

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) **FINDINGS, CONCLUSIONS,**
Kirkland, Washington,) **DECISION, AND FINAL**
) **ORDER IN DEFAULT**
)
Class III Employee.)

THE MATTER of the revocation of the certification to conduct gambling activities of Douglas E. Murphy having come before the Commission on July 12, 2012, the State being represented by Office of the Attorney General, 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 Douglas E. Murphy the following certification:¹

Number 69-33118, authorizing Class III Employee activity formerly with Snoqualmie Casino.

The certification expires on September 5, 2012, and was issued subject to Douglas E. Murphy's compliance with state gambling laws and rules.

II.

On April 20, 2012, Director Rick Day issued Administrative Charges to Douglas E. Murphy, by certified and regular mail. Mr. Murphy did not respond to the charges and waived his right to a hearing and pursuant to RCW 34.05.440; this final order may be entered in default.

III.

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).

¹ 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.

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 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 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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IV.

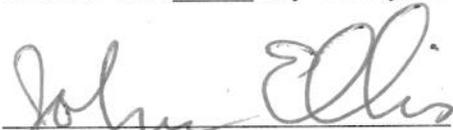
CONCLUSIONS OF LAW

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

DECISION AND ORDER

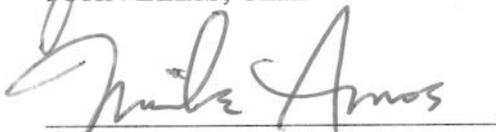
The Washington State Gambling Commission HEREBY ORDERS: Douglas E. Murphy's Class III Employee certification to conduct gambling activities is REVOKED.

DATED this 12 day of July, 2012.

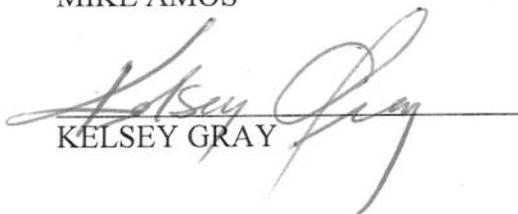


JOHN ELLIS, Chair

MICHAEL REICHERT



MIKE AMOS



KELSEY GRAY

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.

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

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