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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for an Initial
Work Permit for:

JOEL MICHAEL BROWN

Respondent.

CGCC Case No. CGCC-2023-0126-8
BGC Case No. BGC-HQ2023-00001SL

DECISION AND ORDER

Hearing Date: February 23, 2024
Time: 10:00 a.m.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871, and title 4, California Code of Regulations (CCR) section 12060, via Zoom video conference, on February 23, 2024.

Joel Michael Brown (Brown) did not appear during the evidentiary hearing. No one attended the hearing on Brown’s behalf.

James G. Waian, Deputy Attorney General, State of California (DAG Waian), represented complainant Yolanda Morrow, Director of the California Department of Justice, Bureau of Gambling Control (Bureau).

During the evidentiary hearing, Presiding Officer Kate Patterson (PO Patterson), Attorney III of the Commission, took official notice and admitted into the administrative record the following documents: the Commission’s Notice and Agenda of Commission Hearing; the Commission’s Conclusion of Prehearing Conference letters; the Commission’s Notice of Hearing and Prehearing Conference with attachments (A) Brown’s Application, and (B) the Bureau’s Background Investigation Report; the Bureau’s Statement of Reasons; and Brown’s signed Notice of Defense form.

During the evidentiary hearing, PO Patterson accepted into evidence Exhibits 1-9, Bates Nos. Complainant 001-167, offered by the Bureau and identified on the Bureau’s Evidentiary Exhibit Index.

PO Patterson closed the administrative record and the matter was submitted for decision

1 on February 23, 2023.

2 FINDINGS OF FACT

3 **Procedural History**

4 1. Brown has been employed by Towers Casino, a licensed gambling establishment
5 located in Grass Valley, California, license number GEGE-001318, since approximately April
6 2022. In addition to his current employment at Towers Casino, Brown was previously
7 employed as a dealer by Towers Casino from 2010 to 2018.

8 2. On or about April 19, 2022, the Commission (Commission) issued a temporary work
9 permit, number GEWP-003072, to Brown to allow for his employment as a dealer at Towers
10 Casino.

11 3. On or about April 26, 2022, the Bureau received an Application for Employee
12 Category License and a Commission Work Permit or TPPPS Worker: Supplemental Information
13 (Supplemental) form (collectively, Application) from Brown to allow for his continued
14 employment as a dealer at Towers Casino.

15 4. On or about November 29, 2022, the Commission received a Work Permit
16 Initial Background Investigation Report from the Bureau recommending that Brown's
17 Application be denied.

18 5. At its meeting on January 26, 2023, the Commission voted to refer the consideration
19 of Brown's Application to a Gambling Control Act (GCA) evidentiary hearing pursuant to CCR
20 section 12060.

21 6. On or about February 22, 2023, Brown submitted a completed Notice of Defense form
22 to the Commission requesting an evidentiary hearing.

23 7. On August 3, 2023, the Commission notified Brown that an evidentiary
24 hearing would be held via Zoom video conference before the Commission starting at 10:00 a.m.
25 on November 30, 2023. Brown was also notified that a prehearing conference would be held on
26 October 19, 2023.

27 8. On October 16, 2023, the Bureau sent a Statement of Reasons to Brown and to the
28 Commission. In the Statement of Reasons, the Bureau alleges one cause for denial of Brown's

1 Application: “Failure to Accurately and Honestly Disclose Required Material Information.”

2 9. On October 19, 2023, the noticed prehearing conference was held before PO
3 Patterson. Brown attended the prehearing conference on his own behalf. DAG Waian attended on
4 behalf of the Bureau.

5 10. On October 20, 2023, PO Patterson sent a Conclusion of Prehearing Conference
6 letter, via email, to Brown and DAG Waian.

7 11. At Brown’s request, the November 30, 2023, evidentiary hearing was continued to
8 February 23, 2024.

9 12. The Commission heard this matter via Zoom video conference on February 23, 2024.
10 PO Patterson closed the administrative record on February 23, 2024.

11 **Brown’s Application**

12 13. Brown’s Application consists of two parts. The first part is three pages and contains
13 five sections, including applicant information. The instructions provide that “all responses must
14 be truthful and complete” and that any “misrepresentation or failure to disclose required
15 information or documentation may constitute cause for denial of the application.” (Emphasis in
16 original). Brown signed the Application on or about April 4, 2022.

17 14. The second part of the Application is the Supplemental, which is eight pages and
18 contains nine sections. The instructions on the Supplemental also provide that all “responses must
19 be truthful and complete” and that any “misrepresentation or failure to disclose required
20 information or documentation may constitute cause for denial of the application.” (Emphasis in
21 original). The Supplemental requires that the applicant disclose, among other things, their
22 employment history.

23 15. Section (6) of the Supplemental requires an applicant to disclose their employment
24 history. It also requires applicants to provide “reason for leaving” any employment and “if
25 terminated, explain the circumstances.”

26 16. On the Supplemental, listed Crazy Moose Casino as a previous employer in the State
27 of Washington. Under the section: “Reason for leaving. If terminated, explain the circumstances,”
28 Brown stated that he “Left for 3 Point Logistics job in Spain.”

1 17. Section (9) of the Supplemental is a Declaration, signed by Brown on or about
2 April 4, 2022, in which Brown declared under penalty of perjury that the information provided in
3 the Supplemental was “true, accurate, and complete.” However, the Supplemental contained
4 information that was not true or accurate because Brown was terminated from his employment at
5 Crazy Moose Casino.

6 **Brown’s Failure to Reveal Derogatory Employment History**

7 18. The Bureau’s investigation found that Brown was terminated from his position as a
8 dealer and shift supervisor at Crazy Moose Casino due to performance issues and for violating
9 company policy and is not eligible for rehire. Specifically, according to Crazy Moose Casino,
10 Bown was terminated “for violation of the anti-harassment policy and standards of conduct.”
11 Additionally, Brown was terminated for failure to follow proper procedures (of which he was
12 previously warned in writing) when closing gambling tables resulting in counting errors of
13 winnings and losses.

14 **Brown’s Communications with the Bureau**

15 19. In response to the Bureau’s inquiry regarding Brown’s failure to disclose his
16 termination from Crazy Moose Casino, Brown stated that: “I did not disclose this information on
17 my original supplemental application simply because I was already planning to quit the casino
18 and I was unaware if the record would state that I quit or was terminated.” Brown admitted to the
19 Bureau that he did not resign from Crazy Moose Casino.

20 APPLICABLE STATUTORY AND REGULATORY PROVISIONS

21 20. Division 1.5 of the Business and Professions Code, the provisions of which govern the
22 denial of licenses on various grounds, does not apply to licensure decisions made by the
23 Commission under the GCA. (Bus. & Prof. Code, § 476, subd. (a).)

24 21. The Act is an exercise of the police power of the state for the protection of the health,
25 safety, and welfare of the people of the State of California, and shall be liberally construed to
26 effectuate those purposes. (Bus. & Prof. Code, § 19971.)

27 22. Public trust that permissible gambling will not endanger public health, safety, or
28 welfare requires that comprehensive measures be enacted to ensure that gambling is free from

1 criminal and corruptive elements, that it is conducted honestly and competitively, and that it is
2 conducted in suitable locations. (Bus. & Prof. Code, § 19801, subd. (g).)

3 23. Public trust and confidence can only be maintained by strict and comprehensive
4 regulation of all persons, locations, practices, associations, and activities related to the operation
5 of lawful gambling establishments. (Bus. & Prof. Code, § 19801, subd. (h).)

6 24. The Commission has the responsibility of assuring that licenses, approvals, and
7 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
8 operations are conducted in a manner that is inimical to the public health, safety, or welfare. (Bus.
9 & Prof. Code, § 19823, subd. (a)(1).)

10 25. An “unqualified person” means a person who is found to be unqualified pursuant to
11 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
12 be disqualified pursuant to the criteria set forth in Section 19859. (Bus. & Prof. Code, §
13 19823, subd. (b).)

14 26. The Commission shall have all powers necessary and proper to enable it fully and
15 effectually to carry out the policies and purposes of this chapter. (Bus. & Prof. Code, § 19824.)

16 27. The Commission has the power to deny any application for a license, permit, or
17 approval for any cause deemed reasonable by the Commission. (Bus. & Prof. Code, § 19824,
18 subd. (b).)

19 28. The Commission has the power to take actions deemed to be reasonable to ensure that
20 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
21 gambling activities. (Bus. & Prof. Code, § 19824, subd. (d).)

22 29. The burden of proving his or her qualifications to receive any license from the
23 Commission is on the applicant. (Bus. & Prof. Code, § 19856, subd. (a); CCR, § 12060, subd.
24 (j).)

25 30. An application to receive a license constitutes a request for a determination of the
26 applicant’s general character, integrity, and ability to participate in, engage in, or be associated
27 with, controlled gambling. (Bus. & Prof. Code, § 19856, subd. (b).)

28 31. In reviewing an application for any license, the commission shall consider whether

1 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the
2 license will undermine public trust that the gambling operations with respect to which the license
3 would be issued are free from criminal and dishonest elements and would be conducted honestly.
4 (Bus. & Prof. Code, § 19856, subd. (c).)

5 32. The Commission shall deny a license to any applicant who is disqualified for failure of
6 the applicant to provide information, documentation, and assurances required by this chapter or
7 requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the
8 supplying of information that is untrue or misleading as to a material fact pertaining to the
9 qualification criteria. (Bus. & Prof. Code, § 19859, subd. (b).)

10 33. An application will be denied if the Commission finds that any of the provisions of
11 Business and Professions Code section 19859 apply to the applicant. (CCR, § 12040, subd.
12 (a)(2).)

13 34. This evidentiary hearing need not be conducted according to technical rules relating to
14 evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to
15 support a finding, if it is the sort of evidence upon which reasonable persons are accustomed to
16 rely upon in the conduct of serious affairs, regardless of the existence of any common law or
17 statutory rule that might make improper the admission of the evidence over objection in a civil
18 action. (Bus. & Prof. Code, § 19871, subd. (a)(4); CCR, § 12060, subd. (g)(2).)

19 35. An applicant for licensing or for any approval or consent required by this chapter,
20 shall make full and true disclosure of all information to the Bureau and the Commission as
21 necessary to carry out the policies of this state relating to licensing, registration, and control of
22 gambling. (Bus. & Prof. Code, § 19866.)

23 36. The Bureau relies, in large part, on the applicant's disclosures while conducting a
24 background investigation. The failure to honestly, accurately, and completely disclose
25 information on an application subverts the Bureau's efforts to conduct a thorough and complete
26 investigation. (Bus. & Prof. Code, §§ 19826, subd. (a), 19866.)

27 37. Both the substance of an applicant's disclosures, and the truthfulness and
28 thoroughness of an applicant's disclosures, are considered by the Bureau in making a

1 recommendation as to the applicant's suitability for licensure, and by the Commission in making
2 a determination whether to approve or deny a license application. (Bus. & Prof. Code, §§ 19824,
3 subs. (a), (d), 19826, subd. (a), and 19866.)

4 ASSESSMENT OF BROWN'S SUITABILITY FOR LICENSURE

5 38. For the reasons provided below, causes exist to deny Brown's Application. The
6 Commission finds that Brown is disqualified for licensure under the GCA. (Bus. & Prof. Code, §
7 19823, subd. (b).) Brown is disqualified for licensure based on a straightforward application of
8 the material facts to Business and Professions Code sections 19859, subdivision (b), failure to
9 reveal facts material to qualification to the Bureau and the Commission. Additionally, pursuant to
10 Business and Professions Code section 19856, subdivision (a), Brown failed to meet his burden of
11 proving his qualifications to receive a license.

12 39. It is undisputed that Brown failed to disclose on his Application that, in 2019, he was
13 terminated from his position as a dealer and shift supervisor at Crazy Moose Casino. Brown
14 indicated on his Application that he "left" from that position for other employment, when in fact
15 he had been terminated. In not disclosing his termination from his position at Crazy Moose
16 Casino on his Application, and subsequently in response to the Bureau's inquiry, Brown provided
17 inaccurate and misleading information to the Bureau regarding the circumstances surrounding his
18 termination and failed to completely disclose required information that is material to his
19 Application. By not attending the requested GCA hearing, Brown failed to rebut any of the bases
20 for denial identified by the Bureau in its submissions to the Commission.

21 **Brown is Disqualified Under the GCA — (Bus. & Prof. Code, § 19859, subd. (b))**

22 40. All of the information requested on the application has been considered through the
23 legislative and regulatory processes and determined necessary in order for the Commission to
24 discharge its duties properly. An applicant is neither expected, nor permitted, to determine the
25 importance of the information requested, and instead is required to provide true, accurate, and
26 complete information. To address any issues in completing the application, and to ensure that the
27 information disclosed on an application is "true, accurate, and complete," the burden is on the
28 applicant to carefully and thoroughly read the application, and to seek assistance with filling out

1 the application if necessary. The applicant is responsible for both the information they disclose,
2 and for failing to disclose required information, on the application.

3 41. The existence of, and details regarding, an applicant’s employment history are facts
4 material to the qualification for licensure of an applicant. For instance, they may affect the
5 assessment of the applicant’s general character, honesty, integrity, and/or ability to participate in
6 controlled gambling. They may lead to a finding that the issuance of a license to such an applicant
7 would be inimical to public health, safety, or welfare, or undermine public trust that the gambling
8 operations with respect to which the license would be issued are free from criminal and dishonest
9 elements, and would be conducted honestly.

10 42. Brown was required to disclose on the Application that he was terminated from his
11 employment at Crazy Moose Casino. As a result of having knowingly failed to reveal his
12 termination and adding that he “left” his employment at Crazy Moose Casino, Brown supplied
13 information that is untrue and/or misleading as to material facts pertaining to the qualification
14 criteria of an applicant for licensure by the Commission. Due to his intentional failure to reveal
15 this information on his Application, which was required by the GCA and the Commission’s
16 regulations, Brown’s Application is subject to denial pursuant to Business and Professions Code
17 section 19859, subdivision (b), and his Application must be denied pursuant to CCR section
18 12040, subdivision (a)(2).

19 **Brown Failed to Meet His Burden Under the GCA - (Bus. & Prof. Code, § 19856, subd. (a))**

20 43. Furthermore, by failing to attend the noticed hearing Brown did not carry his burden
21 to prove he is qualified for licensure because he failed to address the facts identified by the
22 Bureau and used by the Commission as a bases for this Decision and Order. (Bus. & Prof. Code,
23 § 19856, subd. (a); CCR, § 12060, subd. (j).)

24 44. All documentary and testimonial evidence submitted by the parties that is not
25 specifically addressed in this Decision and Order was considered but not used by the Commission
26 in making its determination on Brown’s Application.

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NOTICE OF APPLICANT’S APPEAL RIGHTS

Brown has the following appeal rights available under state law:

CCR section 12064, subsections (a) and (b) provide, in part:

(a) After the Commission issues a decision following a GCA hearing conducted pursuant to Section 12060, an applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission. A request for reconsideration must be:

- (1) Made in writing to the Commission, copied to the Complainant. The Bureau may provide a written response to the Commission within 10 calendar days of receipt of the request; and
- (2) Received by the Commission and Complainant within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is earlier.

(b) A request for reconsideration must state the reasons for the request, which must be based upon either:

- (1) Newly discovered evidence or legal authorities that could not reasonably have been presented before the Commission’s issuance of the decision or at the hearing on the matter; or,
- (2) Other good cause which the Commission may decide, in its sole discretion, merits reconsideration.

Business and Professions Code section 19870, subdivision (f) provides:

A decision of the commission after an evidentiary hearing, denying a license or approval, or imposing any condition or restriction on the grant of a license or approval may be reviewed by petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to any judicial proceeding held to consider that petition, and the court may grant the petition only if the court finds that the action of the commission was arbitrary and capricious, or that the action exceeded the commission's jurisdiction.

CCR section 12066, subsection (c) provides, in part:

A decision of the Commission denying an application or imposing conditions or restrictions on a license after an evidentiary hearing will be subject to judicial review as provided in Business and Professions Code section 19870, subdivision (f). Neither the right to petition for judicial review nor the time for filing the petition will be affected by failure to seek reconsideration.

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ORDER

- 1. Joel Michael Brown’s Application for a Work Permit is DENIED.
- 2. Joel Michael Brown’s temporary worker license number GEWP-003072 is cancelled, deemed void, and cannot be used hereafter. (Cal. Code Regs., tit. 4, § 12122, subd. (d).)
- 3. No costs are awarded.
- 4. Each side to pay its own attorneys’ fees.

This Order is effective on May 18 , 2024.

Dated: 4/18/2024 Signature: 
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 Paula LaBrie, Chair

Dated: 4/18/2024 Signature: 
2B4CE9520F8846C...
 Eric Heins, Commissioner

Dated: 4/18/2024 Signature: 
7722F4571120449
 William Liu, Commissioner

Dated: 4/18/2024 Signature: 
14B4AD3B90F8462...
 Edward Yee, Commissioner