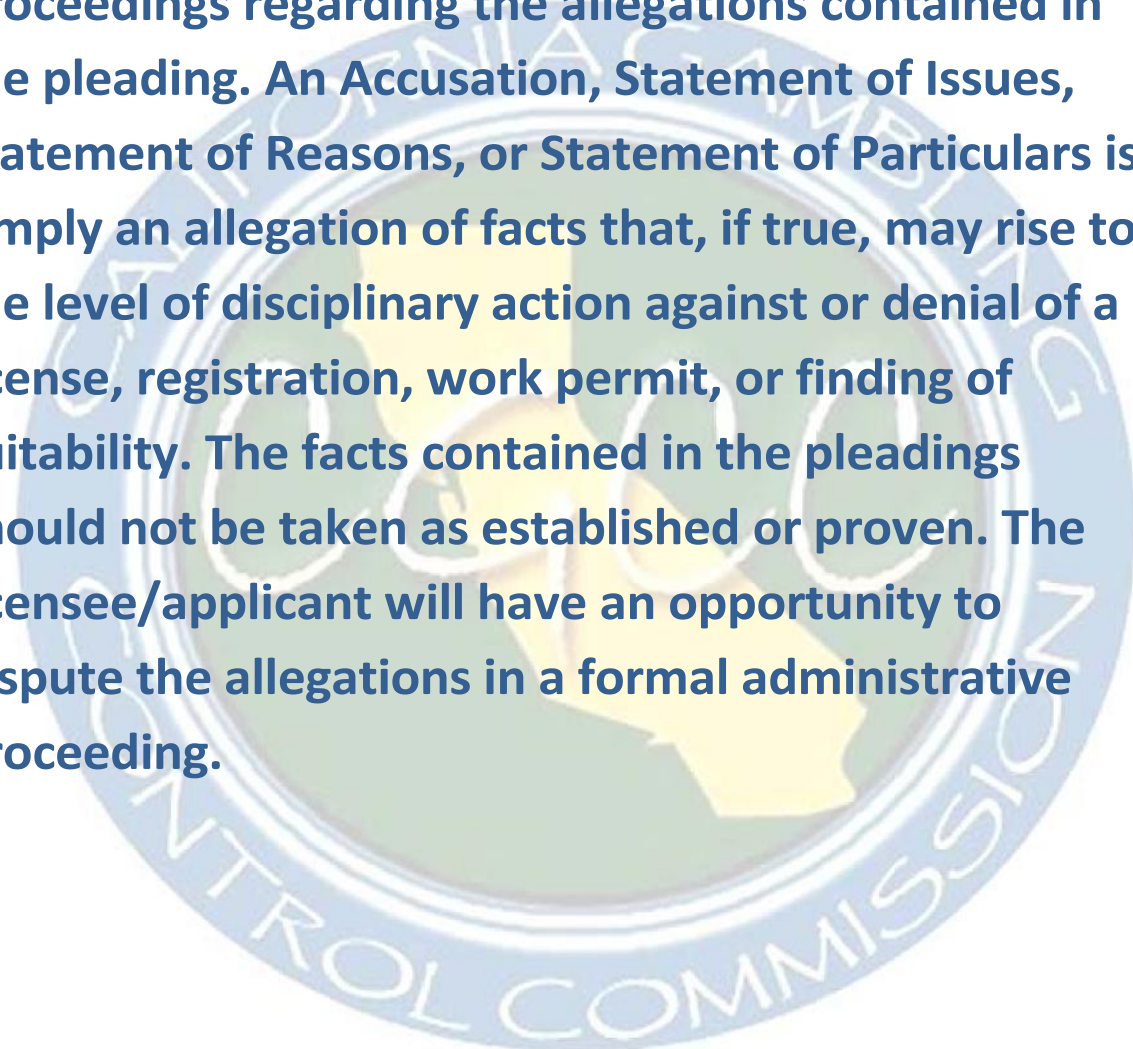


The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, 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.



**RECEIVED**

By CGCC Legal Division at 2:27 pm, Oct 16, 2023

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9  
10 **BEFORE THE**  
11 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
12 **STATE OF CALIFORNIA**  
13

14  
15 In the Matter of the Statement of Reasons for  
Denial of Application for Initial Commission  
16 Work Permit for:

17 **JOEL MICHAEL BROWN**

18  
19 Respondent.

**BGC Case No. BGC-HQ2023-00001SL**

**CGCC Case No. CGCC-2023-0126-8**

**STATEMENT OF REASONS**

Hearing Date: November 30, 2023  
Hearing Time: 10:00 a.m.  
Hearing Place: 2399 Gateway Oaks Dr.,  
Suite 100  
Sacramento, CA 95833

**This hearing will be conducted by  
means of video conferencing on Zoom.  
The Zoom meeting code is 285 757  
8614.**

20  
21  
22  
23  
24 Complainant alleges as follows:

25 **PARTIES**

26 1. Yolanda Morrow (Complainant) brings this Statement of Reasons for Denial of  
27 Application for Initial Commission Work Permit solely in her official capacity as the Director of  
28 the California Department of Justice, Bureau of Gambling Control (Bureau).

2. Towers Casino, a licensed gambling establishment located in Grass Valley, California, license number GEGE-001318, has employed Joel Michael Brown (Respondent) since approximately April 2022.<sup>1</sup> On or about April 19, 2022, the California Gambling Control Commission (Commission) issued a temporary work permit, number GEWP-003072, to Respondent to allow for his employment as a dealer at Towers Casino.

### **THE APPLICATION AND THIS PROCEEDING**

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

4. On or about November 29, 2022, the Bureau submitted a Work Permit Initial Background Investigation Report to the Commission recommending that Respondent's Application be denied.

5. On or about January 26, 2023, the Commission referred the determination of Respondent's suitability to have his Application approved to an evidentiary hearing, pursuant to California Code of Regulations, title 4, section 12060, subdivision (a).<sup>2</sup>

6. Respondent submitted a Notice of Defense to the Commission on February 22, 2023.

### **BURDEN OF PROOF**

7. Respondent has the burden to prove that he is qualified to be granted a work permit. (Bus. & Prof. Code, § 19856, subd. (a).)

### **FIRST CAUSE FOR DENIAL (Failure to Accurately and Honestly Disclose Required Material Information)**

8. Respondent's Application is subject to denial, and his work permit revoked, because Respondent, under penalty of perjury, failed to disclose on his Application that, in 2019,

---

<sup>1</sup> In addition to his current employment at Towers Casino, Respondent was previously employed as a dealer by Towers Casino from 2010 to 2018.

<sup>2</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in pertinent part in Appendix A.

Respondent was terminated from his position as a dealer and shift supervisor at Crazy Moose Casino. Respondent indicated on his Application that he resigned from that position for other employment, when in fact he had been terminated. In not disclosing his termination from his position at Crazy Moose Casino on his Application, and subsequently in response to the Bureau's inquiry, Respondent provided inaccurate and misleading information to the Bureau regarding the circumstances surrounding his termination and failed to disclose required information that is material to his Application.

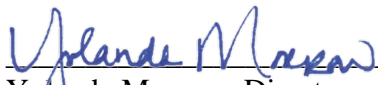
(Bus. & Prof. Code, §§ 19856, 19857, 19859, subds. (a) & (b) [mandatory denial], 19866; 19912, 19914; Cal. Code. Regs., tit. 4, §§ 12040, subds. (a)(1), (2) [mandatory denial], 12122, subd. (d).)

### **PRAYER**

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

1. Denying Respondent's application for an initial work permit;
2. Revoking Respondent's temporary work permit; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: October 16, 2023

  
Yolanda Morrow, Director  
Bureau of Gambling Control  
California Department of Justice  
Complainant

1                   **APPENDIX A – STATUTORY AND REGULATORY PROVISIONS**

2                                   **STATUTES**

- 3           1.     Business and Professions Code section 19811, subdivision (b), provides:

4                   Jurisdiction, including jurisdiction over operation and concentration, and supervision  
5                   over gambling establishments in this state and over all persons or things having to do  
6                   with the operation of gambling establishments is vested in the commission.

- 7           2.     Business and Professions Code, section 19823 provides:

8                   (a) The responsibilities of the commission include, without limitation, all of the  
9                   following:

10                   (1) Assuring that licenses, approvals, and permits are not issued to, or  
11                   held by, unqualified or disqualified persons, or by persons are conducted in a manner  
12                   that is inimical to the public health, safety, or welfare.

13                   (2) Assuring that there is no material involvement, directly or indirectly,  
14                   with a licensed gambling operation, or the ownership or management thereof, by  
15                   unqualified or disqualified persons, or by persons whose operations are conducted in  
16                   a manner that is inimical to the public health, safety, or welfare.

17                   (b) For the purposes of this section, “unqualified person” means a person who is  
18                   found to be unqualified pursuant to the criteria set forth in Section 19857, and  
19                   “disqualified person” means a person who is found to be disqualified pursuant to the  
20                   criteria set forth in Section 19859.

- 21           3.     Business and Professions Code, section 19824 provides, in part:

22                   The commission shall have all powers necessary and proper to enable it fully and  
23                   effectually to carry out the policies and purposes of this chapter,<sup>[3]</sup> including, without  
24                   limitation, the power to do all of the following:

25                                   \* \* \*

26                   (b) For any cause deemed reasonable by the commission, deny any application  
27                   for a license, permit, or approval provided for in this chapter or regulations adopted  
28                   pursuant to this chapter, limit, condition, or restrict any license, permit, or approval,  
29                   or impose any fine upon any person licensed or approved. The commission may  
30                   condition, restrict, discipline, or take action against the license of an individual  
31                   owner endorsed on the license certificate of the gambling enterprise whether or not  
32                   the commission takes action against the license of the gambling enterprise.

33                                   \* \* \*

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

36                   

---

  
37                   <sup>3</sup> “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing  
38                   with section 19800), also known as the Gambling Control Act.

1 gambling activities.

- 2 4. Business and Professions Code, section 19853, subdivision (a), provides:

3 The commission, by regulation or order, may require that the following persons  
4 register with the commission, apply for a finding of suitability as defined in  
subdivision (j) of Section 19805, or apply for a gambling license:

5 \* \* \*

6 (3) Any person who does business on the premises of a licensed gambling  
7 establishment.

- 8 5. Business and Professions Code section 19856 provides, in part:

9 (a) The burden of proving his or her qualifications to receive any license is on the  
applicant.

10 (b) An application to receive a license constitutes a request for a determination of  
11 the applicant's general character, integrity, and ability to participate in, engage in, or  
be associated with, controlled gambling.

- 12 6. Business and Professions Code, section 19857 provides:

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

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

16 (b) A person whose prior activities, criminal record, if any, reputation, habits, and  
17 associations do not pose a threat to the public interest of this state, or to the effective  
18 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  
19 controlled gambling or in the carrying on of the business and financial arrangements  
incidental thereto.

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

- 21 7. Business and Professions Code section 19859 provides, in part:

22 The commission shall deny a license to any applicant who is disqualified for any of  
23 the following reasons:

24 (a) Failure of the applicant to clearly establish eligibility and qualification in  
accordance with this chapter.

25 (b) Failure of the applicant to provide information, documentation, and  
26 assurances required by this chapter or requested by the chief,<sup>4</sup> or failure of the  
applicant to reveal any fact material to qualification, or the supplying of information  
27

---

28 <sup>4</sup> "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 that is untrue or misleading as to a material fact pertaining to the qualification  
2 criteria.

3 8. Business and Professions Code section 19866 provides:

4 An applicant for licensing or for any approval or consent required by this chapter,  
5 shall make full and true disclosure of all information to the department<sup>[5]</sup> and the  
6 commission as necessary to carry out the policies of this state relating to licensing,  
7 registration, and control of gambling.

8 9. Business and Professions Code, section 19870 provides:

9 (a) The commission, after considering the recommendation of the chief and any  
10 other testimony and written comments as may be presented at the meeting, or as may  
11 have been submitted in writing to the commission prior to the meeting, may deny the  
12 application, grant a license to an applicant who it determines to be qualified to hold  
13 the license, or refer the application to an evidentiary hearing.

14 (b) When the commission grants an application for a license or approval, the  
15 commission may limit or place restrictions on the license or approval as it may deem  
16 necessary in the public interest, consistent with the policies described in this chapter.

17 (c) If, during a meeting, the commission denies an application, denies approval,  
18 or approves with limits, restrictions, or conditions, the action shall be stayed for a  
19 period of 30 days after the meeting, during which the applicant may request an  
20 evidentiary hearing. If the applicant does not file a request for an evidentiary hearing  
21 within 30 days, the action of the commission taken at the meeting is final. If the  
22 applicant waives the right to hearing and assents to the action of the commission in  
23 writing, upon receipt of the waiver by the commission, the action shall no longer be  
24 stayed. If the applicant files a timely request for an evidentiary hearing, the action  
25 shall be vacated and the application shall be reviewed de novo at the evidentiary  
26 hearing.

27 (d) When an application is denied after an evidentiary hearing, the commission  
28 shall prepare and file a detailed statement of its reasons for the denial.

(e) All proceedings relating to an application at a meeting of the commission or at  
an evidentiary hearing shall be recorded stenographically or by audio or video  
recording.

(f) 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 does 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.

10. Business and Professions Code, section 19871 provides:

---

<sup>5</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

1 (a) An evidentiary hearing described in Section 19870 shall be conducted in  
2 accordance with regulations of the commission and as follows:

3 (1) Oral evidence shall be taken only upon oath or affirmation.

4 (2) Each party shall have all of the following rights:

5 (A) To call and examine witnesses.

6 (B) To introduce exhibits relevant to the issues of the case.

7 (C) To cross-examine opposing witnesses on any matters relevant to  
the issues, even if the matter was not covered on direct examination.

8 (D) To impeach any witness, regardless of which party first called  
the witness to testify.

9 (E) To offer rebuttal evidence.

10 (3) If the applicant does not testify on their own behalf, the applicant may  
11 be called and examined as if under cross-examination.

12 (4) The hearing need not be conducted according to technical rules  
13 relating to evidence and witnesses. Any relevant evidence may be  
14 considered, and is sufficient in itself to support a finding, if it is the sort of  
15 evidence on which responsible persons are accustomed to rely in the conduct  
of serious affairs, regardless of the existence of any common law or statutory  
rule that might make improper the admission of that evidence over objection  
in a civil action.

16 (b) This section does not confer upon an applicant a right to discovery of the  
17 department's investigative reports or to require disclosure of any document or  
18 information the disclosure of which is otherwise prohibited by any other provision of  
this chapter.

19 11. Business and Professions Code section 19912 provides, in part:

20 (d) Application for a work permit for use in any jurisdiction where a locally  
21 issued work permit is not required by the licensing authority of a city, county, or city  
22 and county shall be made to the department, and may be granted or denied by the  
commission for any cause specified under this chapter.

23 12. Business and Professions Code section 19914 provides:

24 (a) The commission may revoke a work permit or, if issued by the licensing  
25 authority of a city, county, or city and county, notify the authority to revoke it, and  
the licensing authority shall revoke it, if the commission finds, after a hearing, that a  
26 gambling enterprise employee or independent agent has failed to disclose, misstated,  
or otherwise misled the department or the commission with respect to any fact  
27 contained in any application for a work permit, or if the commission finds that the  
employee or independent agent, subsequent to being issued a work permit, has done  
28 any of the following:



1 (1) Committed, attempted, or conspired to do any acts prohibited by this  
2 chapter.

3 (2) Engaged in any dishonest, fraudulent, or unfairly deceptive activities in  
4 connection with controlled gambling, or knowingly possessed or permitted to  
5 remain in or upon any premises any cards, dice, mechanical devices, or any  
6 other cheating device.

7 (3) Concealed or refused to disclose any material fact in any investigation  
8 by the department.

9 (4) Committed, attempted, or conspired to commit, any embezzlement or  
10 larceny against a gambling licensee or upon the premises of a gambling  
11 establishment.

12 (5) Been convicted in any jurisdiction of any offense involving or relating  
13 to gambling.

14 (6) Accepted employment without prior commission approval in a position  
15 for which the employee or independent agent could be required to be licensed  
16 under this chapter after having been denied a license or after failing to apply  
17 for licensing when requested to do so by the commission.

18 (7) Been refused the issuance of any license, permit, or approval to engage  
19 in or be involved with gambling or parimutuel wagering in any jurisdiction,  
20 or had the license, permit, or approval revoked or suspended.

21 (8) Been prohibited under color of governmental authority from being  
22 present upon the premises of any licensed gambling establishment or any  
23 establishment where parimutuel wagering is conducted, for any reason  
24 relating to improper gambling activities or any illegal act.

25 (9) Been convicted of any felony.

26 (b) The commission shall revoke a work permit if it finds, after hearing, that the  
27 holder thereof would be disqualified from holding a state gambling license for the  
28 reasons specified in subdivision (f) or (g) of Section 19859.

(c) This section shall not be construed to limit any powers of the commission  
with respect to licensing.

## **REGULATIONS**

13. California Code of Regulations, title 4, section 12040 provides, in part:

(a) An application for an initial or renewal license:

(1) Will be denied if the Commission finds that the applicant has not  
satisfied the requirements of Business and Professions Code section 19857;  
or,

(2) Will be denied if the Commission finds that any of the provisions of Business and Professions Code section 19859 apply to the applicant.

14. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in part:

If the Commission elects to hold an evidentiary hearing, . . . the hearing will be conducted as a GCA hearing under Section 12060, unless the Executive Director or the Commission determines the hearing should be conducted as an APA hearing under Section 12058.

15. California Code of Regulations, title 4, section 12060, provides:

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The Executive Director will give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on information contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or applicant as well as the Commission's operational considerations.

(b) When a GCA hearing is elected pursuant to Section 12056, subsection (a), the Executive Director will give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 60 calendar days in advance of the GCA hearing.

(c) An applicant may request that his, her, or its GCA hearing be held at a Southern California location instead of the Commission's principal office in Sacramento, by completing the appropriate section on the Notice of Defense, CGCC-CH1-03 (Rev. 08/21). The request must be made on the initial Notice of Defense form submitted to the Commission and Bureau within the timeframes specified on the form.

(1) The Executive Director will approve a Southern California GCA hearing, if the request is timely made on the initial Notice of Defense form and meets all of the following criteria:

(A) The GCA hearing is estimated by Commission staff to last no longer than four hours.

(B) The primary residence of the applicant is located in one of the following counties: Imperial, Kern, Los Angeles, Orange, Riverside, San Diego, San Luis Obispo, San Bernardino, Santa Barbara, or Ventura.

(C) A GCA hearing will be noticed for a Southern California location only when it is in the best public interest, promotes judicial economy, and comports with the Commission's availability.

(2) If at any time before the hearing, the Executive Director determines that the criteria in subparagraphs (A) through (C) of paragraph (1) are no longer met, Commission staff may cancel the Southern California GCA

1 hearing and issue a new notice for a hearing at the Commission's principal  
2 office in Sacramento.

3 (d) The presiding officer and her or his support staff will have no communication  
4 with the Commission or Commission staff upon the merits of an application prior to  
the evidentiary hearing. The Executive Director will designate a presiding officer  
which will be:

5 (1) A member of the Commission's legal staff; or,

6 (2) An Administrative Law Judge.

7 (e) The applicant or the complainant, or the applicant and the complainant, may  
8 request a continuance in writing to the Executive Director stating the reason for the  
9 continuance and any proposed future hearing dates. The Executive Director or  
Commission may approve the request. For a Southern California GCA hearing, if a  
10 continuance is granted, the hearing may be scheduled in Sacramento or Southern  
California based on the criteria specified in subparagraphs (A) through (C) of  
paragraph (1) of subsection (c).

11 (f) The complainant will provide to the applicant, subject to subsection (b) of  
12 Section 12056, at least 45 calendar days prior to the GCA hearing, and the applicant  
must provide to the complainant, at least 30 calendar days prior to the GCA hearing,  
the following items:

13 (1) A list of potential witnesses with the general subject of the testimony  
14 of each witness;

15 (2) Copies of all documentary evidence intended to be introduced at the  
16 hearing and not previously provided;

17 (3) Reports or statements of parties and witnesses, if available; and

18 (4) All other written comments or writings containing relevant evidence.

19 (g) The provisions of subsection (f) of this section provide the exclusive right to  
20 and method of discovery between the applicant and complainant to a GCA hearing.  
Discovery is not permitted upon a Commission member or an advisor of the  
21 Commission unless a showing is made that they have direct personal factual  
information pertaining to material issues related to the application at issue and the  
22 information to be gained from the Commission member or advisor of the  
Commission is not available through any other sources.

23 (h) A presiding officer will rule on the admissibility of evidence and on any  
24 objections raised except for objections raised under subsection (h). A ruling by the  
presiding officer is final.

25 (1) In advance of the GCA hearing, upon a motion of a party or by order  
of the presiding officer, the presiding officer may conduct a pre-hearing  
26 conference, either in person, via teleconference, or by email exchange,  
subject to the presiding officer's availability and will issue a pre-hearing  
27 order if appropriate or requested by either party. The pre-hearing conference  
and order may address the following:

28 (A) Evidentiary issues;

1 (B) Witness and exhibit lists;

2 (C) Alterations in the Bureau recommendation;

3 (D) Stipulations for undisputed facts and/or the admission of  
4 evidence including without limitation the Bureau's report;

5 (E) Authorizing offsite livestreaming appearances for parties or  
6 witnesses if good cause has been presented and only if the process for  
7 offsite livestreaming has been approved by the Executive Director; and,

8 (F) Other issues that may be deemed appropriate to promote the  
9 orderly and prompt conduct of the hearing.

10 (2) The GCA hearing need not be conducted according to technical rules  
11 of evidence. Any relevant evidence may be considered, and is sufficient in  
12 itself to support findings if it is the sort of evidence on which reasonable  
13 persons are accustomed to rely in the conduct of serious affairs, regardless of  
14 the existence of any common law or statutory rule that might make improper  
15 the admission of that evidence over objection in a civil action.

16 (i) The Commission may, at any time upon a showing of prejudice by the  
17 objecting party:

18 (1) Prohibit the testimony of any witness or the introduction of any  
19 documentary evidence that has not been disclosed pursuant to subsection (f);  
20 or

21 (2) Continue any meeting or hearing as necessary to mitigate any  
22 prejudice.

23 (j) The complainant will present all facts and information in the Bureau report, if  
24 any, and the results of the Bureau's background investigation, and the basis for any  
25 recommendation, if the Bureau filed one with the Commission according to Business  
26 and Professions Code section 19868, to enable the Commission to make an informed  
27 decision on whether the applicant has met his, her, or its burden of proof. The  
28 complainant may but is not required to recommend or seek any particular outcome  
during the evidentiary hearing, unless it so chooses.

(k) The burden of proof is always on the applicant to prove his, her, or its  
qualifications to receive any license or other approval under the Act.

(l) The applicant may choose to represent himself, herself, or itself, or may retain  
an attorney or lay representative. Lay representatives may assist the applicant but are  
not authorized to serve as an attorney as otherwise defined and regulated by state  
law.

(m) Except as otherwise provided in subsection (i), the complainant and applicant  
will have the right to call and examine witnesses under oath; to introduce relevant  
exhibits and documentary evidence; to cross-examine opposing witnesses on any  
relevant matter, even if the matter was not covered in direct examination; to impeach  
any witness, regardless of which party first called the witness to testify; and to offer  
rebuttal evidence. If the applicant does not testify on his, her or its behalf, the  
applicant may be called and examined, under oath, as if under cross-examination.

1 (n) Oral evidence will be taken upon oath or affirmation, which may be  
2 administered by the Executive Director, a member of the Commission, or the  
presiding officer if an Administrative Law Judge.

3 (o) At the conclusion of the evidentiary hearing, the members of the Commission  
4 will take the matter under submission, may discuss the matter in a closed session  
meeting, and may schedule future closed session meetings for deliberation.

5 16. California Code of Regulations, title 4, section 12122, subdivision (d), provides:

6 (d) Upon issuance or denial of a license or Commission work permit by the  
7 Commission, the temporary license will become void and cannot be used thereafter.