STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of the Certification to Conduct Gambling Activities of: John B. Sagatu Auburn, Washington, Class III Employee.	))))))))	NO. CR 2012-01213 **NOTICE OF ADMINISTRATIVE CHARGES AND FOR AN ADJUDICATIVE PROCEEDING**

I.

The Washington State Gambling Commission issued John B. Sagatu the following certification: [1]

Number 69-03374, authorizing Class III Employee activity with Muckleshoot Casino.

The certification expires on October 8, 2013, and was issued subject to John B. Sagatu's compliance with state gambling laws and rules.

II.

Rick Day, Director of the Washington State Gambling Commission, charges John B. Sagatu with the following violations of the Muckleshoot Tribal/State Compact, Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

SUMMARY:

In February 2011, John B. Sagatu entered into a Settlement Order with the Washington State Gambling Commission. As part of the settlement, Mr. Sagatu agreed to pay off his outstanding court-ordered fines and fees. An annual review of his criminal history showed that Mr. Sagatu has not made any payments since signing the Settlement Order. Mr. Sagatu currently owes $3,227 in court-ordered fines and fees that have been sent to collections due to nonpayment. As a result of his fines and fees in collections, he has four Failures to Appear (FTA) on his record.

FACTS:

1) On September 13, 2012, a Gambling Commission Special Agent (agent) was assigned to Mr. Sagatu's case to investigate whether he continued to qualify for certification while having a total of $3,227 in court-ordered fines and fees in collections due to nonpayment.

[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.

Commission staff became aware of these fines and fees during a routine annual criminal history check.

2) In a post-licensing investigation, the agent determined that Mr. Sagatu first applied for and was granted a certification in 1995 to work at the Muckleshoot Casino. He has been licensed on and off and has worked as a card room employee at Billie's Casino in Renton, Freddie's Club in Auburn, Iron Horse Casino in Auburn, PJ Pockets in Federal Way, and Treasure Casino in Renton. In 2006, he transferred back to Muckleshoot where he currently works.

3) The agent saw that Mr. Sagatu was the subject of administrative charges from the Washington State Gambling Commission (WSGC) in 2009 for his court-ordered fines and fees being in collections. At that time, Mr. Sagatu owed $5,424 in collections and had five FTA's on his record. After further review by Commission staff, the case was dismissed without prejudice on November 5, 2009.

4) Mr. Sagatu was also the subject of administrative charges from WSGC in 2010 because he still owed $5,424 in court ordered fines and fees that had been sent to collections and had five FTA's on his record. As a result of the case, Mr. Sagatu entered into a Settlement Order with WSGC. The Order states that Mr. Sagatu had paid $3,237 towards his court debt and "entered into a wage assignment agreement to have $50 from each paycheck sent to a collection agency to pay off his outstanding balance."[2] It stated that failure to continue to reduce the amount may be a disqualifying factor for certification. Mr. Sagatu had his certification suspended for ten days, with three days deferred.

5) The following is a breakdown of Mr. Sagatu's history with the date of violation, the charge, and the dollar amount owed in collections:
   - 03/04/2005 – Failure to Stop at Stop Sign and No Valid Operator License, $691;
   - 07/25/2004 – Failure to Renew Expired Registration & Operating with No/Illegal Plates, $254;
   - 07/27/2003 – Possession of Marijuana, $325;
   - 12/28/2002 – Expired Vehicle License and Operating Motor Vehicle without Liability Insurance, $624;
   - 12/28/2002 – No Driver's License on Person, $133;
   - 09/30/1996 – 4th Degree Assault Domestic Violence, $1,200;
   - $1,000 in other court fines and fees, not in collections.

6) After the review, the agent called Marena Cross in Licensing at the Muckleshoot Tribal Gaming Agency (TGA). The agent let Ms. Cross know that Mr. Sagatu was not making payments on his court-ordered fines and fees as he agreed. The agent recommended revocation of his certification based on his failure to comply with his Settlement Order. Ms. Cross said that TGA would wait for action from WSGC.

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[2] It appears by making this substantial payment; Mr. Sagatu went from five FTA's to four FTA's.

VIOLATIONS:

Muckleshoot Tribal/State Compact
Section V. C. of the Tribal-State Compact for Class III Gaming between the Muckleshoot Tribe and the State of Washington provides that State Gaming Agency[3] may revoke a State certification under the provisions of RCW 9.46.075, and the rules promulgated there under, for any reason it deems to be in the public interest. These reasons shall include when the certification holder:

V.C. (1) is determined to be a person whose prior activities, criminal record or habits pose a threat to the effective regulation of gaming, 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; and

V.C. (3) has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdictions.

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
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.

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[3] Washington State Gambling Commission, as referred to in Section V. C. of the Tribal-State Compact for Class III Gaming between the Muckleshoot Tribe.

(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.

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. Sagatu owes $3,227 in court-ordered fines and fees and has demonstrated willful disregard for complying with court orders. Mr. Sagatu has also failed to prove by clear and convincing evidence the necessary qualifications for licensure, in violation of RCW 9.46.153. Therefore, under the Muckleshoot Tribal/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 B. Sagatu's certification.

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 12 day of October, 2012.

NOTARY PUBLIC in and for the State of Washington residing at Thurston County
My commission expires on December 2, 2015

MAUREEN PRETELL
COMMISSION EXPIRES
NOTARY
PUBLIC
DEC. 2, 2015
STATE OF WASHINGTON

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 this proceeding by mailing a copy thereof, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding, or his attorney or authorized agent.

Dated at Olympia, Washington this 12 day of October, 2012

Maureen Pretell

Communications and Legal Department
Washington State Gambling Commission