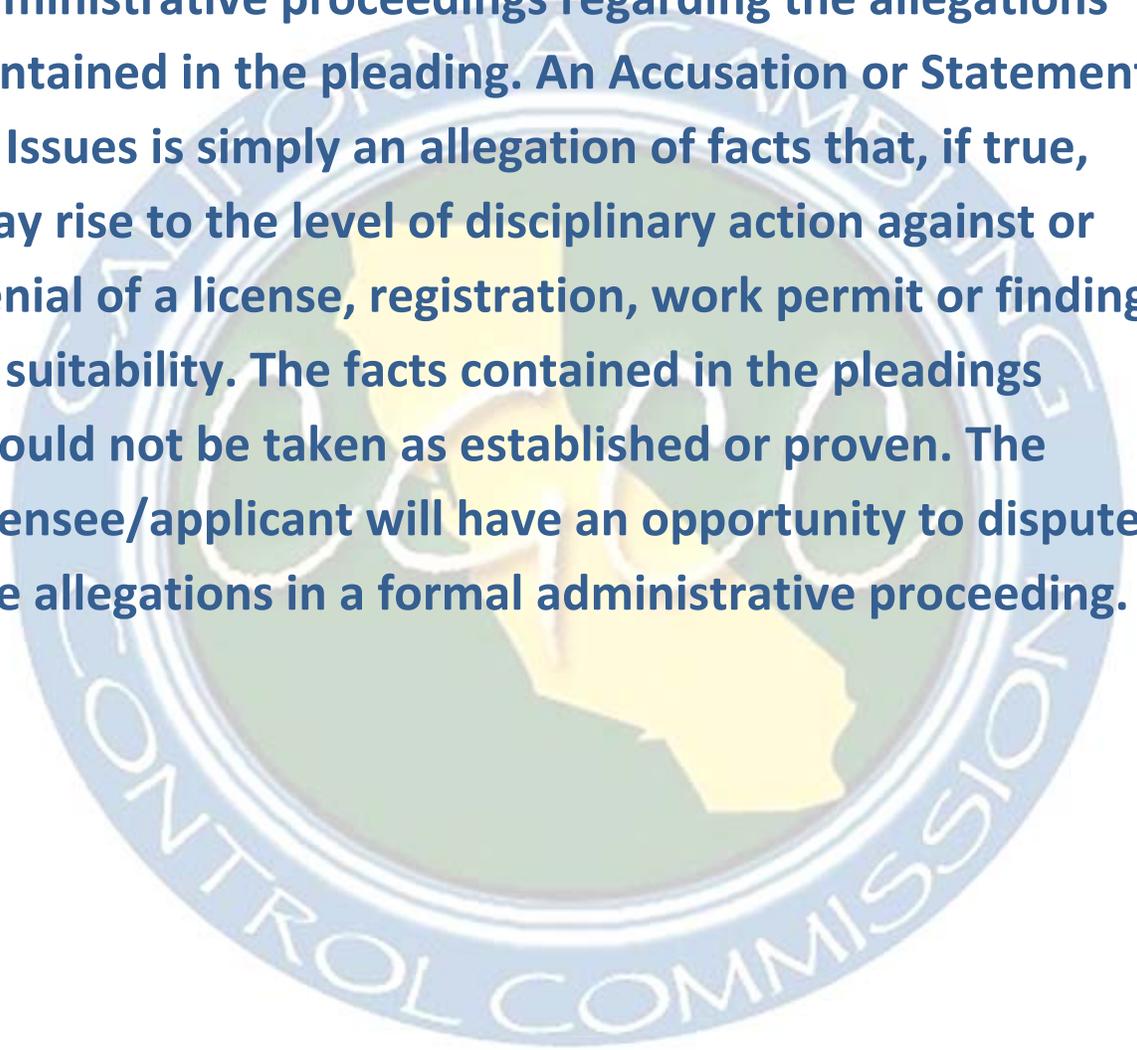


The Commission is providing a copy of this disciplinary pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation or Statement of Issues 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 RONALD L. DIEDRICH
Deputy Attorney General, SBN 95146
4 1300 I Street, Suite 125
P.O. Box 944255
5 Sacramento, CA 94244-2550
Telephone: (916) 210-7834
6 Fax: (916) 327-2319
E-mail: Ronald.Diedrich@doj.ca.gov
7 *Attorneys for Complainant*



8
9 **BEFORE THE**
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**
11 **STATE OF CALIFORNIA**

12
13 In the Matter of the Statement of Reasons for
14 Denial of Application for a Third-Party
Proposition Player Services License for:

BGC Case No. BGC-HQ2018-00002SL

CGCC Case No: CGCC-2017-1218-17A

15
16 **DIANNE NGA TRAN**
a.k.a.: Mai Nga Tran
17 10031 Brookside Drive
18 Garden Grove, California 92840

STATEMENT OF REASONS

19 Respondent.

20 Complainant alleges as follows:

21 **PARTIES**

22 1. Nathan DaValle (Complainant) brings this Statement of Reasons solely in his official
23 capacity as the Acting Director of the California Department of Justice, Bureau of Gambling
24 Control (Bureau).

25 2. On January 25, 2016, the Bureau received an Application for Third-Party Proposition
26 Player Services License for Supervisor, Player or Other Employee, and a Level I Supplemental
27 Information, both dated October 28, 2015 (collectively, Application), from Dianne Nga Tran, also
28 know as Mai Nga Tran (Respondent), to allow her employment as a third-party proposition player

1 (prop-player) for Acme Players Services, Inc. (Acme), a registered third-party proposition player
2 services provider, registration number TPPP-000089.¹

3 3. Respondent has been employed as a prop-player by Acme since October 2015. On or
4 about December 8, 2015, the California Gambling Control Commission (Commission) issued
5 Respondent a registration, number TPPL-016256, as a prop-player for this employment. The
6 Respondent's registration currently expires on December 31, 2019.

7 4. On or about November 2, 2017, the Bureau submitted a Third-Party Player
8 Background Investigation Report to the Commission recommending Respondent's Application be
9 denied.

10 5. On or about December 18, 2017, the Commission referred the determination of
11 Respondent's suitability to be issued a prop-player's license to an evidentiary hearing, which is to
12 be held pursuant to California Code of Regulations, title 4, section 12060.²

13 6. Respondent submitted a Notice of Defense, which is dated December 26, 2017.

14 **BURDEN OF PROOF**

15 7. Respondent has the burden of proving her qualifications to receive a license.
16 (Bus. & Prof. Code, § 19856, subd. (a).)

17 **FIRST CAUSE FOR DENIAL**

18 **(Misdemeanor Criminal Convictions)**

19 8. Respondent's Application is subject to denial in that Respondent has suffered four
20 misdemeanor criminal convictions, all of which involve crimes of moral turpitude or dishonesty.

21 a. On or about July 2, 1999, Respondent was convicted of violating Penal Code section
22 484, subdivision (a), theft of personal property/petty theft, a misdemeanor and a crime of
23

24 _____
25 ¹ Respondent is required to convert her registration to a license and submit an application
26 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and
12218, because Acme was summoned on November 2, 2010, to submit an application to convert
its registration to a license.

27 ² The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A.

1 dishonesty or moral turpitude, in the case of *People v. Dianne Nga Tran* (Super. Ct. Orange
2 County, 1999, Case 99WM07218).

3 b. On or about July 7, 1997, Respondent was convicted of violating Penal Code sections
4 148.9, providing false identification to a police officer, and 529.3, false impersonation, both
5 misdemeanors and crimes of dishonesty or moral turpitude, in the case of *People v. Dianne Nga*
6 *Tran* (Super. Ct. Orange County, 1997, Case 97HM04795).

7 c. On or about March 14 1997, Respondent was convicted of violating Penal Code
8 section 487, subdivision (a), grand theft, a misdemeanor and a crime of dishonesty or moral
9 turpitude, in the case of *People v. Dianne Nga Tran* (Super. Ct. Orange County, 1997, Case
10 97HM01822).

11 9. All four of the convictions occurred more than 10 years prior to Respondent
12 submitting her Application. Also, on or about September 27, 2007, Respondent obtained relief
13 from all four convictions pursuant to Penal Code section 2103.4.

14 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19866; Cal. Code. Regs., tit. 4, §§
15 12200.18, subds. (a), (b) & (f), & 12218.11, subds. (e) [mandatory denial] & (j) [mandatory
16 denial].)

17 **SECOND CAUSE FOR DENIAL OF APPLICATION**

18 **(Providing False or Misleading Information to the Bureau - Application)**

19 10. Respondent's Application is subject to denial in that Respondent, under penalty of
20 perjury, affirmatively and falsely stated in her Application the following:

21 a. Respondent affirmatively and falsely responded "No" to question number 4 on page
22 seven of the Level I Supplemental Information, which asked "Have you **ever** engaged in any act
23 involving dishonesty or moral turpitude charged or chargeable as a criminal offense?" (Emphasis
24 added.) In fact, as alleged in paragraph 8 above, Respondent has engaged in multiple acts of
25 dishonesty or moral turpitude that were charged as criminal offenses. That conduct included
26 multiple incidents of theft and lying to the police.

1 for her convictions. Respondent also blamed an unidentified Acme staff person for the reasons
2 she provided false answers to the questions on her Application, as alleged in paragraph 10 above,
3 and failed to disclose those convictions to the Bureau as alleged in paragraph 11.a above.
4 (Bus. & Prof. Code, §§ 19856, 19857, subs. (a) & (b), & 19866; Cal. Code. Regs., tit. 4, §§
5 12200.18, subs. (a), (b) & (f), & 12218.11, subs. (e) [mandatory denial] & (j) [mandatory
6 denial].)

7 **PRAYER**

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

- 10 1. Denying Respondent's Application for a Third-Party Proposition Player License;
- 11 2. Cancelling Respondent's registration, number TPPL-016256; and,
- 12 3. Taking such other and further action as the Commission may deem appropriate.

13
14
15 Dated: February 12, 2018



16 NATHAN DAVALLE, Acting Director
17 Bureau of Gambling Control
18 California Department of Justice
19 Complainant
20
21
22
23
24
25
26
27
28

1 enterprise whether or not the commission takes action against the
2 license of the gambling enterprise.

3 * * *

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

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

8 The commission, by regulation or order, may require that the
9 following persons register with the commission, apply for a finding of
10 suitability as defined in subdivision (i) of 19805, or apply for a
11 gambling license:

12 * * *

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

15 5. Business and Professions Code, section 19870 provides:

16 (a) The commission, after considering the recommendation of
17 the chief⁴ and any other testimony and written comments as may be
18 presented at the meeting, or as may have been submitted in writing to
19 the commission prior to the meeting, may either deny the application
20 or grant a license to an applicant who it determines to be qualified to
21 hold the license.

22 (b) When the commission grants an application for a license or
23 approval, the commission may limit or place restrictions thereon as it
24 may deem necessary in the public interest, consistent with the policies
25 described in this chapter.

26 (c) When an application is denied, the commission shall
27 prepare and file a detailed statement of its reasons for the denial.

28 (d) All proceedings at a meeting of the commission relating to
a license application shall be recorded stenographically or by audio or
video recording.

(e) 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 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 commission's jurisdiction.

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

1 6. Business and Professions Code, section 19871 provides:

2 (a) The commission meeting described in Section 19870 shall
3 be conducted in accordance with regulations of the commission and as
4 follows:

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

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

7 (A) To call and examine witnesses.

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

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

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

15 (E) To offer rebuttal evidence.

16 (3) If the applicant does not testify in his or her own
17 behalf, he or she may be called and examined as if under cross-
18 examination.

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

27 (b) Nothing in this section confers upon an applicant a right to
28 discovery of the department's⁵ investigative reports or to require
disclosure of any document or information the disclosure of which is
otherwise prohibited by any other provision of this chapter.

1 7. Business and Professions Code section 19984, subdivision (b), provides, in part:

2 The commission shall establish reasonable criteria for, and
3 require the licensure and registration of, any person or entity that
4 provides proposition player services to gambling establishments
5 pursuant to this section, including owners, supervisors, and players . . .
6 The commission may impose licensing requirements, disclosures,

7 ⁵ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
8 (h).)

1 approvals, conditions, or limitations as it deems necessary to protect
2 the integrity of controlled gambling in this state

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

5 If the Commission elects to hold an evidentiary hearing, the
6 hearing will be conducted as a GCA hearing under Section 12060,
7 unless the Executive Director or the Commission determines the
8 hearing should be conducted as an APA hearing under Section
9 12058

10 9. California Code of Regulations, title 4, section 12060, subdivision (b) provides:

11 When the Commission has elected to hold a GCA hearing, the
12 Executive Director shall give notice to the applicant, pursuant to
13 paragraph (2) subsection (c) of Section 12052, to the Office of the
14 Attorney General, and to the Bureau no later than 60 calendar days in
15 advance of the GCA hearing.

16 10. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

17 Registrations, licenses, and badges are specific to the primary
18 owner. Third party proposition player services cannot be provided
19 without first applying for and obtaining a registration, license, or
20 badge.

21 11. California Code of Regulations, title 4, section 12205 provides:

22 (a) Any regular registration issued in accordance with this
23 chapter⁶ shall be subject to cancellation pursuant to this section. A
24 registration shall be cancelled if the Commission determines after a
25 noticed hearing that the registrant is ineligible for registration, has
26 failed in the application for registration to reveal any fact material to
27 the holder's qualification for registration, or has supplied information
28 in the registration application that is untrue or misleading as to a
material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set
forth in subsection (a) apply, then the Executive Director shall
immediately do all of the following:

(1) Provide written notice to the registrant and the
Bureau of the cancellation of the registration and the grounds
thereof, and provide written notice of the cancellation to the
owner, if the registrant is a supervisor, player, or other employee
and to any gambling establishment in which the registrant
provides proposition player services.

⁶ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 (2) Notify the registrant, if an individual, that he or she
2 is required to surrender the registrant's badge to the Commission
3 not more than ten days following the date that the notice of the
4 cancellation was mailed or such greater time as is authorized by
5 the Executive Director.

6 **SPECIFIC STATUTORY PROVISIONS**

7 12. Business and Professions Code section 19856 provides, in part:

8 (a) Any person who the commission determines is qualified to
9 receive a state license, having due consideration for the proper protection
10 of the health, safety, and general welfare of the residents of the State of
11 California and the declared policy of this state, may be issued a license.
12 The burden of proving his or her qualifications to receive any license is
13 on the applicant.

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

17 (c) In reviewing an application for any license, the commission
18 shall consider whether issuance of the license is inimical to public health,
19 safety, or welfare, and whether issuance of the license will undermine
20 public trust that the gambling operations with respect to which the license
21 would be issued are free from criminal and dishonest elements and would
22 be conducted honestly. (a) The burden of proving his or her
23 qualifications to receive any license is on the applicant.

24 13. Business and Professions Code, section 19857 provides:

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

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

(b) 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.

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

1 14. Business and Professions Code section 19859 provides, in part:

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

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

5 (b) Failure of the applicant to provide information,
6 documentation, and assurances required by this chapter or
7 requested by the chief, or failure of the applicant to reveal
8 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.

9 15. Business and Professions Code section 19866 provides:

10 An applicant for licensing or for any approval or consent
11 required by this chapter, shall make full and true disclosure of all
12 information to the department and the commission as necessary to
13 carry out the policies of this state relating to licensing, registration,
and control of gambling.

14 16. California Code of Regulations, title 4, section 12200.18, provides, in part:

15 The Commission may revoke a registration or license, upon any
16 of the following grounds, after a hearing conducted pursuant to the
17 same procedures applicable to the revocation of a gambling
establishment license:

18 (a) The registrant or licensee committed, attempted to
19 commit, or conspired to commit any acts prohibited by the
Act⁷] or this chapter.

20 (b) Any act or omission by the registrant that would
21 disqualify the registrant from obtaining registration under this
chapter. Any act or omission by the licensee that would
22 disqualify the licensee from obtaining licensing under this
chapter.

23 * * *

24 (f) The registrant or licensee concealed or refused to
25 disclose any material fact in any inquiry by the Bureau or the
26 Commission.

27
28 ⁷ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

17. California Code of Regulations, title 4, section 12218.11, provides, in part:

A requester shall be ineligible for licensing for any of the following causes:

* * *

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) 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).

* * *

(j) The applicant is ineligible based on any other provision of law.