STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the Certification Conduct Gambling Activities of: Duong H. Luu Bellingham, Washington, Class III Employee.	NO. CR 2011-00112 **NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING**

I.

The Washington State Gambling Commission issued Duong H. Luu certification[1] number 69-27219, authorizing Class III Employee activity, formerly with the Snoqualmie Tribe. Mr. Luu has not worked as a Class III Employee since March 3, 2010.

The certification expires on April 7, 2011, and was issued subject to Mr. Luu's compliance with the Snoqualmie Tribal/State Compact and state gambling laws and rules.

II.

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

1) Between September and December 2010, a Commission Special Agent (agent), acting in an undercover capacity, investigated an alleged bookmaking[2] operation. During the course of the investigation, the agent discovered that Duong H. Luu was involved in bookmaking activity.

2) In October 2010, the agent obtained telephone records, pursuant to a search warrant, for the bookmaker's telephone number used to place sports bets. In those telephone records, the agent found that calls were made to the bookmaker's telephone number from the telephone number Duong H. Luu had listed in his gambling license file as his contact number.

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[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] RCW 9.46.0213 defines bookmaking as accepting bets, upon the outcome of future contingent events, as a business or in which the bettor is charged a fee or "vigorish" for the opportunity to place a bet. RCW 9.46.0269 defines professional gambling defines as being engaged in professional gambling when acting other than in a manner authorized by this chapter, the person pays a fee to participate in a card game, contest of chance, lottery, or other gambling activity. RCW 9.46.222 provides that a person is guilty of professional gambling in the third degree, if he engages in or knowingly causes, aids, abets, or conspires with another to engage in professional gambling, and: (a) his conduct does not constitute first or second degree professional gambling; (b) he operates any of the unlicensed gambling activities authorized by this chapter in a manner other than as prescribed by this chapter; or (c) he is directly employed but not managing or directing any gambling operation. Professional gambling in the third degree is a gross misdemeanor.

3) On or about December 9, 2010, agents conducted a search of Pho To Liem, a restaurant in Everett where alleged bookmaking activity took place, pursuant to a search warrant. During the search, the agents arrested alleged bookmakers Liem Bui and Nhon Troung, who were in the restaurant.

4) While in Pho To Liem, the agent obtained documents that appeared to be betting records and Mr. Bui's and Mr. Troung's cell phones. When an agent searched Mr. Troung, a copy of Duong H. Luu's resume was found in Mr. Troung's possession.

5) The agent determined that the betting records contained Duong H. Luu's name and the amount of the wagers he placed. The agent also discovered that on both Mr. Bui's cell phone and Mr. Troung's cell phone there was a contact labeled "Duong." However, the telephone number listed in the "Duong" contact on both cell phones was not the same number listed in Duong H. Luu's gambling license file.

6) On December 27, 2010, the agent called Duong H. Luu at the number listed in his gambling license file. Mr. Luu's brother answered the telephone and told the agent that his brother gave him that cell phone a few months ago. Mr. Luu's brother gave the agent a new telephone number to reach Mr. Luu at. The telephone number that Mr. Luu's brother gave the agent was the same telephone number listed under the "Duong" contact listed in Mr. Bui's and Mr. Troung's cell phones.

7) On December 29, 2010, the agent called the telephone number that Mr. Luu's brother gave the agent and spoke to Duong H. Luu. The agent asked Mr. Luu if he placed sports bets at Pho To Liem. Mr. Luu told the agent that he placed bets in person or by telephone with either Liem Bui or Nhong Troung starting at the beginning of the 2010 football season. Mr. Luu told the agent that he did not think it was illegal to bet with friends.

8) The agent asked Mr. Luu if he made any money on his sports bets and Mr. Luu told the agent that he only lost money on the commission or fees he had to pay. The agent asked Mr. Luu why Mr. Truong had a copy of his resume and Mr. Luu told the agent that he wanted to apply for a job at Boeing where Mr. Troung worked. When asked about the telephone number listed in his gambling license file, Mr. Luu told the agent that he gave that cell phone to his brother and that he had placed bets on that cell phone and the cell phone he currently had.

9) Duong H. Luu admitted that he placed bets with an alleged bookmaker and paid a fee to the alleged bookmakers. Through his actions Duong H. Luu has demonstrated that he poses a threat to the effective regulation of gaming or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities. Therefore, Duong H. Luu has failed to establish by clear and convincing evidence the necessary qualifications for certification under RCW 9.46.153(1).

10) Therefore, under the Snoqualmie Tribal/State Compact, RCW 9.46.075(1) and (8) and WAC 230-03-085(1) and (8), grounds exist to revoke Duong H. Luu's certification.

Snoqualmie Tribal/State Compact
Section V(C) provides that the State Gaming Agency[3] may revoke a State certification under the provisions of RCW 9.46.075, and rules promulgated thereunder, 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:
(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.

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.
(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(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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[3] Washington State Gambling Commission, as referred to in the Snoqualmie Tribal/State Compact, Section II(Z).

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 licensee 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
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me this 17 day of March, 2011.

Michelle M. Pardee
NOTARY PUBLIC in and for the State of Washington residing at Lacey
My commission expires on 6/16/2013

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 17 day of March, 2011

Maureen Pretell
Communications and Legal Department
Washington State Gambling Commission

MICHELLE M. PARDEE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES JUNE 16, 2013