

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the Certification )  
to Conduct Gambling Activities of: )  
)  
)  
Douglas E. Murphy )  
Kirkland, Washington, )  
)  
Class III Employee. )  
\_\_\_\_\_ )

NO. CR 2012-000357

**NOTICE OF ADMINISTRATIVE  
CHARGES AND OPPORTUNITY  
FOR AN ADJUDICATIVE  
PROCEEDING**

I.

The Washington State Gambling Commission issued Douglas E. Murphy the following certification:<sup>1</sup>

Number 69-33118, authorizing Class III Employee activity with Snoqualmie Casino. The license expires on September 5, 2012, and was issued subject to Douglas E. Murphy's compliance with state gambling laws and rules.

II.

Rick Day, Director of the Washington State Gambling Commission, charges Douglas E. Murphy with the following violations of the Snoqualmie Tribal/State Compact, Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

1) On March 15, 2012, a Washington State Gambling Commission Special Agent (agent) was assigned to Mr. Murphy's file to determine suitability for his Class III Certification after Commission staff discovered he was convicted on March 2, 2012, of Title 18 USC Section 656, Bank Embezzlement, a class B felony in the United States District Court (USDC).

2) As part of the agent's investigation, she conducted a background check. During the review, the agent obtained the Information, Plea Agreement and the Judgment for the Bank Embezzlement conviction. The following is a summary of these documents:

On September 19, 2011, an Information was filed in USDC. The Information charges Mr. Murphy with one count of Bank Embezzlement stating that, between October 24, 2005 and May 1, 2006, Mr. Murphy, while being an employee of Bank of America, did knowingly and willfully embezzle and misapply forty thousand, three hundred and seventy-four dollars (\$40,374) in

<sup>1</sup> Class III Employee 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.

funds belonging to the bank after he converted the proceeds to his own use by making unauthorized transfers of funds from certificates of deposit held by customers.

On September 29, 2011, a Plea Agreement was filed in USDC. In the agreement, Mr. Murphy waived his right to be charged by Indictment and entered a plea of guilty to Bank Embezzlement. The Statement of Facts states:

“The parties agree on the following facts. Defendant admits he is guilty of the charged offenses. Douglas E. Murphy was employed as the Banking Center Manager at the Bank of America Stone Way Branch in Seattle, Washington. Between on or about June 27, 2005, and on or about May 1, 2006, Mr. Murphy made unauthorized transfers of \$40,374 from certificates of deposit belonging to Bank of America customers. These funds were transferred into bank accounts established by Murphy in fictitious names. Mr. Murphy then withdrew the funds from these accounts for his personal use and benefit. Additionally, Mr. Murphy increased the overdraft limit on his personal accounts and overdrew those accounts (including overdraft fees) by \$2,792.99. The deposits of Bank of America were federally insured at the time of the embezzlement.”

- 3) On March 5, 2012, Mr. Murphy’s Judgment in a Criminal Case was filed in USDC. The document states that Mr. Murphy plead guilty to the Information on September 29, 2011. Mr. Murphy was sentenced to one day of imprisonment at the United States Bureau of Prisons, with credit for time served. Mr. Murphy is to serve three years with the Probation and Pretrial Services Office and complete 180 hours of community service at a minimum of 15 hours per month. Mr. Murphy was also ordered to pay \$43,166.99 in restitution.
- 4) On March 15, 2012, the agent notified Jinna Johnson, Licensing Supervisor of Snoqualmie Gaming Commission (SGC), of the Commission staff’s findings. She asked that the agent send any information. The agent forwarded a copy of the above-mentioned documents for SGC’s review.
- 5) On March 15, 2012, Danielle Davis, Executive Director of SGC e-mailed Commission staff, stating Mr. Murphy would no longer be an employee of the casino effective March 16, 2012.
- 6) On March 20, 2012, Commission staff received a Personnel Termination Notification (PTN), showing Mr. Murphy was terminated from employment on March 16, 2012.
- 7) On April 5, 2012, the agent spoke to Ms. Johnson and asked if there was any concern or issue with Commission staff revoking his state certification, and she said no. She explained that Mr. Murphy was not revoked by the tribe but terminated.
- 8) Mr. Murphy has failed to show that he is qualified for certification in violation of RCW 9.46.153. Therefore, under the Snoqualmie Tribal/State Compact, RCW 9.46.075(1), (4), (8), and (10) and WAC 230-03-085(1), (5), and (8), grounds exist to revoke Douglas E. Murphy’s certification.

### **Section 5(c) of the Snoqualmie Tribe/State Compact**

C. Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075, and rules promulgated thereunder, 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 an applicant or holder of certification or principal of an entity:

1. Is determined to be a person who because of prior activities, criminal record, if any, or reputation, habits and associations poses a threat to the effective regulation of gaming or creates or enhances the chances of unfair or illegal practices, methods and activities being used in the conduct of the gaming activities permitted pursuant to this Compact;
2. Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal-State Compact.
4. Has had a Tribal or State gaming license revoked or denied during the twelve (12) months prior to the date the Tribe received the application; is currently on probation imposed by any jurisdiction; or has demonstrated a willful disregard or failed to comply with the requirements of any gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of any gaming license. For the purpose of reviewing any application for a state certification or for considering the denial, suspension or revocation of any state certification, the State Gaming Agency may consider any prior criminal conduct or current probationary status of the applicant or holder of certification and the provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply to such cases.

### **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.
- (4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful 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.
- (8) Fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain.

**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, 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.

(5) Is serving a period of probation or community supervision imposed as a sentence for any juvenile, misdemeanor, or felony criminal offense, whether or not the offense is covered under RCW 9.46.075(4).

(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;

**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.

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III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

The certified employee will have the opportunity to have a hearing on the alleged violations.

**In order to have a hearing or discuss settlement options**, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return a request for hearing will result in the entry of a default order REVOKING your certification.

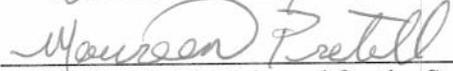
STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.



\_\_\_\_\_  
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 20 day of April, 2012.



\_\_\_\_\_  
NOTARY PUBLIC in and for the State of

Washington residing at Thurston County

My commission expires on December 2, 2012

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, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 20 day of April, 2012



Communications and Legal Department  
Washington State Gambling Commission



STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the Certification to )  
Conduct Gambling Activities of: ) NO. CR 2012-00357  
)  
Douglas E. Murphy )  
Kirkland, Washington, )  
) **REQUEST FOR**  
) **ADMINISTRATIVE HEARING**  
) **AND INTERPRETER**  
Class III Employee. )  
\_\_\_\_\_

This is an important notice, which determines whether or not you will have the right to a hearing in this matter. **Please read this notice carefully.** If you have any questions regarding your legal rights in this matter, you should contact an attorney. If you have general questions about the hearings process, contact Maureen Pretell, Legal Secretary, at (800) 345-2529, extension 3471.

**What do I need to do?**

1. In order to discuss settlement options and to keep your right to a hearing, you **MUST** complete and sign this form, then return it within 20 days from the date you receive the Charges by certified mail or within 23 days from the date the Charges were mailed. You may mail it to:

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

2. Place a check mark next to the statement(s) that describe your requests in this matter.

\_\_\_\_\_ **YES, I/WE** want the opportunity to discuss settlement options and keep the right to a hearing.

\_\_\_\_\_ **NO, I/We do NOT** want a hearing. I understand this may result in a Default Order for the revocation of my gambling certification.

\_\_\_\_\_ I/We will be represented by an attorney

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

***\*Please have your attorney send the Commission a Notice of Appearance within 10 days.***

3. **Current address and contact phone number.**

Address \_\_\_\_\_

Phone number \_\_\_\_\_