

WASHINGTON'S LOTTERY  
OFFICE OF THE DIRECTOR

In the Matter of:

Docket No. 2022-02

SEEMA ENTERPRISES, INC.,  
DBA 7-ELEVEN,

FINAL ORDER

Licensee/Appellant

Appearances:

Seema Enterprises, Inc., by G. Michael Zeno, Attorney at Law

Washington's Lottery, by Kristi Weeks

Reviewing Officer: Marcus Glasper, Director, Washington's Lottery

ISSUES

1. Should this matter be converted to a formal adjudicative hearing?
2. Did Lottery retailer licensee Seema Enterprises Inc. violate RCW 67.70.090(4) and/or WAC 315-04-200(1)(g) and/or (3)?
3. If so, what is the proper sanction?

SUMMARY OF PROCEEDINGS

This matter was decided pursuant to a brief adjudicative proceeding (BAP). WAC 315-20-125. No testimony was taken, and oral argument was not requested by either party. The undersigned Director of the Lottery designated Debbie Robinson, the Lottery's Director of Human Resources and Support Services, to act as the Presiding Officer pursuant to WAC 315-20-125(2)(a).

FINAL ORDER  
DOCKET NO. 2202-02

**COPY**

1 The following documents were filed prior to issuance of the Presiding Officer's Initial  
2 order:

- 3 • On October 31, 2022, Surjit Rana, co-owner of Seema Enterprises, Inc. (Seema), then  
4 acting *pro se*, timely filed a Declaration and nine Exhibits.
- 5 • On November 1, 2022, Kristi Weeks, on behalf of Washington's Lottery (Lottery), timely  
6 filed a Hearing Brief with ten Exhibits.
- 7 • On November 17, 2022, Ms. Weeks timely filed a Reply Brief and Proposed Order in  
8 response to Seema's October 31, 2022 submission.
- 9 • On November 21, 2022, the last day for submissions pursuant to the Scheduling Order,  
10 attorney G. Michael Zeno filed a Notice of Appearance and Brief for Administrative  
11 Appeal on behalf of Seema.

12 The Presiding Officer considered the materials and exhibits submitted by the parties,  
13 together with the preliminary record as defined in WAC 315-20-125(3)(a) and issued an Initial  
14 Order on November 28, 2022.

15 On December 19, 2022, Seema timely filed a Petition for Administrative Review. In the  
16 same document, Seema for the first time requested that this proceeding be converted to a formal  
17 adjudicative hearing.

18 On December 22, 2022, Ms. Weeks timely filed a Response to Seema's Petition.

#### 19 REQUEST FOR FORMAL ADJUDICATIVE HEARING

20 As an initial matter, the undersigned will address the Request for Formal Adjudicative  
21 Hearing.

22 A BAP is appropriate if the issue and interests involved in the controversy do not warrant  
23

1 use of the formal procedures, including a hearing. Seema contends the issue and interests in this  
2 case do warrant such formalities. But the reasons it cites for this conclusion are not distinct from  
3 the issues and interests in most BAPs. For instance, Seema relies on the fact that its owner,  
4 Surjit Rana, will incur financial losses as a result of any license revocation. This is true of most  
5 business and professional licenses revocations, many of which are routinely conducted using a  
6 BAP.  
7

8 Seema also claims a formal proceeding will ensure due process. Due process  
9 traditionally entails notice and an opportunity to be heard. Seema has received notice and an  
10 opportunity to be heard, as well as the opportunity to present evidence and witnesses statements,  
11 respond to the Lottery's evidence and witness statements, and be represented by counsel.  
12

13 Seema's reliance on Arishi v. Washington St. Univ., 196 Wn. App. 878, 385 P.3d 251  
14 (2016) is unpersuasive. The facts in that case were unique. It is especially relevant that in Arishi  
15 the underlying facts were greatly at issue. In the present case, the facts and law are largely  
16 undisputed and only the proper sanction is in question. Also, the potential consequences to  
17 Seema and Surjit Rana are significant, but not of the same magnitude as those faced by Mr.  
18 Arishi.  
19

20 For these reasons, the Request for Formal Adjudicative Hearing is DENIED.  
21

#### 22 I. FINDINGS OF FACT

23 1.1 In 2008, Washington's Lottery (Lottery) granted Seema Enterprises, Inc. (Seema)  
24 two retailer licenses to sell lottery products pursuant to RCW 67.70 050(4) and chapter 315-04  
25 WAC. The licensed retail locations are both 7-Eleven stores, located at 19825 Mountain  
26 Highway East in Spanaway, Washington (retailer number 245571, "Spanaway store") and 10814  
27

1 Pacific Highway Southwest in Lakewood, Washington (retailer number 245803, "Lakewood  
2 store").

3 1.2 Seema was owned by Surjit Rana and Jaspal Rana, with each having 50 percent  
4 ownership. Jaspal Rana died on October 29, 2021. No change of ownership was reported to  
5 Washington's Lottery until this after action commenced.

6 1.3 As part of the licensing process, Surjit Ranna signed an updated Retailer Contract  
7 with the Lottery on June 11, 2012, for the Spanaway store. Jaspal Rana signed an updated  
8 Retailer Contract for the Lakewood store on October 16, 2012.

9 1.4 The Retailer Contracts set forth terms and conditions for holding a Lottery retail  
10 license. Section D (3) of each Retailer Contract states, "I understand that misrepresenting the  
11 amount won on a ticket for personal gain or to defraud a customer of winnings may be grounds  
12 for suspension, or immediate license revocation and cancellation of this contract, and could also  
13 result in criminal charges."  
14

15 1.5 On or about March 8, 2021, a player reported to the Lottery that when he  
16 attempted to redeem a winning ticket at the Spanaway store, the clerk tried to pay him less than  
17 what the winning ticket was worth. At that time, Covid-19 restrictions did not allow Lottery  
18 staff to fully investigate the complaint.  
19

20 1.6 Once some of the Covid-19 restrictions were lifted and Lottery investigators were  
21 once again able to conduct field investigations, they decided to perform a compliance check at  
22 the Spanaway store as a result of the March 2021 complaint. During a "compliance check" an  
23 undercover Lottery investigator presents a specially designed scratch ticket that appears to be a  
24 genuine winning ticket. When scanned by a clerk, these tickets will cause the winning music to  
25  
26  
27

1 play and generate a message to the retail clerk indicating the prize amount and "DO NOT PAY  
2 PRIZE RETURN WINNING TICKET TO PLAYER." The purpose of a compliance check is to  
3 ensure retail clerks are properly paying customers or directing them to a Lottery office to collect  
4 larger prizes.  
5

6 1.7 On or about March 24, 2022, Lottery Director of Security and Licensing Derek  
7 Poppe and Investigator Jon Flores conducted a compliance check at the Spanaway store. A  
8 female clerk named Joann Severson told the Investigators the compliance ticket was not a winner  
9 and did not return it to them.  
10

11 1.8 Severson attempted to redeem the ticket's \$20,000 prize on March 28, 2022, at  
12 the Lottery's headquarters in Olympia. Law enforcement was called. Severson claimed to have  
13 either purchased the ticket or found it in the trash. After being interviewed, she was released  
14 pending charges.  
15

16 1.9 Lottery Investigator Beverly Reinhold discussed the event with the Surjit Rana  
17 and reviewed a video of the event with her. Severson was subsequently terminated from the  
18 Spanaway store.  
19

20 1.10 The Lottery chose to take no action on the license at that time but to return to the  
21 store at a later date to ensure Severson had not been reinstated.  
22

23 1.11 On or about August 31, 2022, Lottery investigators staff performed a second  
24 compliance check at the Spanaway store. Investigator Reinhold entered the store and saw a lone  
25 clerk behind the counter. The clerk was a male of East Indian descent but did not wear a name  
26 tag. Investigator Reinhold selected an item to purchase from the store and approached the  
27 counter. While there, she asked the clerk to check her scratch ticket (a compliance ticket with a  
28

1 \$1000 "prize"). The clerk scanned the compliance ticket and the winning music played.

2 However, the clerk indicated the ticket was not a winner and did not return it to her. Investigator  
3 Reinhold paid for her item and exited the store.  
4

5 1.12 Investigator Reinhold was assisted by Investigator Flores. Upon learning that the  
6 clerk kept the compliance ticket, Investigator Flores entered the store and observed the clerk with  
7 a scratch ticket in his hand. The clerk then placed the ticket in his pocket and rang up  
8 Investigator Flores's purchase. Investigator Flores's description of the clerk matched the  
9 description provided by Investigator Reinhold.  
10

11 1.13 Investigators Reinhold and Flores later reviewed a Department of Licensing  
12 photograph of Kewel Singh and both positively identified him as the clerk in the Spanaway store  
13 during the August compliance check.

14 1.14 Less than an hour after the second compliance check, Investigator Reinhold again  
15 entered the Spanaway store to give Singh the opportunity to return the ticket to her if it had been  
16 kept inadvertently. She entered the store and asked Singh if she had left her sunglasses when she  
17 was in the store earlier. He made direct eye contact with her but did not offer her the ticket back.  
18

19 1.15 On September 7, 2022, Singh attempted to redeem the compliance ticket.

20 1.16 Investigator Reinhold was able to view security cameras remotely during this  
21 attempted transaction and recognized Singh as the person who kept the compliance ticket during  
22 the compliance check in August.  
23

24 1.17 Lottery staff attempted to delay the claim process until law enforcement could  
25 arrive, but Singh left.

26 1.18 Singh returned to the Lottery office the next morning. Law enforcement officers  
27

1 arrived and interviewed Singh who said his brother-in-law had purchased the ticket and given it  
2 to him. The brother-in-law was also interviewed and denied purchasing the ticket or giving it to  
3 Singh. Singh was released pending charges.  
4

5 1.19 Investigator Reinhold subsequently spoke with Surjit Rana, who confirmed that  
6 Singh was an employee of the Spanaway store.

7 1.20 On September 9, 2022, following completion of the investigation, Lottery Deputy  
8 Director Joshua Johnston notified Surjit Rana, on behalf of Seema, that the licenses of the  
9 Spanaway store and the Lakewood store were revoked due to violations of RCW 67.70.090(4)  
10 and WAC 315-04-200(1)(g) and (3).  
11

12 1.21 On September 14, 2022, Surjit Rana notified Investigator Reinhold that Singh's  
13 employment had been terminated.

14 1.22 Surjit Rana, on behalf of Seema, does not contest that Severson and Singh lied  
15 about the winning status of the compliance tickets, kept them, and attempted to redeem the prizes  
16 for themselves.  
17

## 18 II. CONCLUSIONS OF LAW

19 2.1 The Director of the Lottery and the Presiding Officer, by delegated authority,  
20 have jurisdiction over Seema and the subject of this proceeding. RCW 67.70.060.

21 2.2 The Director may revoke a retailer license based on fraud, deceit,  
22 misrepresentation, or conduct prejudicial to public confidence in the state lottery. RCW  
23 67.70.090(4); WAC 315-04-200(1)(g).  
24

25 2.3 Indicating to a customer that a winning ticket is not a winner, keeping the ticket  
26 for themselves, and attempting to redeem the prize are acts of deceit and/or misrepresentation,  
27

1 and is conduct prejudicial to public confidence in the Lottery.

2 2.4 Seema violated RCW 67.70.090(4) and WAC 315-04-200(1)(g). Revocation of  
3 the Spanaway store's license is proper.

4 2.5 The Director may revoke a retailer license if there is a history of theft from the  
5 location specified on the license or another licensed location owned or operated, in part or total,  
6 by the same licensed retailer. WAC 315-04-200(3).

7 2.6 Two documented thefts of a lottery ticket were committed by employees of the  
8 Spanaway store owned by Seema. This constitutes a history of theft. The Spanaway store  
9 employees did not know the tickets were compliance tickets provided by Lottery officials;  
10 however, the fact that the stolen tickets were compliance tickets and not live tickets is  
11 immaterial.

12 2.7 Based on the history of theft at the Spanaway store, revocation of the Lakewood  
13 store's license is proper under WAC 315-04-200(3).

14 III. ORDER

15 Based on the above Findings of Fact and Conclusions of Law, it is hereby ORDERED:

16 3.1 Seema Enterprises Inc.'s license, retailer number 245571, to act as a Lottery  
17 retailer at the 7-Eleven store at 19825 Mountain Highway East in Spanaway, Washington is  
18 REVOKED.

19 3.2 Seema Enterprises Inc.'s license, retailer number 245803, to act as a Lottery  
20 retailer at the 7-Eleven store at 10814 Pacific Highway Southwest in Lakewood, Washington is  
21 REVOKED.


22 3.3 Seema Enterprises Inc. may not reapply for a new Lottery retailer license for the  
23



1 Spanaway or Lakewood store, or any other location, for at least five (5) years from the date of  
2 this Final Order.

3 3.4 Surjit Rana, or any legal entity owned or operated by Surjit Rana, in part or total,  
4 may not apply for a new Lottery retailer license for at least five (5) years from the date of this  
5 Final Order.  
6

7 Dated this 5<sup>th</sup> day of January, 2023.

8   
9  
10 MARCUS GLASPER  
11 Reviewing Officer

12 NOTICE TO PARTIES

13 Either party may file a Petition for Reconsideration. A Petition for Reconsideration must  
14 be filed within ten (10) days of service of this Final Order. RCW 34.05.470(1).  
15

16 The Petition for Reconsideration may be filed by personal delivery at:

17 Director, Washington's Lottery  
18 814 4<sup>th</sup> Avenue East  
19 Olympia, WA 98504

20 Or by mail at:

21 Director, Washington's Lottery  
22 PO Box 43000  
23 Olympia, WA 98504-3000

24 A copy must be served on the opposing party at the time it is filed with the Director. If  
25 the opposing party is represented by counsel, the copy must be sent to the attorney  
26  
27

1 "Filed" means actual receipt of the document by the Lottery. RCW 34.05.010(6).

2 "Served" means the day the document was personally delivered or deposited in the United States  
3 mail. RCW 34.05.010(19).  
4

5 A Petition for Reconsideration must state the specific grounds for reconsideration and  
6 what relief is requested. RCW 34.05.470(1). A Petition for Reconsideration is denied if the  
7 Reviewing Officer does not respond in writing within twenty (20) days. RCW 34.05.470(3).

8 A Petition for Judicial Review must be filed and served withing thirty (30) days after  
9 service of this Final Order. RCW 34.05.542(2). The procedures are identified in chapter 34.05  
10 RCW, Part V, Judicial Review and Civil Enforcement. A Petition for Reconsideration is not  
11 required before seeking judicial review. If a timely Petition for Reconsideration is filed, the 30-  
12 day period does not begin until the Petition for Reconsideration is resolved. RCW 34.05.470(3).  
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