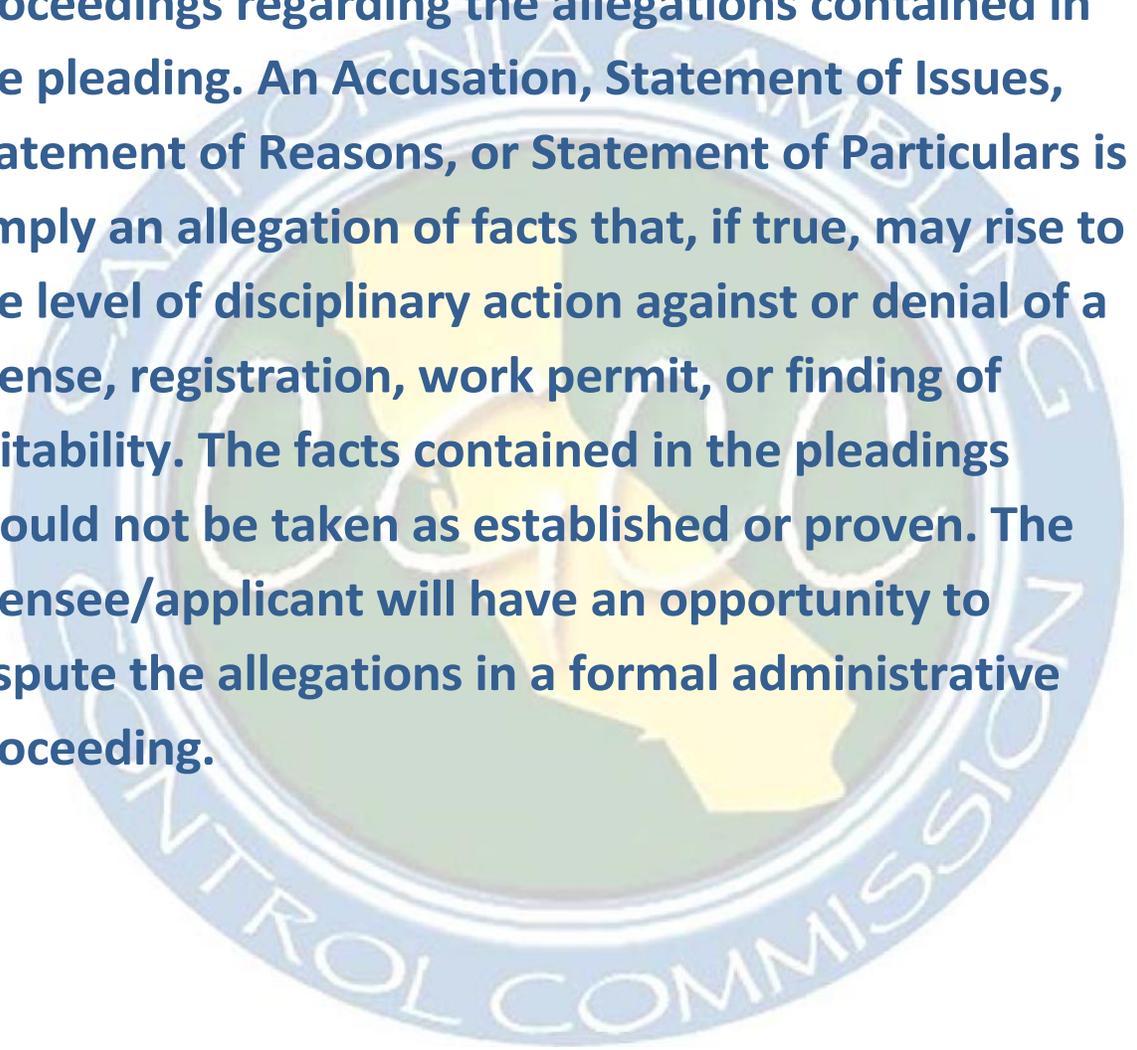


The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, Statement of Reasons, or Statement of Particulars is simply an allegation of facts that, if true, may rise to the level of disciplinary action against or denial of a license, registration, work permit, or finding of suitability. The facts contained in the pleadings should not be taken as established or proven. The licensee/applicant will have an opportunity to dispute the allegations in a formal administrative proceeding.





1 XAVIER BECERRA
 Attorney General of California
 2 SARA J. DRAKE
 Senior Assistant Attorney General
 3 WILLIAM P. TORNGREN
 Supervising Deputy Attorney General
 4 COLIN A. WOOD
 Deputy Attorney General
 5 State Bar No. 267539
 1300 I Street, Suite 125
 6 P.O. Box 944255
 Sacramento, CA 94244-2550
 7 Telephone: (916) 210-7754
 Fax: (916) 327-2319
 8 E-mail: Colin.Wood@doj.ca.gov
Attorneys for the Complainant
 9

10 **BEFORE THE**
 11 **CALIFORNIA GAMBLING CONTROL COMMISSION**
 12 **STATE OF CALIFORNIA**

13
 14
 15 **In the Matter of the Accusation Against:**
 16
 17 **WIL YOUSIF SAKO (GEKE-001769),**
 18
 19 **Respondent.**
 20

BGC Case No. BGC-HQ2020-00001AL
OAH Case No.
ACCUSATION

21
 22 Complainant alleges as follows:

23 **PARTIES**

24 1. Stephanie Shimazu (Complainant) brings this Accusation solely in her official
 25 capacity as the Director of the California Department of Justice, Bureau of Gambling Control
 26 (Bureau).
 27
 28

1 2. Respondent Wil Yousif Sako (Respondent), license number GEKE-001769,
2 holds a portable key employee license. He most recently was employed as a key employee by
3 the Lucky Lady Card Room (Card Room) located in San Diego, California.

4 3. The California Gambling Control Commission (Commission) issued the above-
5 described license to Respondent pursuant to the Gambling Control Act (Act) (Bus. & Prof.
6 Code, § 19800 et seq.).

7 **JURISDICTION, STANDARD OF PROOF, AND COST RECOVERY**

8 4. The Commission has jurisdiction over the operation and concentration of
9 gambling establishments and all persons and things having to do with the operation of gambling
10 establishments. (Bus. & Prof. Code, § 19811, subd. (b).)¹ The Commission has all powers
11 necessary and proper to allow it fully and effectually to carry out the policies and procedures of
12 the Act. (Bus. & Prof. Code, § 19824.) The Commission's responsibilities include assuring
13 that no unqualified person, disqualified person, or any person who acts in a manner that is
14 inimical to the public health, safety, and welfare has any direct or indirect material involvement
15 with a licensed gambling operation. (Bus. & Prof. Code, § 19823, subd. (a).)

16 5. The Act tasks the Bureau with, among other responsibilities, monitoring the
17 conduct of licensees, investigating suspected violations of the Act, and initiating disciplinary
18 actions. (Bus. & Prof. Code, §§ 19826, subds. (c) & (e), 19930, subd. (b).) Upon the Bureau
19 filing an accusation, the Commission proceeds under the Administrative Procedures Act (Gov.
20 Code, § 11500 et seq). (Bus. & Prof Code, § 19930, subd. (b); see Cal. Code Regs., tit. 4, §
21 12554, subd. (a).) The Commission's disciplinary powers include, among other things, license
22 revocation, license suspension, imposing a condition on a license, and requiring payment of a
23 fine or monetary penalty. (Bus. & Prof. Code, § 19930, subd. (c); Cal. Code Regs., tit. 4, §
24 12554, subd. (d).)

25 6. In an accusation brought under the Act, the standard of proof is the
26 preponderance of the evidence. (Cal. Code Regs., tit. 4, § 12554, subd. (c).)

27 _____
28 ¹ The statutes and regulations applicable to this Accusation are quoted in pertinent part
in Appendix A.

1 a key employee. Respondent thus had an interest in funds wagered, lost, or won in controlled
2 games carried on and offered for play at the Card Room, in violation of Business and
3 Professions Code section 19984, subdivision (a). In addition to violating these provisions
4 himself, Respondent caused the Card Room to violate the Act.
5 (Bus. & Prof. Code, §§ 19801, subds. (h), (i), & (k), 19857, 19920, 19984, subd. (a); Cal. Code
6 Regs., tit. 4, § 12355, subd. (a)(1).)

7 **SECOND CAUSE FOR DISCIPLINE**

8 **(Failure to Report Violations of the Act and Regulations)**

9 11. Respondent's license is subject to discipline by revocation or suspension because
10 he failed to report multiple violations of the Act and the regulations adopted under the Act, as
11 required by the Commission's and Bureau's regulations. Those unreported violations include,
12 among others, those alleged in paragraph 10 above. Additionally, Respondent took chips from
13 the Card Room's cage without authority or documentation and used those chips to gamble for
14 his benefit. As a key employee, Respondent had a duty to report all reasonably suspected and
15 possible violations of the Act and the regulations adopted under the Act. He reported none.
16 (Bus. & Prof. Code, §§ 19857, 19920, 19984, subd. (a); Cal. Code Regs., tit. 4, §§ 12355, subd.
17 (a)(1), 12386, subd. (a)(1) & (2), 12395, subd. (a)(3); Cal. Code Regs., tit. 11, § 2052, subd.
18 (c).)

19 **PRAYER**

20 WHEREFORE, Complainant requests that a hearing be held on the matters herein
21 alleged, and that following the hearing, the Commission issue a decision:

- 22 1. Revoking Key Employee License Number GEKE-001769, issued to Respondent
23 Wil Yousif Sako;
- 24 2. Imposing fines or monetary penalties against Respondent according to proof and
25 to the maximum extent allowed by law;

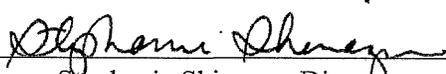
26 _____
27 337j, subdivision (e)(1), provides in pertinent part that "[a]s used in this section 'controlled
28 game' means any poker or Pai Gow game, and any other game played with cards or tiles, or
both, and approved by the Department of Justice"

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3. Awarding the Bureau the costs of investigation and costs of bringing this
Accusation pursuant to Business and Professions Code section 19930, subdivisions (d) and (f),
in a sum according to proof; and

4. Taking such other and further action as the Commission may deem appropriate.

Dated: July 2, 2020


Stephanie Shimazu, Director
Bureau of Gambling Control
California Department of Justice

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(d) Take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled gambling activities.

4. Business and Professions Code section 19826 provides, in part:

The department³ . . . shall have all of the following responsibilities:

* * *

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling

* * *

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the department may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

5. California Code of Regulations, title 4, section 12554 provides, in part:

(a) Upon the filing with the Commission of an accusation by the Bureau recommending revocation, suspension, or other discipline of a holder of a license, registration, permit, finding of suitability, or approval, the Commission shall proceed under Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

* * *

(c) The Administrative Law Judge and Commission shall base their decisions on written finding of fact, including findings concerning any relevant aggravating or mitigating factors. Findings of fact shall be based upon a preponderance of the evidence standard. The “preponderance of the evidence standard” is such evidence as when considered and compared with that opposed to it, has more convincing force, and produces a belief in the mind of the fact-finder that what is sought to be proved is more likely true than not true.

* * *

(d) Upon a finding of a violation of the Act, any regulations adopted pursuant thereto, any law related to gambling or gambling establishments, violation of a previously imposed disciplinary or license condition, or laws whose violation is materially related to suitability for a license,

³ “Department” refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

1 registration, permit, or approval, the Commission may do any one or more
2 of the following:

3 (1) Revoke the license, registration, permit, finding of
4 suitability, or approval;

5 (2) Suspend the license, registration, or permit;

6 * * *

7 (5) Impose any fine or monetary penalty consistent with
8 Business and Professions Code sections 19930, subdivision (c), and
9 19943, subdivision (b)

10 **Cost Recovery Provisions**

11 6. Business and Professions Code section 19930 provides, in part:

12 (b) If, after any investigation, the department is satisfied that a license,
13 permit, finding of suitability, or approval should be suspended or revoked, it
14 shall file an accusation with the commission in accordance with Chapter 5
15 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the
16 Government Code.

17 (c) In addition to any action that the commission may take against a
18 license, permit, finding of suitability, or approval, the commission may also
19 require the payment of fines or penalties. However no fine imposed shall
20 exceed twenty thousand dollars (\$20,000) for each separate violation of any
21 provision of this chapter or any regulation adopted thereunder.

22 (d) In any case in which the administrative law judge recommends that
23 the commission revoke, suspend, or deny a license, the administrative law
24 judge may, upon presentation of suitable proof, order the licensee or
25 applicant for a license to pay the department the reasonable costs of the
26 investigation and prosecution of the case.

27 (1) The costs assessed pursuant to this subdivision shall be fixed
28 by the administrative law judge and may not be increased by the
commission. When the commission does not adopt a proposed decision
and remands the case to the administrative law judge, the administrative
law judge may not increase the amount of any costs assessed in the
proposed decision.

(2) The department may enforce the order for payment in the
superior court in the county in which the administrative hearing was
held. The right of enforcement shall be in addition to any other rights
that the division may have as to any licensee to pay costs.

1 (3) In any judicial action for the recovery of costs, proof of the
2 commission's decision shall be conclusive proof of the validity of the
3 order of payment and the terms for payment.

4 * * *

5 (f) For purposes of this section, "costs" include costs incurred for any
6 of the following:

7 (1) The investigation of the case by the department.

8 (2) The preparation and prosecution of the case by the Office of
9 the Attorney General.

10 **Specific Statutory and Regulatory Provisions**

11 7. Business and Professions Code, section 19801 provides, in part:

12 (h) Public trust and confidence can only be maintained by strict
13 comprehensive regulation of all persons, locations, practices,
14 associations, and activities related to the operation of lawful gambling
15 establishments and the manufacture and distribution of permissible
16 gambling equipment.

17 (i) All gambling operations, all persons having a significant
18 involvement in gambling operations, all establishments where gambling
19 is conducted, and all manufacturers, sellers, and distributors of gambling
20 equipment must be licensed and regulated to protect the public health,
21 safety, and general welfare of the residents of this state as an exercise of
22 the police powers of the state.

23 * * *

24 (k) In order to effectuate state policy as declared herein, it is
25 necessary that gambling establishments, activities, and equipment be
26 licensed, that persons participating in those activities be licensed or
27 registered, that certain transactions, events, and processes involving
28 gambling establishments and owners of gambling establishments be
subject to prior approval or permission, that unsuitable persons not be
permitted to associate with gambling activities or gambling
establishments Any license or permit issued, or other approval
granted pursuant to this chapter, is declared to be a revocable privilege,
and no holder acquires any vested right therein or thereunder.

8. Business and Professions Code section 19850 provides, in part:

Every person who, either as owner, lessee, or employee, whether
for hire or not, either solely or in conjunction with others, deals,
operates, carries on, conducts, maintains, or exposes for play any

1 controlled game in this state, or who receives, directly or indirectly,
2 any compensation or reward, or any percentage or share of the money
3 or property played, for keeping, running, or carrying on any controlled
4 game in this state, shall apply for and obtain from the commission, and
shall thereafter maintain, a valid state gambling license, key employee
license, or work permit, as specified in this chapter.

5 9. Business and Professions Code section 19854 provides, in part:

6 (a) Every key employee shall apply for and obtain a key employee
7 license.

8 (b) No person may be issued a key employee license unless the
9 person would qualify for a state gambling license.

10 10. Business and Professions Code section 19857 provides:

11 No gambling license shall be issued unless, based on all the
12 information and documents submitted, the commission is satisfied that
the applicant is all of the following:

13 (a) A person of good character, honesty and integrity.

14 (b) A person whose prior activities, criminal record, if any,
15 reputation, habits, and associations do not pose a threat to the public
16 interest of this state, or to the effective regulation and control of
17 controlled gambling, or create or enhance the dangers of unsuitable,
18 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.

19 (c) A person that is in all other respects qualified to be licensed as
20 provided in this chapter.

21 11. Business and Professions Code section 19984 provides, in part:

22 Notwithstanding any other law, a licensed gambling enterprise
23 may contract with a third party for the purpose of providing
24 proposition player services at a gambling establishment, subject to the
following conditions:

25 (a) Any agreement, contract, or arrangement between a gambling
26 enterprise and a third-party provider of proposition player services shall
27 be approved in advance by the department, and in no event shall a
gambling enterprise or the house have any interest, whether direct or
indirect, in funds wagered, lost, or won.

28

1 12. Business and Professions Code section 19920 provides:

2 It is the policy of the State of California to require that all
3 establishments wherein controlled gambling is conducted in this state
4 be operated in a manner suitable to protect the public health, safety,
5 and general welfare of the residents of the state. The responsibility for
6 the employment and maintenance of suitable methods of operation
7 rests with the owner licensee, and willful or persistent use or toleration
8 of methods of operation deemed unsuitable by the commission or by
9 local government shall constitute grounds for license revocation or
10 other disciplinary action.

11 13. California Code of Regulations, title 4, section 12355 provides:

12 (a) An application for a portable personal key employee license
13 shall be denied by the Commission if any of the following applies:

14 (1) The Commission finds that the applicant is ineligible,
15 unqualified, disqualified, or unsuitable pursuant to the criteria set
16 forth in the Act or other applicable law or that granting the license
17 would be inimical to public health, safety, welfare, or would
18 undermine the public trust that gambling operations are free from
19 criminal or dishonest elements.

20 (b) An application for a key employee license may be denied if:

21 (1) The Commission finds that an applicant has attempted
22 to communicate or has communicated ex parte, as that term is
23 defined in Business and Professions Code section 19872,
24 subdivision (e), with one or more Commissioners, through direct
25 or indirect means, regarding the merits of the application while
26 the application is pending disposition at the Bureau or the
27 Commission.

28 (2) The Commission finds that the applicant's past
behavior calls into question the applicant's qualification
requirements and considerations outlined in Business and
Professions Code section 19856. Examples of past behavior that
may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of
disregard for the law,

(B) A conviction involving gambling or gambling-
related activities,

1 (C) A final administrative decision concluding that
2 there was a violation of law involving gambling or gambling-
related activities, or

3 (D) A conviction regarding or final administrative
4 decision concluding that there was a violation of campaign
5 finance disclosure or contribution limitations applicable to an
6 election conducted pursuant to Business and Professions
Code section 19960.

7 (3) The Commission finds that the applicant has, within ten
8 years immediately preceding the submission of the application,
willfully or persistently violated any of the following:

9 (A) Any regulation adopted by the Commission or
10 Bureau.

11 (B) Any condition, limitation, or directive imposed on
12 a previously held gambling or key employee license.

13 (c) The grounds for denial set forth in this section apply in
14 addition to any grounds prescribed by statute or any grounds that would
support revocation under chapter 10 of these regulations.

15 14. California Code of Regulations, title 4, section 12386, subdivision (a) provides, in
16 part:

17 The policies and procedures for all tiers shall meet or exceed the
following standards for cages:

18 (1) The licensee shall maintain within the gambling
19 establishment at least one separate and secure area at a fixed
20 location that is designated as a cage. A cage shall be located,
21 designed, constructed and operated to provide convenience for
patron transactions while maintaining appropriate security and
22 accountability for all monetary transactions occurring at the cage
and all cage contents.

23 (2) The licensee shall assign at least one gambling
24 enterprise employee to process monetary transactions at a cage.
25 The titles, classifications, or positions of all employees assigned
to process monetary transactions at a cage shall be listed on the
26 gambling enterprise's organizational chart. The assigned
employees' duties may include any or all of the following:

27 (A) Custody of the cage inventory or individual
28 cashiers' banks, which is comprised of currency, coin, patron
checks, gambling chips, forms, documents and records

1 consistent with the operation of a cage or an individual
2 cashier's bank.

3 (B) Receipt and distribution of gambling chips through
4 internal operations.

5 (C) Sale and redemption of chips through patron
6 transactions.

7 (D) Deposits to and withdrawals from players' banks
8 and dealers' banks, if applicable.

9 (E) Check cashing and extensions of credit for patrons,
10 as permitted by the licensee's policies and procedures.

11 (F) Preparation of cage accountability reconciliations
12 and records necessary to document compliance with the
13 requirements of this chapter.

14 (G) Recording patron information that is necessary for
15 compliance with the requirements of sections 5313 and 5314
16 of Title 31 of the United States Code, applicable regulations
17 in Chapter X (effective as of July 1, 2011) of Title 31 of the
18 Code of Federal Regulations and any successor provisions,
19 and subsection (a) of Section 12315.

20 (H) The proper accounting and safeguarding of any
21 cage bank or cashier's bank, and gambling equipment or
22 confidential documents when kept in a cage.

23 15. California Code of Regulations, title 4, section 12395, subdivision (a) provides, in
24 part:

25 The policies and procedures for all tiers shall meet or exceed the
26 following standards for security:

27 (3) Licensees shall file an incident report with the Bureau's
28 Criminal Intelligence Unit within five business days of either of
the following:

(A) Any owner or key employee contacting a local law
enforcement agency, pursuant to the provisions of the
licensee's security plan, regarding any reasonably suspected
violation of the Act, this division, Division 3 of Title 11 of
the California Code of Regulations, any statute set forth in
sections 330 through 337z of the Penal Code that pertains to
gambling, section 1916-3(b) of the Civil Code (loan-

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sharking), chapter 1 (commencing with section 11000) of division 10 of the Health and Safety Code (illegal possession or distribution of controlled substances), section 4022 of the Business & Professions Code (illegal possession or distribution of dangerous drugs), or any violation of the following Penal Code sections: 186.10 (money laundering), 211 (robbery), 245 (assault with deadly weapon), 266h (pimping), 266i (pandering), 459 (burglary), 470 (forgery), 476 (fraud), 487 (grand theft), 488 (petty theft), 503 (embezzlement), 518 (extortion), 641.3 (commercial bribery), 648 (counterfeit currency), 653.22 (loiter for prostitution), 653.23 (pimping), or 647(b) (prostitution).

(B) Any owner or key employee obtaining knowledge or notice of any reasonably suspected violation listed in subparagraph (A).

16. California Code of Regulations, title 11, section 2052 provides, in part:

(c) Within five days of any owner licensee or key employee obtaining knowledge or notice of any possible violation of the Act or these regulations, a written report shall be submitted to the Bureau, which details the nature of the violation, the identities of those persons involved in the violation, and describes what actions have been taken to address the violation.