



City of Richmond

Report to Council

To: Richmond City Council
From: Anne Stevens
Chief Licensing Inspector

Date: April 13, 2006
File:

Re: **Suspension of Business Licence for Net Arena Enterprises Inc**

Staff Recommendation

That Council suspend the business licence of Net Arena Enterprises Inc doing business as Net Arena, operating from premises located at Unit #130 - 8080 Leslie Road, Richmond B.C. for the period of 60 days commencing May 1,2006 to June 29, 2006, both dates inclusive.

Anne Stevens
Chief Licensing Inspector
(4273)

Att.

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

The City continues to enforce its Business Licence bylaws and Public Health Protection bylaws with an emphasis on the operating hours and permissive functions within the business complex. These efforts for enforcement are part of our ongoing efforts to promote customer, community and employee safety and to ensure that all businesses are operating in a consistent manner so as to not prevent one business gaining an operational advantage over another business in the same business category.

Various regulatory, protection services, health and federal agencies have worked together to ensure that business activities are operating within the various legislative parameters as established by these various agencies with an emphasis on the operating hours and permissive functions within the business complex.

Findings Of Fact

Net Arena has been fined by the City for operating outside of business hours and has permitted smoking within the establishment. Net Arena operates under two business licences categories. One for an Amusement Centre and one for Assembly Use Group, Food Service. All Amusement Centres in Richmond are regulated by Bylaw No. 7538, Part 5. This regulation stipulates the hour's amusement centres are permitted to operate.

The table below briefly outlines the infractions:

Date of Infraction	Infraction	Specifics
January 22, 2005	Violation of Business Regulation Bylaw No 7538	Operating outside permitted hours
January 22, 2005	Violation of Public Health Protection Bylaw No. 6989	Operator permitting smoking
September 11, 2005	Violation of Public Health Protection Bylaw No. 6989	Operator permitting smoking
February 24, 2006	Violation of Business Regulation Bylaw No 7538	Operating outside permitted hours
February 24, 2006	Violation of Public Health Protection Bylaw No. 6989	Operator permitting smoking
February 24, 2006	Violation of the Business Licence Bylaw No. 7360	Operating a business without a licence

During the inspection on February 24, 2006, it was noted that the licences for Net Arena were not valid. A municipal ticket was issued for operating without a valid licence. To date the licence fees have been paid in full.

A show cause hearing was held on March 15, 2006, with the principal Tom LO in attendance. The Licence Inspector spoke to the infractions as stated above and Mr. Lo had the opportunity to explain his situation and why the infractions occurred.

Mr. Lo explained that he has been out of the City and was apologetic that the individuals managing the establishment were delinquent in enforcing the regulations. Due to their mismanagement he stated he has fired these employees. Mr. Lo also commented on how difficult it is to operate in today's market and that the staff believed that if they stayed open it would help maintain the business. Mr. Lo would like to get out of the business and a suspension would only hinder his plan of sale.

Mr. Lo's solution to mitigate infractions would be to place a web cam to monitor from remote sites when he is out of town but with no solution for the smoking infractions.

In 2004 Council suspended Net Arena from March 29, 2004 to April 27, 2004 both dates inclusive for exactly the same infractions - operating beyond permitted hours and permitting smoking.

On April 4th, staff delivered a letter to Net Arena advising them of their right to appear before Council regarding their proposed suspension. The Licensing Inspector entered the premises to find further infractions.

As the report regarding the suspension was removed from the April 10th Council meeting, staff choose to call a second show cause hearing to deal with the above additional infraction.

The show cause hearing was called April 13th, 2006 at 11:00 a.m. Staff waited a reasonable amount of time for Mr Lo to appear. As Mr Lo did not appear and there were no phone calls to request postponement the Chief Licensing Inspector proceeded with the hearing with the Licence Inspector.

The findings clearly indicate further violation of the Public Health Protection Bylaw No.6989. As the Licence Inspector entered Net Arena on April 4th patrons were found smoking within the establishment. As a municipal ticket was being issued for this violation the inspector was approached by Net Arena staff and offered an amount of money "to go away"

The Inspector called the RCMP and reported the incident of the alleged bribe. The MTI for smoking was issued. Attached is the Inspector's evidence as presented to Chief Licensing Inspector (Attachment 1)

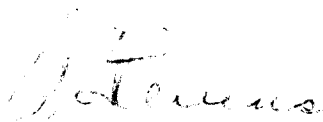
As the alleged bribe is now under investigation with the RCMP, there is nothing more to report but it does go to character of the management and the business itself.

Financial Impact

There is no direct financial impact for the City.

Conclusion

Net Arena has ignored the City's Business Licence Bylaw and Public Health Protection Bylaw and has continued despite the issuance of six Municipal Tickets plus the latest one. With Net Arena's continued non compliance of City bylaws, suspension for exactly the same infractions in 2004 and the allegation of a bribe, staff believe that a suspension of 60 days should be enforced from May 1, 2006 through June 29, 2006 both dates inclusive is warranted.



Anne Stevens
Chief Licensing Inspector
(4273)

Will Say of Licence Inspector, DUARTE
Occurrence Report (Narrative)

Will Say of Licence Inspector Victor DUARTE

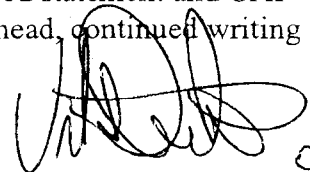
That Licence Inspector, Victor DUARTE, (hereinafter referred to as DUARTE) was appointed by Richmond City Council as a Bylaw Enforcement Officer in accordance with Section 36 of the Police Act on December 20, 1999.

That on April 4, 2006, at approximately 17:41 hours, DUARTE did attend at Unit # 130-8080 Leslie Road, Richmond, in the Province of British Columbia to deliver letter to business, Net Arena Enterprises Inc., doing business as, (and hereinafter referred to as Net Arena), that recommendation was going to be made to Richmond City Council on Monday April 10, 2006, for a suspension of business Licence for the period of April 17, 2006 through May 7, 2006 both dates inclusive.

Net Arena Owner, Yuk-Shi (Tom) LO recently attended City Hall for a Show Cause Hearing on Wednesday March 15, 2006 at 14:00 hours, and had an opportunity to be heard as to why the Business Licence for Net Arena should not be suspended for violations of the Public Health Protection Bylaw No 6989, section 6.1.1.1(a) to (k), Operator permitting smoking; and the Business Regulation Bylaw No. 7538, section 5.2.3, Operating an amusement centre outside permitted hours.

DUARTE observed back door to unit was open when business was approached. DUARTE upon entering premise noticed the smell of cigarette smoke in the air. Duarte observed six individuals inside the premise sitting at computer stations. DUARTE observed each individual to determine if anyone was smoking. DUARTE approached front row of computers and recognized business representative who identified herself as Angela CAI, (hereinafter referred to as CAI) Cashier, for Net Arena, sitting close to end of row, closest to counter where payment would be made. DUARTE observed individual next to CAI on left, with black filter type object in his mouth with a cigarette burning and sticking out of filter.

DUARTE put pegboard containing letter and ticket book on top of counter and proceeded to write a Municipal Ticket Information (hereinafter referred to as an MTI) for a violation of the Public Health Protection Bylaw No. 6989, section 6.1.1.1 (a) to (k), which carries a fine of \$250.00. CAI approached counter and went behind counter and stated "What, no one's smoking". DUARTE continued to write MTI and stated to CAI that she was either blind or lying as the individual smoking was sitting right next to CAI. DUARTE then stated to CAI that she did not look blind so it must be lying. CAI nodded in agreement and said "Sorry". DUARTE continued to fill out MTI. CAI informed DUARTE she would contact Alan and gestured with her hand to stop writing MTI. DUARTE continued writing MTI as CAI walked away talking on telephone. CAI returned stating "Alan call you tonight". DUARTE ignored statement and CAI stated again, "Alan call you tonight". DUARTE again, nodding no with head, continued writing



06-04-06

Will Say of Licence Inspector, DUARTE
Occurrence Report (Narrative)

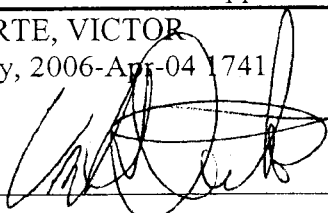
MTI. CAI now stated "Alan give you \$2000.00 dollars". DUARTE shocked, now looked up at CAI and said "what?" CAI said, "Alan give you \$2000.00 dollars, you go away". DUARTE stated to CAI, "he wants to offer me \$2000.00 dollars to go away". CAI responded "yes". DUARTE thinking that this was actually a bribe offer, immediately contacted 911 and identified self and explained situation to 911 operator. While DUARTE was on cell-phone with operator CAI appeared scared now and stated something like "Sorry! Not Alan, my mistake." DUARTE got off cell-phone and asked CAI if Alan was on his way to location. CAI stated he was about five minutes away. DUARTE informed CAI to give letter to Alan and handed letter to CAI.

DUARTE proceeded to exit business and noted time as 17:48 hours as time letter was served. DUARTE entered vehicle and noticed Alan LOO (hereinafter referred to as LOO) pulling into parking area. LOO exited vehicle and entered business premise. DUARTE entered City vehicle and started completing MTI.

LOO exited business a couple of minutes later and approached City vehicle and said, "what's wrong." DUARTE finished MTI at this point informed LOO he was receiving ticket for permitting smoking. DUARTE asked LOO what his title was, as CAI had referred to Alan as her Manager. LOO informed DUARTE that he had no title and was just helping his brother. DUARTE stated "ok" and handed LOO MTI. DUARTE at this time asked LOO if he understood it was a criminal offence to bribe a Peace Officer. LOO acted like he did not understand what DUARTE was talking about and asked DUARTE "What are you doing." LOO was informed that DUARTE was waiting for RCMP attendance and it was suggested that LOO should go back inside his unit which he did. At approximately 18:22 hours, LOO left in his red vehicle, BC plate KVA 755.

Cpl B. EDWARDS of the Richmond RCMP attended location at approximately 18:40 hrs.

Author: DUARTE, VICTOR
Related date: Tuesday, 2006-Apr-04 1741

Signature: 

Date: 2006-APR-06