



STATE OF WASHINGTON
GAMBLING COMMISSION

"Protect the Public by Ensuring that Gambling is Legal and Honest"

May 25, 2021

MAKOTO CHILDS
20220 60TH W APT 7
LYNNWOOD, WA 98036

RE: ADMINISTRATIVE ACTION; CR 2020-01430

Dear Makoto Childs:

Enclosed is an Order of Default entered by the Commission on May 13, 2021, revoking your license to conduct gambling activities. This action occurred because you did not timely respond by requesting a hearing to the administrative charges mailed on February 12, 2021.

You have the right to move to vacate this Order. If you do so, we must receive your request by the 10th day after the Order was mailed. Your motion must include the specific grounds upon which relief is requested and must be submitted to:

Washington State Gambling Commission
Attention: Legal & Records Division
P.O. Box 42400
Olympia, WA 98504-2400

You also have the right to submit a Petition for Judicial Review. If you do this, you must submit it within 30 days of the date the Order was mailed. RCW 34.05.514 explains where you must file this petition and RCW 34.05.546 explains what information your Petition must include.

This is not meant to be a full explanation of all the statutes and regulations you would need to understand to move to vacate or Petition for Judicial Review. Please call me at (800) 345-2529, extension 3473, with any questions.

Sincerely,


Ashlie Laydon, Rules Coordinator
Legal & Records Division

Enclosure

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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2020-01430

MAKOTO CHILDS,
License No. 68-34371,

FINAL ORDER OF THE
GAMBLING COMMISSION

Licensee.

This matter having come before the Washington State Gambling Commission (Commission) on May 13, 2021, the Commission makes the following Findings of Fact, Conclusions of Law, and issues its Final Order:

I. FINDINGS OF FACT

1. The Washington State Gambling Commission issued Makoto Childs License No. 68-34371 authorizing Public Card Room Employee activity at Club Hollywood Casino in Shoreline, Washington.

2. This license, which expires on July 20, 2021, was issued subject to Child's compliance with state gambling laws and Commission rules.

3. Childs has been licensed since 2017.

4. On November 14, 2020 a WSGC Special Agent received an email from Phyllis Ermey, the Regulatory Compliance Director for Club Hollywood Casino, regarding an investigation they were conducting on one of their employees. According to Ermey, Shift

FINAL ORDER OF THE
GAMBLING COMMISSION

IN RE: MAKOTO CHILDS
NO. 2020-01430

1 Manager Makoto Childs was discovered to have been overrating a player, Steven Chan, through
2 Hollywood's player tracking system, Sonoma¹.

3 5. Attached to Ermey's email was a copy of Chan's Sonoma History as well as a
4 report furnished by Surveillance Manager Gregg Owens. Owen's report compared the betting
5 data entered into Sonoma by Childs to surveillance footage of Chan from the same time.

6 6. Owens broke his report into five separate time periods, beginning at 18:20 on
7 November 11, 2020, and ending when Chan stopped gambling at 03:44 on November 12, 2020.

8 Owen's report noted:

9 a. From 18:20-18:42, Chan's Sonoma History showed an average bet of \$20; the
10 surveillance showed during this time, Chan did not place any wagers.

11 b. From 18:42-18:59, Chan's Sonoma History showed an average bet of \$200; the
12 surveillance showed during this time, Chan did not place any wagers.

13 c. From 18:59-20:24, Chan's Sonoma History showed an average bet of \$200; the
14 surveillance showed Chan's wagers ranged from \$10 to \$75.

15 d. From 20:24- 00:21, Chan's Sonoma History showed an average bet of \$600; the
16 surveillance showed during this time, Chan placed numerous wagers ranging
17 from \$50 to \$200 a hand; towards the end of this time frame, Chan made about
18 seven wagers from \$200-300, four wagers of \$300, three wagers of \$600 total,
19 and one \$900 hand.

20 e. From 00:26 to 03:44, Chan's Sonoma History showed an average bet of \$600;
21 the surveillance showed during this time, Chan's wagers varied from \$15 to \$150;
22 at 02:38, Chan played a \$200 hand, a \$300 hand, and then a hand using a free
23 play coupon. Chan then ran out of money and stopped gambling at 02:45.

24 _____
25 ¹ The Sonoma player tracking system allows casino management to enter information regarding the time
26 that a player spends while gambling. Managers may document metrics such as the time that player begins and
ends playing, the type of games that they play, and the amounts that they wager and win. Players earn points
based on this information, which they may redeem for "comps" such as free food and beverages as well as "Free
Play" coupons.

1 7. During the time that Chan was playing, he used eight free play coupons. A review
2 of Chan's Sonoma History showed that only five coupons were printed from his account. This
3 indicates that Chan was playing free play coupons that were not his.

4 8. On November 19, 2020, the Special Agent met with Owens at Club Hollywood.
5 Owens explained to the Agent the process he used to generate his report. Owens explained that
6 when he was unable to clearly see the total wager that Chan made (how many like chips were
7 stacked), he recorded the wager as a higher amount to give the benefit of the doubt that the
8 wagers were higher for a given hand.

9 9. On November 25, 2020 the Agent reviewed the remainder of the footage in
10 question. The Agent noted a few small discrepancies in Owens' report, but confirmed the
11 majority of Owens' conclusions. Using the data he collected from the review, the Agent was
12 able to determine that Chan's average bet during his time gambling was closer to \$150. The
13 Agent also noted that Chan had only gambled for a total of three hours and 38 minutes during
14 the roughly eight hours that Childs was rating him.

15 10. On November 25, 2020, the Special Agent returned to Club Hollywood to meet
16 with additional members of their management team. While there, Shift Manager Lyle
17 Westendorf told the Agent that Chan frequently came into the casino with a woman named Marie
18 Cho. Westendorf suggested the Agent look into similar ratings being entered by Child for Cho.

19 11. Richard Rivera, the Assistant General Manager, informed the Agent that he had
20 met with Childs the prior day. Childs said that he was rating Chan because, "I was trying to take
21 care of a good player." Rivera terminated Childs after their meeting. Shortly after being
22 terminated, Childs sent Rivera a text message that read, "thank you for everything I'm sorry I let
23 you down."

24 12. The Special Agent received an email from Regional Surveillance Manager Chris
25 Oberg, who prepared a similar report to the one that Owens had drafted, this time comparing the
26

1 Sonoma History of Marie Cho to surveillance footage of her gambling. Oberg's report outlined
2 the following:

3 a. On November 10, 2020, Westendorf logged Cho into Sonoma at 18:30, and then
4 he left the pit at the end of his shift 11 minutes later, being replaced by Childs².
5 During her time, Cho was rated with an average bet of \$200 from 20:49-00:52,
6 but was not at a table. Cho had the same \$200 rating during the entire evening,
7 but never reached that average bet.

8 b. On November 11, 2020, Cho was rated at \$177 a hand from 18:59-00:59, but had
9 only bought in for \$105, and seemed to average between \$5 and \$20 per hand
10 actually wagered. Childs handed Cho multiple Free Play coupons during this
11 time, which she wagered with. Cho was rated with an average bet between \$100
12 and \$200 that evening, with surveillance showing she again never reached that
13 average.

14 c. On November 12, 2020, Childs recorded Cho with an average bet between \$100
15 and \$150 per hand from 18:45-00:18; surveillance showed that during this time
16 Cho only made wagers between \$7 and \$60 per hand.

17 13. The Agent independently reviewed the surveillance footage of Cho, comparing it
18 with Cho's Sonoma History. Again, the Agent found small discrepancies in Club Hollywood's
19 report, but was able to confirm that Cho's numbers had been grossly inflated.

20 14. On January 7, 2021, the Agent spoke with Kevin Crum, the Managing Partner for
21 ABS Business Data, the company that owns Sonoma. Crum walked the Agent through how
22 Sonoma determines the "points" that it awards players, as well as how Free Play coupons are
23 awarded.

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26 ² All subsequent data for Cho during this time was logged in to Sonoma as Westendorf, but surveillance shows that he was not present, and that Childs was working and had access to Sonoma.

1 15. Based on the information provided by Crum, the Agent created a spreadsheet to
2 outline how many additional points and Free Play coupons Chan and Cho had received as a result
3 of Childs' inflation of their average bet numbers. Based on the information that he collected,
4 the Agent was able to conclude that Childs' actions resulted in a total of \$2,834.36 of unearned
5 points and Free Play coupons that Club Hollywood lost.

6 16. On January 7, 2021, Childs met with the Special Agent at Red Dragon Casino in
7 Mountlake Terrance for an interview. Childs acknowledged that he was "more lenient" with
8 average bet ratings than he was supposed to be, and that he didn't think it "was that serious." He
9 also noted that he had been over-rating players, "for a while."

10 17. Childs told the Agent that he accepted food gifts from both Chan and Cho one or
11 two times a week. He explained that the additional Free Play coupons that he was observed
12 issuing to the players were likely printed out for other players and left on the pit podium. Childs
13 also acknowledged that he had falsely rated Cho for a period of over eight hours, and that it was
14 not okay.

15 18. In a written statement that Childs provided to the Agent, Childs noted that, "I
16 know what I did was wrong," and that he was doing it to "take care" of the customers. Childs
17 stressed that his intention was to help the company by satisfying customers, not hurt it.

18 19. Director David Trujillo issued administrative charges on February 12, 2021
19 alleging that Childs's actions constituted a violation of RCW 9.46.1961(1)(b)(2), RCW
20 9A.56.040(1)(a)(2), and WAC 230-15-425(2). Further, that Childs could not show by clear and
21 convincing evidence that he was qualified for licensure as required by RCW 9.46.153(1), and
22 that his actions warranted revocation of his license pursuant to RCW 9.46.075(1), (2), and (8),
23 and WAC 230-03-085(1), (3), and (9)(a).

24 20. Childs was sent the charges by regular and certified mail on February 12, 2021 to
25 the last address the Gambling Commission had on file.
26

1 21. Pursuant to WAC 230-17-010, a response was required to be received by the
2 Commission by March 8, 2021. To date, the Commission has received no communication from
3 Childs.

4 **II. CONCLUSIONS OF LAW**

5 1. Makoto Childs received proper notice of the charges within three days of
6 February 12, 2021 via regular and certified mail, pursuant to RCW 34.05.413 RCW 34.05.434,
7 WAC 230-17-005, WAC 230-17-010, and WAC 10-08-130.

8 2. The Commission can take final action against Makoto Childs's gambling license
9 under Case Number CR 2020-01430 pursuant to RCW 9.46.075, RCW 34.05.440(1), RCW
10 34.05.461, and WAC 230-03-085.

11 3. Makoto Childs's license should be revoked under Case Number CR 2020-01430
12 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW 34.05.461, and WAC
13 230-03-085.

14 **III. ORDER**

15 This matter having come before the Commission at its May 13, 2021, Commission
16 meeting, the Commissioners having heard arguments, been given the chance to review the
17 administrative record, and being fully advised in this matter, now therefore:

18 It is hereby **ORDERED** that Makoto Childs's gambling license, Number 68-34371, is
19 **REVOKED.**

20 DATED this 13th day of May, 2021.

21 *Bud Sizemore*
22 _____
23 BUD SIZEMORE, Chair

24 *Alicia Levy*
25 _____
26 ALICIA LEVY

27 *Kristine Reeves*
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29 KRISTINE REEVES

30 *Julia Patterson*
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32 JULIA PATTERSON, Vice Chair

33 *Lauren King*
34 _____
35 LAUREN KING

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NOTICE

Reconsideration: RCW 34.05.470 and WAC 230-17-140 provide that a party may file a petition for reconsideration of a final order. A petition for reconsideration must be received no later than thirteen (13) days after the date this final order is mailed. Any motion for reconsideration must state the specific grounds supporting the party's request for reconsideration.

Stay of Final Order: Filing for reconsideration does not stay the effectiveness of this Order. WAC 230-17-145 provides that a party may petition the Commission for a stay of a final order. Any petition for a stay should be received by the Commission within thirteen (13) days after the date this final order is mailed.

Judicial Review: RCW 34.05.542 provides that a party may appeal this final order by filing a petition for judicial review within thirty (30) days after service of this order. A petition for judicial review must be filed with the appropriate superior court and served upon both the Commission and the Office of the Attorney General.

Service: This Order was served on you three days after it was deposited in the United States Postal Service regular mail, excluding the date of mailing. WAC 230-17-035.

Any motions or petitions for judicial review should be served on or mailed to:

Washington State Gambling Commission
Legal and Records Division
4565 7th Avenue S.E., Lacey, WA
P.O. Box 42400
Olympia, WA 98504-2400

Doug Van de Brake
Attorney General's Office
1135 Washington St. SE
P.O. Box 40100
Olympia, WA 98504-0100

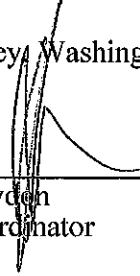
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CERTIFICATE OF SERVICE

I certify that on the date below I served a copy of the foregoing document on all parties and/or their counsel by United States Postal Service regular mail to the following:

MAKOTO CHILDS
20220 60TH W APT 7
LYNNWOOD WA 98036

EXECUTED this 21 day of May, 2021, at Lacey, Washington.



Ashlie Layden
Rules Coordinator