

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the Certification ) NO. CR 2014-00889  
to Conduct Gambling Activities of: )  
)  
Elisha Zaugg ) **FINDINGS, CONCLUSIONS,**  
Montesano, Washington, ) **DECISION, AND FINAL**  
) **ORDER IN DEFAULT**  
Class III Employee. )

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THE MATTER of the revocation of the certification to conduct gambling activities of Elisha Zaugg having come before the Commission on October 9, 2014, the Commission makes the following Findings of Fact, Conclusions of Law, and issues the following Decision and Order:

**FINDINGS OF FACT**

I.

The Washington State Gambling Commission issued Elisha Zaugg certification<sup>1</sup> number 69-32133, authorizing Class III Employee activity, formerly at the Squaxin Island Tribe's Little Creek Casino.

The Commission issued this certification, which expires on November 29, 2014, subject to the certified employee's compliance with the Squaxin Tribal/State Compact, state gambling laws and Commission rules.

II.

On August 11, 2014, Director David Trujillo issued administrative charges to Elisha Zaugg by regular mail. The administrative charges notified Mr. Zaugg that failure to respond would result in the entry of a default order revoking his certification. Mr. Zaugg did not respond to the charges and waived his right to a hearing. Pursuant to RCW 34.05.440, this final order is entered in default.

III.

**SUMMARY:**

On March 20, 2014, an Information was filed in Grays Harbor County Superior Court charging Elisha Zaugg with Rape, 1<sup>st</sup> Degree.

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<sup>1</sup> Class III Certification is issued to employees working at tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may convert their certification to a CRE license.

## FACTS:

- 1) A Washington State Gambling Commission Special Agent (agent) was assigned to Elisha Zaugg's file for a suitability investigation after Commission staff received notice that the Squaxin Island Tribe had suspended, then later revoked, his tribal license. Even though Mr. Zaugg's tribal license has been revoked, his certification remains active.
- 2) According to Grays Harbor County Superior Court documents, on March 20, 2014, an Information was filed charging Mr. Zaugg with Rape, 1<sup>st</sup> Degree. It states that on or about January 1, 2013, Mr. Zaugg engaged in sexual intercourse by forcible compulsion with another and used, or threatened to use, a deadly weapon, or what appeared to be a deadly weapon.
- 3) On June 30, 2014, a pre-trial management hearing was held. There has not been a trial date scheduled for the case.

## VIOLATIONS:

### 1) Squaxin Island Tribal/State Compact

Section V.C. of the Tribal-State Compact states the SGA<sup>2</sup> may revoke, suspend or deny a State certification for any reason it deems to be in the public interest. These reasons shall include when the holder of certification:

V.C.1. Is determined to be a person who because of prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities used in the conduct of the gaming activities permitted pursuant to this compact.

### 2) RCW 9.46.075 Denial, suspension, or revocation of certification, application, or permit

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 subsections apply.)

(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.

(8) Fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

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<sup>2</sup> Washington State Gambling Commission, as referred to in Section II.V. of the Tribal-State Compact for Class III Gaming between the Squaxin Island Tribe.

(9) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4)<sup>3</sup> of this section: PROVIDED, That at the request of an applicant for an original license, the commission may defer decision upon the application during the pendency of such prosecution or appeal.

**3) WAC 230-03-085 Denying, suspending, or revoking an application, license or permit**

We may deny, suspend, or revoke any application, license or permit, when the applicant, certified employee, or anyone holding a substantial interest in the applicant's or certified employee'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.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

(a) Prior activities.

**4) RCW 9.46.153(1) Applicants and licensees-Responsibilities and duties**

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

Mr. Zaugg has been charged with Rape, 1<sup>st</sup> Degree. The certified employee's pending criminal charges demonstrate that he poses a threat to the effective regulation of gambling, creates, or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities. Elisha Zaugg has failed to establish clearly and convincingly that he is qualified for licensure, as required by RCW 9.46.153(1). As a result, there are grounds to revoke Elisha Zaugg's certification based on the Squaxin Island's Tribal/State Compact, RCW 9.46.075(1), (8), and (9), and WAC 230-03-085(1), and (8).

IV.

**CONCLUSIONS OF LAW**

The circumstances specified in the Findings of Facts in section III above constitute grounds for the revocation of Elisha Zaugg's certification to conduct gambling activities under the authority of the Squaxin Tribal/State Compact, RCW 9.46.075 and WAC 230-03-085.

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<sup>3</sup> (4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, wilful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.

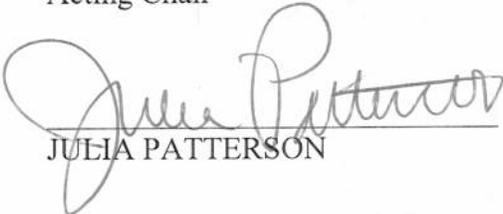
**DECISION AND ORDER**

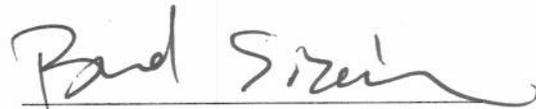
The Washington State Gambling Commission HEREBY ORDERS: Elisha Zaugg's certification to conduct gambling activities is REVOKED.

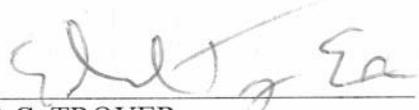
DATED this 9th day of October 2014.

  
CHRISTOPHER STEARNS,  
Acting Chair

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KELSEY GRAY, Ph.D.

  
JULIA PATTERSON

  
BUD SIZEMORE

  
ED C. TROYER

PRESENTED BY:

  
Amy B. Hunter, WSBA# 23773  
Administrator, Communications and Legal Division  
Washington State Gambling Commission

**NOTICE:** RCW 34.05.440(3) provides that within seven (7) days after service of a default order the party against whom it was entered may file a written motion requesting that the order be vacated and stating the grounds relied upon.

**NOTICE:** Petition for Judicial Review

You have the right to appeal this Final Order to Superior Court, pursuant to the Petition for Judicial Review provisions of RCW 34.05.542. Any Petition for Judicial Review of this Final Order must be filed with the court and served upon both the Commission and the Office of the Attorney General within thirty-days (30) after the date this Final Order is served upon you.

WAC 230-17-040(3) requires that motions be served on the parties listed below:

Washington State Gambling Commission  
Communications & Legal Division  
PO Box 42400  
Olympia, Washington 98504-2400

Gregory J. Rosen  
Assistant Attorney General  
P.O. Box 40100  
Olympia, WA 98504-0100

STATE OF WASHINGTON )  
 )SS  
COUNTY OF THURSTON )

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly addressed with postage prepaid, to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 13 day of October, 2014

*M. Brecken Prehall*  
Communications and Legal Department  
Washington State Gambling Commission