license fee and for the late filing fee of \$750, for a total of \$800.

3. HEARING

- 3.1. Hearing Date: December 31, 2019
- 3.2. Administrative Law Judge: Jane Cantor Shefler
- 3.3. Licensee: Lighthouse Lounge
 - 3.3.1. Representative: No one appeared on behalf of the Licensee
- 3.4. Agency: Washington State Gambling Commission
 - 3.4.1. Representative: Doug Van de Brake, Assistant Attorney General
 - 3.4.2. Witnesses: The Gambling Commission did not call any witnesses.

3.5. Documents Considered: I considered the following documents:

Doc. No.	Document Name	Document Date	No. Pages
1	Notice of Brief Adjudicative Proceeding Hearing	12/16/2019	2
2	Notice of Administrative Charges	12/16/2019	4
3	Case Report Attachments 1 - 8	various	26

3.6. Other: This hearing was conducted as a brief adjudicative proceeding under RCW 34.05.485 and WAC 230-17-150(5).

4. FINDINGS OF FACT

I find the following facts are undisputed:

Jurisdiction

- 4.1. The Washington State Gambling Commission ("Commission") brought administrative charges, alleging Lighthouse Lounge ("Licensee"), holder of gambling license No. 05-21465, failed to submit timely submit its quarterly license report within 30 days following the end of the third quarter 2019 ("Q3/2019"), which ended September 30, 2019. The Commission also alleged that the Licensee failed to submit its quarterly license fees within 30 days following the end of Q3/2019, or within the additional 30-day late filing and payment period.
- 4.2. The Commission served a Notice of Administrative Charges dated December 16, 2019.
- 4.3. The Commission referred the matter to the Office of Administrative Hearings to assign an administrative law judge to conduct a Brief Adjudicative Proceeding as provided under WAC 230-17-150(5).
- 4.4. The Commission served notice of the December 31, 2019 Brief Adjudicative Proceeding on December 16, 2019.
- 4.5. The Licensee did not appear for the hearing. *Hearing Record*.

Failure to Submit Quarterly License Reports and License Fees

- 4.6. Lighthouse Lounge is licensed by the Commission to conduct punch board and/or pull-tab activity under gambling license No. 05-21465. That license expired December 31, 2019, subject to compliance with state gambling laws and Commission rules. It has no previous material administrative history.
- 4.7. Licensee failed to timely submit its quarterly license report within 30 days following the end of the Q3/2019. It filed its report one day late, on October 31, 2019.

- 4.8. Licensee did not submit its quarterly license fees within 30 days following the end of Q3/2019. The fees were due no later than October 30, 2019.
- 4.9. Licensee did not submit its quarterly license fee during the additional 30-day late filing and payment period following the end of the quarter, which expired November 30, 2019.
- 4.10. Despite the Commission's notifications by email, telephone, and letter via United States Postal Service, Licensee did not submit the quarterly fees for Q3/2019.
- 4.11. On December 16, 2019, based on the Licensee's failure to submit its license fee for Q3/19, the Commission issued a Notice of Administrative Charges against the Licensee. The Notice assessed a license fee of \$50 and a \$750 late filing fee.
- 4.12. As of the date of hearing, December 31, 2019, the Licensee had not paid the license fee or the late fee due for Q3/2019.

5. CONCLUSIONS OF LAW

Based upon the facts above, I make the following conclusions:

Jurisdiction

- 5.1. The undersigned administrative law judge has jurisdiction over the person and subject matter of this case under Chapter 34.05 RCW, Chapter 9.46 RCW and WAC 230-17-151(e).

Violations Charged

- 5.2. Lighthouse Lounge is an organization licensed by the Commission and subject to reporting requirements and fees.
- 5.3. Beginning July 1, 2018, all organizations licensed by the Commission must submit activity reports quarterly, regardless of whether they previously submitted reports annually, quarterly, or semi-annually, and regardless of when their permit or license year ends. WAC 230-05-102.
- 5.4. The report for the period June 1, 2019 through September 30, 2019 must be received by the Commission no later than October 30, 2019. WAC 230-05-102. Reports must be submitted for any licensed period, even if no gambling activity took place. WAC 230-05-124(6). Quarterly license fees must also be submitted on the same schedule, with the report, if due. WAC 230-05-124.
- 5.5. Licensees are afforded one 30-day filing and payment period after their quarterly license reports and quarterly license fees are due. WAC 230-05-132(2). However, Licensees who do not file their quarterly reports and/or pay quarterly license fees within 30 days from the end of each quarter are in violation of WAC 230-05. WAC 230-05-132(1).

- 5.6. The Commission found Licensee violated the requirements of WAC Chapter 230-05 by failing to timely submit quarterly license fees and reports, under WAC 230-05-132. There is no factual dispute in this matter. Licensee was required to submit quarterly license reports and quarterly license fees if due. The deadline for submitting license reports and fees for the Q3/2019 was October 30, 2019. The Licensee submitted its quarterly license report one day late, on October 31, 2019. The Licensee also failed to submit its quarterly license fees when due on October 30, 2019, or during the 30-day late filing and payment period. Licensee violated the requirement to timely submit the quarterly license fees if due. The Commission's finding of responsibility for this violation must be affirmed.

Revocation

- 5.7. RCW 9.46.075(1) authorizes revocation of any license or permit issued by the Commission because of violation of gambling law or regulations.
- 5.8. WAC 230-03-085(5) provides for revocation of licensure when the licensed organization has failed to pay a quarterly license fee or submit a quarterly license report.
- 5.9. In the Notice of Administrative Charges, the Commission averred that in the event the Licensee had not renewed its license prior to the effective expiration date of December 31, 2019, the appropriate penalty should be revocation of the license. Here, the Licensee had not renewed its license by 8:00 a.m., December 31, 2019.
- 5.10. As discussed above, the Licensee failed to pay a quarterly license fee or renew its license by December 31, 2019. Thus, its gambling license is properly subject to revocation under RCW 9.46.075 and WAC 230-03-085. The Gambling Commission's revocation of Lighthouse Lounge's gambling license No. 05-21465 is affirmed.

Liability for Fees

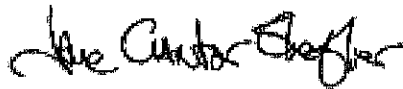
- 5.11. Here, the Licensee did not pay its assessed license fee of \$50 within the initial filing period or during the 30-day extension period as required.
- 5.12. Pursuant to WAC 230-05-132(2), the Commission properly assessed late filing fees of \$25 per day, for 30 days, for a total of \$750.
- 5.13. A licensee must pay all outstanding fees assessed and owed when the license is not renewed or when it is revoked. WAC 230-05-140(1)(d) and (e).
- 5.14. Although its gambling license is revoked, under WAC 230-05-140, Lighthouse Lounge remains liable for the quarterly license fee of \$50 and for the late fee of \$750, for a total due of \$800.

6. INITIAL ORDER

IT IS HEREBY ORDERED THAT:

- 6.1. The Washington State Gambling Commission's action is AFFIRMED.
- 6.2. Licensee Lighthouse Lounge failed to submit the quarterly license report and fees due on or before October 30, 2019, and is subject to sanctions, including revocation under RCW 9.46.075(1) and WAC 230-03-085(1) and (5).
- 6.3. The Commission properly exercised its authority to revoke Lighthouse Lounge's gambling license under RCW 9.46.075 and WAC 230-03-085. The Gambling Commission's revocation of Lighthouse Lounge's Gambling License No. 05-21465 is affirmed.
- 6.4. Under WAC 230-05-140, Lighthouse Lounge is liable for payment of the quarterly license fee of \$50 and for the late filing fee of \$750.00, for a total due of \$800.

Issued from Tacoma, Washington on the date of mailing.



Jane Cantor Shefler
Administrative Law Judge
Office of Administrative Hearings

CERTIFICATE OF SERVICE ATTACHED

APPEAL RIGHTS

PETITION FOR REVIEW

Any party to this proceeding may file a Petition for Review of this initial order. WAC 230-17-152(1). The written petition for review must be mailed to the Washington State Gambling Commission at:

Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504

The petition for review must be received by the Commission within twenty-one (21) days from the date this initial order was mailed to the parties. WAC 230-17-152(2). A copy of the petition for review must be sent to all parties of record. WAC 230-17-152(4). The petition for review must specify the portions of the initial order with which the party disagrees, and must refer to the evidence in the record which supports the party's position. The petition for review must contain any evidence or written material relevant to the matter that the party wishes the reviewing officer to consider. WAC 230-17-152(3).

CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 12-2019-GMB-00136

I certify that true copies of this document were served from Tacoma, Washington via Consolidated Mail Services upon the following as indicated:

Lighthouse Lounge 22239 Marine View Drive South Des Moines, WA 98198 Appellant	<input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail
Ashlie Laydon Washington State Gambling Commission MS: 42400 PO Box 42400 Olympia, WA 98504 Agency Contact	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail
Doug Van de Brake, AAG Office of the Attorney General P.O. Box 40100 MS: 40100 Olympia, WA 98504 Agency Representative	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail
Chad Standifer, AAG Office of the Attorney General P.O. Box 40100 MS: 40100 Olympia, WA 98504 Agency Representative	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail
Cheri Jackson Washington State Gambling Commission P.O. Box 42400 MS: 42400 Olympia, WA 98504 Agency Contact	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail

Date: Monday, January 06, 2020

OFFICE OF ADMINISTRATIVE HEARINGS


 Carla Sullivan
 Legal Assistant 2

