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**GAMBLING COMMISSION** STATE OF WASHINGTON  
**COMM & LEGAL DEPT** GAMBLING COMMISSION

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GAMBLING COMMISSION  
COMM & LEGAL DIVISION

In the Matter of the Suspension or Revocation of the )  
Certification to Conduct Gambling Activities of: )

NO. CR 2010-01384

John Sagatu )  
Auburn, Washington, )

**SETTLEMENT ORDER**

Class III Employee. )  
\_\_\_\_\_ )

I.

This Settlement Order is entered into between the Washington State Gambling Commission and John Sagatu. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Lead Staff Attorney. The Class III Employee is representing himself.

II.

The Washington State Gambling Commission issued John Sagatu certification<sup>1</sup> number 69-03374, authorizing Class III Employee activity with the Muckleshoot Tribe.

The certification expires on October 8, 2011, and was issued subject to the Class III Employee's compliance with state gambling laws and rules and the Muckleshoot Tribal/State Compact.

III.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the Class III Employee on December 21, 2010. On January 6, 2011, Commission staff received the Class III Employee's request for a hearing.

IV.

The following is a summary of the facts alleged, and the violations charged in the Notice of Administrative Charges:

- 1) In October 2009, Director Rick Day issued administrative charges against John Sagatu because he failed to pay court-ordered fines and fees and owed \$6,424.00. (\$5,424 had been sent to collections.) However, in November 2009, the Director dismissed the administrative charges.
- 2) Then in December 2009, a Commission Special Agent (agent) sent the Muckleshoot Tribal

<sup>1</sup> The Commission issues Class III Certifications to employees working at Tribal casinos. Certifications allow similar activities as Card Room Employee (CRE) licenses issued to persons working at commercial house-banked card rooms. Class III Employees may transfer their certifications to a CRE license and work at commercial card rooms by sending Commission staff a transfer form and the accompanying fee.

Gaming Agency notification that John Sagatu owed \$6,424 in court ordered fines and fees. In the letter, the agent encouraged Mr. Sagatu to comply with his court obligations to avoid possible administrative action in the future.

3) In October 2010, an agent conducted a criminal history check on Mr. Sagatu and determined that he still owes \$6,424 in court ordered fines and fees with \$5,424 still in collections, and has five Failures to Appear on his record. Since October 2009, Mr. Sagatu has not made any payments towards his court obligations.

4) Based on his failure to pay court-ordered court fines and fees, Mr. Sagatu has demonstrated willful disregard for complying with court orders, and that he poses a threat to the effective regulation of gaming and enhances the chance of unfair illegal practices.

5) Therefore, Mr. Sagatu has failed to establish by clear and convincing evidence the necessary qualifications for certification under RCW 9.46.153(1), and under Section V.C. of the Muckleshoot Tribe/State Compact, RCW 9.46.075(1) and (8), and WAC 230-03-085(1), (3), and (8), grounds exist to suspend or revoke John Sagatu's certification.

**Section V.C. of the Muckleshoot Tribe/State Compact**

The State Gaming Agency<sup>2</sup> may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075, and rules promulgated there under, or for any reason or reasons it deems to be in the public interest. In addition, these reasons shall include, but shall not be limited to when a holder of certification: (The following subsection applies.)

(1) Is determined to be a person whose 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 in the conduct of the gaming activities permitted pursuant to this Compact; or the person has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal-State Compact.

**RCW 9.46.075 Denying, suspending, or revoking an application, license 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.

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

<sup>2</sup> Washington State Gambling Commission, as referred to in the Muckleshoot Tribal/State Compact, Section II (U).

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee'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.
- (3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.
- (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; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

**RCW 9.46.153 Applicants and licensees-Responsibilities and duties**

(The following subsection applies.)

- (1) 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.

V.

The Class III Employee acknowledges that he has read the Notice of Administrative Charges and understands the facts contained in it.

John Sagatu has now paid \$3,237 of his outstanding fines and fees and has entered into a wage assignment agreement to have \$50 from each paycheck sent to a collection agency to pay off his outstanding balance. As a result, the Class III Employee has demonstrated that he no longer poses a threat to the effective regulation of gaming.

In the future, if Mr. Sagatu renews or reapplies for a gambling certification or license, Commission staff will review the amount of any outstanding court ordered fines and fees and notify the Class III Employee if he no longer qualifies for certification or licensure, Mr. Sagatu's failure to continue to reduce the amount of his outstanding court fines and fees may be a disqualifying factor for certification or licensure.

The Class III Employee waives his right to a hearing, based on the following terms and conditions of this Settlement Order. The parties further agree to the following:

- 1) John Sagatu agrees that his Class III Employee certification is **suspended for a period of ten (10) days**, provided that:
  - a) **Three (3) days of the suspension shall not be currently served, but shall be deferred for a period of one year** from the date of entry of this Settlement Order, subject to the following: The Class III Employee agrees not to violate the terms of this Settlement Order, or any of Washington's gambling statutes or regulations during the one (1) year term. If the Class III Employee violates this Settlement Order or gambling statutes or regulations, and if the violation is the type that warrants the filing of administrative or

criminal charges, then the Director may impose the three-day deferred suspension of the current gambling certification and any subsequently acquired gambling licenses.

- b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this Settlement Order, has discretion to determine whether the Class III Employee has violated any term of this Settlement Order. In the event the Director determines that a violation has occurred, he may suspend the certification issued to the Class III Employee, and any subsequently acquired certifications or licenses, for up to three days, by mailing or delivering a Notice of Order of Administrative Charges to the Class III Employee. This suspension shall be in addition to any consequences of the new violation. The Class III Employee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.
- c) Mr. Sagatu shall serve the remaining seven (7) days of this suspension, as follows:
- The suspension period will begin at 8:00 a.m. on Sunday, February 27, 2011, and run through Saturday, March 5, 2011.
  - The Class III Employee may resume his gambling activities at 8:00 a.m. on Sunday, March 6, 2011.
- d) During this period of suspension, the Class III Employee shall have no involvement directly or indirectly, with any Class III Employee gambling activity. Mr. Sagatu's suspension does not prevent him from working in any non-Class III gambling activity, such as employment in restaurants located in establishments engaged in authorized gambling activity.

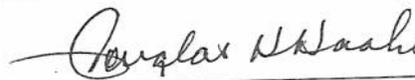
2) The signed order must be received by Commission staff on or before Wednesday, February 9, 2011. The order must be mailed to Commission Headquarters at the following address:

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

or delivered (in person or via private courier) to the following address:

Washington State Gambling Commission  
Attention: Communications and Legal Division  
4565 7<sup>th</sup> Avenue SE; Fourth Floor  
Lacey, WA 98503

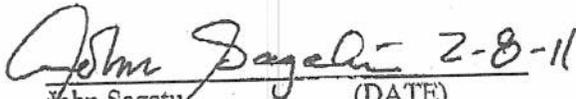
DATED this 16 day of February, 2011.

  
\_\_\_\_\_  
Administrative Law Judge

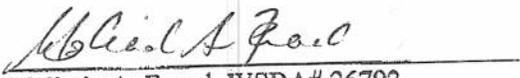
APPROVED FOR ENTRY:

APPROVED AS TO FORM:

By his signature, the Class III Employee  
understands and accepts the terms  
and conditions of this Order

  
John Sagatu, (DATE)  
Class III Employee

 #3457 for  
H. Bruce Marvin, WSBA #25158  
Assistant Attorney General,  
Representing the Washington State  
Gambling Commission

  
Melinda A. Froud, WSBA# 26792  
Lead Staff Attorney,  
Washington State Gambling Commission