1 **BEFORE THE** 2 CALIFORNIA GAMBLING CONTROL COMMISSION 3 BGC Case No. BGC-HQ2019-0004SL In the Matter of the Application for Third-Party 4 Proposition Player Services License for CGCC Case No. CGCC-2019-0207-8A Supervisor Regarding: 5 **DECISION AND ORDER** ELENA DROUILLARD 6 7 Hearing Date: July 24, 2019 10:00 a.m. Time: 8 Respondent. 9 This matter was heard by the California Gambling Control Commission (Commission) 10 pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, California 11 Code of Regulations (CCR) section 12060, in Sacramento, California, on July 24, 2019. 12 Paras Modha, Deputy Attorney General, State of California (DAG Modha), represented 13 complainant Stephanie Shimazu, Director of the Bureau of Gambling Control (Bureau), 14 Department of Justice, State of California. 15 Respondent Elena Drouillard (Drouillard) appeared on her own behalf. 16 During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the 17 Notice of Hearing and Prehearing Conference, with enclosures, sent by the Commission to 18 Drouillard, Designated Agent Michelle Fernandez (DA Fernandez), and DAG Modha, via 19 certified mail, on April 9, 2019. 20 Presiding Officer Jason Pope also took official notice of the Commission's Conclusion of 21 Prehearing Conference letter, the Bureau's Statement of Reasons, and Drouillard's signed Notice 22 of Defense. 23 During the evidentiary hearing, Presiding Officer Jason Pope accepted into evidence the 24 following exhibits offered by the Bureau: 25 (1) Statement to Respondent; Statement of Reasons; Gambling Control 26 Commission Letter dated April 9, 2019 re Notice of Hearing and 27 Prehearing Conference w/out attachments; Business and Professions Code 28 1

1		sections 19870 and 19871; California Code of Regulations section 12060;
2		and Declaration of Service by Certified Mail, Bates Nos. 0001-0024;
3	(2)	Application for Third-Party Proposition Player Services License Received
4		May 22, 2017 by Bureau of Gambling Control and Supplemental
5		Information, Bates Nos. 0025-0059;
6	(3)	Bureau of Gambling Control's Third-Party Supervisor Initial Background
7		Investigation Report – Level III dated November 2018, Bates Nos. 0060-
8		0069;
9	(4)	Commission Memos and Letters: Gambling Control Commission's Letter
10		dated February 11, 2019 re Referral to Third-Party Proposition Player
11		Services License to an Evidentiary Hearing for Elena Drouillard; Notice of
12		Defense; California Gambling Control Commission Licensing Division
13		Memorandum dated February 7, 2019 re: Initial Third-Party Proposition
14		Player Services License Application; Email exchange dated February 6,
15		2019 with BCC Commissioners, Bates Nos. 0070-0079;
16	(5)	Registration/License History, Bates No. 0080;
17	(6)	Certification of Official Records signed February 14, 2019, Bates No.
18		0081;
19	(7)	Copies of Certified Court Documents: Conviction Date: 09/30/2008; Case
20		Number: CC812326; Letter dated November 28, 2017 sent to Santa Clara
21		Superior Court requesting court records; Misdemeanor Complaint filed
22		July 22, 2008; Court Minutes, Bates Nos. 0082-0086;
23	(8)	Correspondence: DUI Declaration by Elena Drouillard; Letter dated
24		November 2, 2018 to Michelle Fernandez, Designated Agent re
25		Recommendation for Denial of Application for a Third-Party Provider of
26		Proposition Player Services – Supervisor License; Letter dated November
27		27, 2018 to Michelle Fernandez, Designated Agent re: Notification of
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1		Investigative Report, Bates Nos. 0087-0090;
2	(9)	Casino M8trix/Team View Player Services Confidential Site Visit Report
3		from June 4, 2013, Bates Nos. 0091-0097;
4	(10)	February 7, 2019 Commission Meeting Transcription, Bates Nos. 0098-
5		0101;
6	(11)	Appointment of Designated Agent for Owners and Proposition Players
7		Form Received May 22, 2017, Bates No. 0102;
8	(12)	Notice of Defense Received February 25, 2019, Bates Nos. 0103-0105; and
9	(13)	June 19, 2019 Letter to Elena Del Carmen Drouillard regarding
10		supplemental disclosure and Casino M8trix/Team View Player Services
11		(TVPS) Site Visit on June 4, 2013, Bates Nos. 0106-0114.
12	During the ev	videntiary hearing, Presiding Officer Jason Pope also accepted into evidence
13	the following exhibit	ts offered by Drouillard:
14	(A)	Additional Information and/or Documentation Required. DOJ letter dated
15		July 24, 2018;
16	(B)	Additional Information and/or documentation required (Due 08/3/2018)
17		email sent to HR on July 26, 2018 Containing attachments / statement for
18		review;
19	(C)	Re: Additional Information and/or documentation required (Due
20		08/3/2018) July 31, 2018 email sent to HR seeking follow up;
21	(D)	Text Message to HR sent August 2, 2018, containing New updated
22		statement;
23	(E)	Transcribed Voicemail from HR. Received Aug. 3, 2018;
24	(F)	Re: Additional Information and/or documentation required (Due
25		08/3/2018) Aug 3, 2018 email with new updated and signed statement;
26	(G)	Team View Casino Master Log; and
27	(H)	Team View Graveyard Shift Count.
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The record was closed and the matter was submitted on July 24, 2019.

FINDINGS OF FACT

Procedural History

- On or about May 22, 2017, the Bureau received an Application for Third-Party
 Proposition Player Services License for Supervisor and a Level II Supplemental Information form (collectively, Application) from Drouillard.
- On or about November 28, 2018, the Commission received a Third-Party Supervisor
 Initial Background Investigation Report on Drouillard from the Bureau. In this report, the Bureau recommends that the Commission deny Drouillard's Application.
- 3. At its February 7, 2019 meeting, the Commission voted to refer the consideration of Drouillard's Application to a Gambling Control Act evidentiary hearing pursuant to CCR sections 12056(a) and 12060.
- 4. On or about February 21, 2019, Drouillard submitted a signed notice of defense requesting an evidentiary hearing on the consideration of her Application.
- 5. On or about April 9, 2019, the Commission sent a Notice of Hearing, via certified mail, to Drouillard, DA Fernandez, and DAG Modha.
- 6. On or about May 7, 2019, the Bureau sent a Statement of Reasons to Drouillard via certified mail. The Commission received the Statement of Reasons from the Bureau on or about May 8, 2019. In the Statement of Reasons, the Bureau recommends that the Commission deny Drouillard's Application.
- 7. On or about June 12, 2019, the noticed Prehearing Conference was held before Presiding Officer Jason Pope, Attorney III of the Commission. DAG Modha attended on behalf of the Bureau. Drouillard attended on her own behalf.
- 8. On or about June 12, 2019, the Commission sent a Conclusion of Prehearing Conference letter to Drouillard and DAG Modha.
- 9. The Commission heard this matter on July 24, 2019. The Bureau was represented throughout the hearing by DAG Modha. Drouillard appeared on her own behalf.

Drouillard's Employment History in Controlled Gambling

- 10. From approximately November 2008 to March 2010, Drouillard was employed by Network Management Group, Inc., a third party provider of proposition player services, as a Gaming Associate.
- 11. From approximately March 2010 to August 2014, Drouillard was employed by Team View Player Services, LLC (Team View), a third party provider of proposition player services, as a third party proposition player services player, and later as a supervisor.
- 12. From approximately August 2014 to March 2016, Drouillard was employed by PT Gaming, LLC, a third party provider of proposition player services, as a third party proposition player services supervisor.
- 13. From approximately March 2016 to the present, Drouillard has been employed by Blackstone Gaming, LLC, a third party provider of proposition player services, as a third party proposition player services supervisor under registration number TPSU-001328.

Criminal History

- 14. On or about September 30, 2008, Drouillard was convicted by the Santa Clara Superior Court of violating California Vehicle Code section 23152(b), driving under the influence of alcohol with a blood alcohol level of .08 percent or higher, a misdemeanor, in case number CC812326. Drouillard was sentenced to six days in jail, three years of probation, and ordered to complete a weekend work program, a three-month first offender DUI program, and pay a fine. Drouillard disclosed the conviction on her Application.
- 15. Drouillard successfully completed the three-month first offender DUI program and the terms of probation.

The Site Visit at Casino M8trix

16. On or about June 4, 2013, the Bureau conducted an unannounced site visit at Casino M8trix, a gambling establishment located in San Jose, California. Team View personnel were present at Casino M8trix during the site visit because they were performing third party proposition player services.

- 17. Drouillard was present and on duty during the June 4, 2013 site visit at Casino M8trix and identified herself as a third party proposition player services supervisor for Team View.
- 18. As part of the site visit, the Bureau requested that Drouillard demonstrate the software program utilized by Team View, which was called "Profitable Casino" (PC).
- 19. Drouillard showed Bureau staff various menu options in PC. However, Drouillard's access was limited and various menu items lead to a blank screen.
- 20. Drouillard showed Bureau staff which employees have "clocked" in using the card reader and which employees have not shown up for their shift. Drouillard also showed Bureau staff which gaming tables were currently open on the gaming floor. The screen showing the gaming tables displayed the following information: table number, game, starting amount, and current table balance.
- 21. Bureau staff asked Drouillard whether PC currently tracks chip count and/or profit and loss amounts. Drouillard responded "Oh that doesn't work." Bureau staff noticed that the profit and loss amounts on each displayed table varied and asked Drouillard where the numbers came from. Drouillard responded "I don't know. It doesn't work." Bureau staff stated that the amounts must come from somewhere given that they are all different. Drouillard replied "I don't know."
- 22. During the site visit, Tim Gustin (Gustin), the owner of Team View, spoke with Bureau staff on the telephone regarding PC. Bureau staff asked Gustin to explain how the profit and loss amounts showed up on each gaming table. Gustin stated that every 2-4 hours the supervisor on duty walks around the cardroom and does a count on each table, returns to the office, and enters the information into PC. The supervisor also enters each deduction from the podium. Gustin stated that as the supervisor on duty Drouillard would walk around the cardroom, perform a count on each table, and enter the data into PC. During the evidentiary hearing, Drouillard testified that she did not disagree with Gustin's statement regarding the procedure for inputting the chip count into PC.
- 23. Carroll Lambert (Lambert), Human Resources Manager for Team View, arrived at Casino M8trix shortly after the Bureau's telephone conversation with Gustin. While Lambert was

present, Bureau staff again asked Drouillard about the profit and loss information she was entering into PC. Drouillard confirmed that she went around to each table periodically and performed a chip count on each table, which she then entered into PC. Bureau staff then asked Drouillard to confirm that the profit and loss functionality of PC worked (which was inconsistent with Drouillard's prior statement that the profit and loss functionality did not work). Lambert interrupted and stated that Drouillard "lied [about the profit and loss functionality not working] because she was nervous and scared." Drouillard did not refute Lambert's statement that she lied to Bureau staff.

Drouillard's Testimony during the Evidentiary Hearing Regarding the Site Visit and PC

- 24. During the evidentiary hearing, Drouillard testified that she believed the profit and loss information on PC did not work because the amounts did not match up with the figures she wrote down on paper from her count on each gaming table. Drouillard testified that she did not realize that PC was a 24 hour system and did not just keep track of the figures she entered during her shift.
- 25. Drouillard also testified that she told Bureau staff that she did not know how the information got into PC because she was unclear about the type of information that the Bureau was referencing. Drouillard assumed that the Bureau was asking about the profit and loss data. Drouillard testified that she did not enter profit and loss amounts; rather, she entered the chip count from a review of the gaming tables. Drouillard later acknowledged that the chip count reflects the profit and loss amounts on each gaming table.
- 26. Drouillard further testified that she did not respond to Lambert's statement that she lied to the Bureau because Lambert was management and leading the discussions with Bureau staff.

Drouillard's Subsequent Communications with the Bureau Regarding the Site Visit and PC

27. On or about July 26, 2018, Drouillard wrote to the Bureau "To the best of my recollection, on June 4, 2013 all information I provided the bureau regarding the profitable casino system was provided to me by Tim Gustin the owner and my employer at Team View Players."

- 28. On or about August 2, 2018, Drouillard wrote to the Bureau "I was unaware that I was providing untrue and misleading information to the bureau. I was not nor am I familiar with the profitable casino system that was used by team view player services, and any information I provided to the bureau was that which had been conveyed to me by Tim Gustin my employer and owner of Team View Players."
- 29. During the evidentiary hearing, Drouillard testified that when the Bureau was asking her about PC during its investigation of her application, she thought the Bureau was inquiring about a scanning system at Garden City Casino, not the system at Casino M8trix. As a result, Drouillard testified that her August 2, 2018 response to the Bureau referred to the Garden City Casino system, not the PC system at Casino M8trix.

Assessment of Drouillard's Suitability for Licensure

- 30. An applicant for licensing shall make full and true disclosure of all information to the Bureau and Commission as necessary to carry out the policies of this state relating to licensing, registration, and control of gambling.
- 31. The Bureau relies, in large part, on the applicant's disclosures while conducting a background investigation. The failure of an applicant to honestly and accurately disclose information during the Bureau's investigation subverts the Bureau's efforts to conduct a thorough and complete investigation.
- 32. The Bureau also expects and requires accurate and truthful information from cardroom and third party proposition player services employees during its investigations and site visits.

 The Commission relies upon the information provided by the Bureau to make appropriate licensure decisions.
- 33. Both the substance of an applicant's disclosures, and the truthfulness and thoroughness of an applicant's disclosures, are considered by the Bureau in making a recommendation as to the applicant's suitability for licensure, and by the Commission in making a determination whether to approve or disapprove a license application.
 - 34. An applicant's recent employment history, and especially his or her history in

controlled gambling, is material to the applicant's qualifications for licensure. A negative employment history, particularly one in controlled gambling, could demonstrate that the applicant is unfit to work in the highly regulated industry of controlled gambling.

- 35. An applicant's conduct while working in controlled gambling, including his or her cooperation with the Bureau during its investigations and site visits, are material to the applicant's qualifications for licensure. Failing to cooperate with the Bureau by omitting or misrepresenting facts surrounding the applicant's role, responsibility, and conduct while working in controlled gambling could demonstrate that the applicant is unfit to work in the highly regulated industry of controlled gambling.
- 36. Drouillard failed to provide honest and accurate information requested by the Bureau and provided untrue and misleading information to the Bureau during its June 4, 2013 site visit at Casino M8trix as follows:
 - a. Bureau staff asked Drouillard whether PC currently tracks chip count and/or profit and loss amounts. Drouillard failed to provide honest and accurate information and provided untrue and misleading information by responding "It doesn't work," even though it did. Lambert stated that Drouillard lied regarding the profit and loss functionality of PC because she was scared and nervous, which Drouillard did not refute.
 - b. When Bureau staff noticed that the profit and loss amounts on each displayed table varied and asked Drouillard where the numbers came from, Drouillard failed to provide honest and accurate information and provided untrue and misleading information by responding "I don't know. It doesn't work."
 Drouillard knew where the information came from because she physically walked around the cardroom, performed a count on each gaming table, and entered the chip count information into PC.
 - c. When Bureau staff stated that the amounts on the gaming tables must come from somewhere given that the amounts are all different, Drouillard failed to

provide honest and accurate information and provided untrue and misleading information by replying "I don't know." Again, Drouillard knew where the information came from because she physically walked around the cardroom, performed a count on each gaming table, and entered the chip count information into PC. Additionally, during the evidentiary hearing Drouillard acknowledged that the chip count information that she collected from the gaming tables and entered into PC was reflected in the profit and loss amounts on each gaming table.

37. Drouillard also failed to provide honest and accurate information requested by the Bureau and provided untrue and misleading information to the Bureau in her August 2, 2018 written response to the Bureau. Drouillard wrote that she was unaware that she was providing untrue and misleading information to the Bureau and that she was not and is not familiar with the PC system used by Team View. However, during the June 4, 2013 site visit, Drouillard demonstrated various functions of PC, including showing Bureau staff which employees have "clocked" in using the card reader and which employees have not shown up for their shift, and which gaming tables were currently open on the gaming floor. Drouillard also acknowledged during the evidentiary hearing that she physically input the gaming table count information into PC during her shifts.

38. Drouillard's testimony that in 2018 when the Bureau was asking her about PC, she thought the Bureau was inquiring about a scanning system at Garden City Casino fails to convince. In her August 2, 2018 written response to the Bureau, Drouillard refers to the "profitable casino system," which is the name of the system used by Team View at Casino M8trix. The primary focus of the Bureau's background investigation of Drouillard was the June 4, 2013 site visit at Casino M8trix, which had nothing to do with Garden City Casino. Drouillard never expressed any confusion or requested additional information during the Bureau's inquiry of her experience with PC. Further, there was no evidence presented that PC was used in both Casino M8trix and Garden City Casino.

- 39. As a result, by misrepresenting to the Bureau her understanding of PC, the functionality of the profit and loss data in PC, and her role in inputting chip count data into PC, Drouillard supplied untrue and misleading information as to material facts pertaining the qualification criteria of an applicant for licensure by the Commission.
- 40. All documentary and testimonial evidence submitted by the parties that is not specifically addressed in this Decision and Order was considered but not used by the Commission in making its determination on Drouillard's Application.
 - 41. The matter was submitted for Commission consideration on July 24, 2019.

LEGAL CONCLUSIONS

- 42. Division 1.5 of the Business and Professions Code, the provisions of which govern the denial of licenses on various grounds, does not apply to licensure decisions made by the Commission under the Gambling Control Act. Business and Professions Code section 476(a).
- 43. Public trust and confidence can only be maintained by strict and comprehensive regulation of all persons, locations, practices, associations, and activities related to the operation of lawful gambling establishments and the manufacture and distribution of permissible gambling equipment. Business and Professions Code section 19801(h).
- 44. The Commission has the responsibility of assuring that licenses, approvals, and permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare. Business and Professions Code section 19823(a)(1).
- 45. The Commission has the power to deny any application for a license, permit, or approval for any cause deemed reasonable by the Commission. Business and Professions Code section 19824(b).
- 46. The burden of proving his or her qualifications to receive any license from the Commission is on the applicant. Business and Professions Code section 19856(a).
- 47. An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated

with, controlled gambling. Business and Professions Code section 19856(b).

- 48. At an evidentiary hearing pursuant to Business and Professions Code sections 19870 and 19871 and CCR section 12060(b), the burden of proof rests with the applicant to prove his or her qualifications to receive any license under the Gambling Control Act. CCR section 12060(i).
- 49. No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is a person of good character, honesty, and integrity. Business and Professions Code section 19857(a).
- 50. No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is a person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the business and financial arrangements incidental thereto. Business and Professions Code section 19857(b).
- 51. No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is a person that is in all other respects qualified to be licensed as provided in this chapter. Business and Professions Code section 19857(c).
- 52. The Commission shall deny a license to any applicant who is disqualified for failure of the applicant to reveal any fact material to qualification, or the supplying of information that is untrue or misleading as to a material fact pertaining to the qualification criteria. Business and Professions Code section 19859(b).
- 53. A requester shall be ineligible for licensing [as a third party proposition player or supervisor] if the request to convert is for licensing as an owner, supervisor, or player, and the requester has had an application denied under this chapter or the [Gambling Control] Act. CCR section 12218.11(d).
 - 54. A requester shall be ineligible for licensing [as a third party proposition player or

supervisor] if the requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f). CCR section 12218.11(f).

- 55. An applicant shall be ineligible for registration [as a third party proposition player or supervisor] if the applicant has had an application denied under this chapter or the [Gambling Control] Act. CCR section 12204(d).
- 56. An applicant shall be ineligible for registration [as a third party proposition player or supervisor] if the applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f). CCR section 12204(e).
- 57. Any regular registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration. CCR section 12205(a).
- 58. Drouillard failed to provide honest and accurate information requested by the Bureau during its June 4, 2013 site visit at Casino M8trix. As a result, Drouillard is disqualified from licensure pursuant to Business and Professions Code section 19859(b).
- 59. Drouillard also supplied information that is untrue and misleading as to facts material to the qualification criteria for licensure by the Commission by misrepresenting to the Bureau her understanding of PC, the functionality of the profit and loss data in PC, and her role in inputting chip count data into PC. Therefore, Drouillard is disqualified from licensure pursuant to Business and Professions Code section 19859(b).
- 60. Given that Drouillard is disqualified from licensure pursuant to Business and Professions Code section 19859(b), Drouillard is therefore ineligible for licensing as a third party proposition supervisor pursuant to CCR section 12218.11(f) and ineligible for registration as a third party proposition supervisor pursuant to CCR section 12204(e).
- 61. Based on the foregoing, Drouillard's Application is subject to denial pursuant to CCR section 12218.11(f). As a result, Drouillard is ineligible for registration as a third party proposition supervisor pursuant to CCR section 12204(d) and 12204(e). Therefore, Drouillard's

1	third party proposition supervisor registration is subject to cancellation pursuant to CCR section			
2	12205(a).			
3	NOTICE OF APPLICANT'S APPEAL RIGHTS			
4	Elena Drouillard has the following appeal rights available under state law:			
5	CCR section 12064, subsections (a) and (b) provide, in part:			
6	An applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had			
7 8	conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission within 30 calendar days of service of the			
9	decision, or before the effective date specified in the decision, whichever is later. The request shall be made in writing to the Commission, copied to the Bureau, and shall state the reasons for the request, which must be based			
10	upon either newly discovered evidence or legal authorities that could not reasonably have been presented before the Commission's issuance of the			
11	decision or at the hearing on the matter, or upon other good cause which the Commission may decide, in its sole discretion, merits reconsideration.			
12	Business and Professions Code section 19870, subdivision (e) provides:			
13	A decision of the commission denying a license or approval, or imposing any condition or restriction on the grant of a license or approval may be			
14 15	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 described in the foregoing sentence, 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			
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17	commission's jurisdiction.			
18	CCR section 12066, subsection (c) provides:			
19	A decision of the Commission denying an application or imposing conditions on license shall be subject to judicial review as provided in Business and Professions			
20	Code section 19870, subdivision (e). Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek			
21	reconsideration.			
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ORDER

- 1. Elena Drouillard's Application for Third-Party Proposition Player Services License for Supervisor is DENIED.
- 2. Elena Drouillard's Third Party Proposition Player Services Supervisor Registration Number TPSU-001328 is CANCELLED.
 - 3. No costs are to be awarded.
 - 4. Each side to pay its own attorneys' fees.

This Order is effective on September 30, 2019.

Chairman

Signature:

Signature:

Gareth Lacy, Commissioner

Signature:

Trang To, Commissioner