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CALIFORNIA GAMBLING  
CONTROL COMMISSION  
2014 JAN 29 AM 11: 1

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

13 **In the Matter of the Accusation Against:**

14  
15 **CHENG VANG**  
aka: **CHENG NHIWA VANG**  
16 6104 22nd Street  
Rjo Linda, California 95673  
17

18 Key Employee License No. GEKE-000317

19  
20 **Respondent.**  
21

BGC No.: BGC-HQ2013-00008AC

OAH No. \_\_\_\_\_

ACCUSATION



22 Complainant alleges as follows:

23 PARTIES

24 1. Wayne J. Quint, Jr. (Complainant) brings this Accusation solely in his official  
25 capacity as the Chief of the California Department of Justice, Bureau of Gambling Control  
26 (Bureau).

27 2. On or about September 25, 2002, the California Gambling Control Commission  
28 (Commission) issued a key employee license to Cheng Vang (Respondent), license number

1 GEKE-000317. Respondent's key employee license will expire on March 31, 2014, unless  
2 renewed.

3 **JURISDICTION**

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

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

9 4. Business and Professions Code section 19823, subdivision (a) provides:

10 The responsibilities of the commission include, without limitation,  
11 all of the following:

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

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

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

22 (a) Every key employee shall apply for and obtain a key  
23 employee license.

24 (b) No person may be issued a key employee license unless  
25 the person would qualify for a state gambling license. [<sup>1</sup>]

26 6. Business and Professions Code section 19824 provides, in part:

27 The commission shall have all powers necessary and proper to  
28 enable it fully and effectually to carry out the policies and purposes of  
this chapter<sup>2</sup>, including, without limitation, the power to do all of the  
following:

<sup>1</sup> "State gambling license" is defined as any license issued by the state that authorizes the person named therein to conduct a gambling operation. (Bus. & Prof. Code, § 19805, subd. (p).)

<sup>2</sup> Hereinafter, "chapter" refers to Business and Professions Code, division 8, chapter 5,  
(continued...)

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(b) For any cause deemed reasonable by the commission . . . limit, condition, or restrict any license, permit, or approval, or impose any fine upon any person licensed or approved. The commission may condition, restrict, discipline, or take action against the license of an individual owner endorsed on the license certificate of the gambling enterprise whether or not the commission takes action against the license of the gambling enterprise.

\* \* \*

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

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

The department<sup>[3]</sup> 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.

8. Business and Professions Code section 19930, subdivision (b) provides:

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

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(...continued)  
(commencing with section 19800), also known as the Gambling Control Act.

<sup>3</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

1 9. California Code of Regulations, title 4, section 12554, subdivision (a), provides, in  
2 part:

3 Upon the filing with the Commission of an accusation by the Bureau  
4 recommending revocation, suspension, or other discipline of a holder of a  
5 license, registration, permit, finding of suitability, or approval, the  
6 Commission shall proceed under Chapter 5 (commencing with section  
7 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

### 7 COST RECOVERY

8 10. Business and Professions Code section 19930 provides, in part:

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

14 \* \* \*

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

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

18 (2) The preparation and prosecution of the case by the  
19 Office of the Attorney General.

### 20 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

21 11. Business and Professions Code section 19850 provides:

22 Every person who, either as owner, lessee, or employee, whether for  
23 hire or not, either solely or in conjunction with others, deals, operates,  
24 carries on, conducts, maintains, or exposes for play any controlled game  
25 in this state, or who receives, directly or indirectly, any compensation or  
26 reward, or any percentage or share of the money or property played, for  
27 keeping, running, or carrying on any controlled game in this state, shall  
28 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. In any criminal prosecution for violation of this  
section, the punishment shall be as provided in Section 337j of the Penal  
Code.

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12. Business and Professions Code section 19857 provides, in part:

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

(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.

13. California Code of Regulations, title 4, section 12568 provides, in pertinent part:

(a) A license<sup>[4]</sup> for an individual or any finding of suitability<sup>[5]</sup> or approval granted by the Commission, . . . shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum of revocation, . . . if the Commission finds that the holder has:

\*\*\*

(4) Engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling.

\*\*\*

(6) Engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling that is inimical to the health, welfare or safety of the general public.

\*\*\*

(c) A state gambling license,<sup>[6]</sup> finding of suitability, or approval granted by the Commission, . . . shall be subject to revocation by the Commission on any of the following grounds:

<sup>4</sup> “‘License’ means a gambling license, key employee license, or any other license issued by the commission pursuant to this chapter or regulations adopted pursuant to this chapter.” (Bus. & Prof. Code, § 19805, subd. (z).)

<sup>5</sup> “‘Finding of suitability’ means a finding that a person meets the qualification criteria described in subdivisions (a) and (b) of Section 19857, and that the person would not be disqualified from holding a state gambling license on any of the grounds specified in Section 19859.” (Bus. & Prof. Code, § 19859, subd. (j).)

<sup>6</sup> “‘Gambling license’ or ‘state gambling license’ means any license issued by the state (continued...) ”

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2 (3) If the Commission finds the holder no longer meets any  
3 criterion for eligibility, qualification, suitability or continued  
4 operation, including those set forth in Business and Professions  
5 code section 19857, 19858, or 19880, as applicable . . . .

6 **FIRST CAUSE OF ACTION FOR REVOCATION**

7 **(Dishonest, Fraudulent, or Deceptive Appropriation of  
8 Money from a Gambling Establishment)**

9 14. Respondent's key employee license is subject to revocation pursuant to Business and  
10 Professions Code sections 19850 and 19857, and California Code of Regulations, title 4, section  
11 12568, subdivisions (a)(4), and/or (c)(3), in that, on or about April 29, 2011,<sup>7</sup> and for an unknown  
12 period of time prior thereto, while employed as a key employee at the Capitol Casino,<sup>8</sup>  
13 Respondent dishonestly, fraudulently or deceptively appropriated a total of approximately  
14 \$130,000.00<sup>9</sup> from that gambling establishment.

15 **SECOND CAUSE OF ACTION FOR REVOCATION**

16 **(Conduct on the Premises of the Gambling Establishment or in Connection with Controlled  
17 Gambling that is Inimical to the Health, Welfare or Safety of the General Public)**

18 15. Respondent's key employee license is subject to revocation pursuant to Business and  
19 Professions Code sections 19850 and 19857, and California Code of Regulations, title 4, section  
20 12568, subdivisions (a)(6) and/or (c)(3), in that, as alleged in paragraph 14 and incorporated  
21 herein by reference, Respondent misappropriated a total of approximately \$130,000.00 from the

22 (...continued)

23 that authorizes the person named therein to conduct a gambling operation." (Bus. & Prof. Code,  
24 § 19805, subd. (p).)

25 <sup>7</sup> Respondent's employment at the Capitol Casino was terminated on or about April 29,  
26 2011. The exact dates on which Respondent misappropriated money from that gambling  
27 establishment while employed thereat are unknown.

28 <sup>8</sup> Capitol Casino is a licensed gambling establishment located at 411 North 16th Street in  
Sacramento, California.

<sup>9</sup> Respondent has repaid Capitol Casino approximately \$50,000.00 of the \$130,000.00 he  
misappropriated from that gambling establishment.

1 Capitol Casino. Respondent gambled with some of that pilfered money at that gambling  
2 establishment. Respondent also loaned and/or gave some of that pilfered money to private  
3 individuals and employees of Capitol Casino for the primary purpose of gambling at that  
4 gambling establishment.

5 PRAYER

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

- 8 1. Revoke key employee license, number GEKE-000317, issued to Cheng Vang, a.k.a.  
9 Cheng Nhiawa Vang;
- 10 2. Award Complainant the costs of investigation and costs of bringing this Accusation  
11 before the Commission, pursuant to Business and Professions Code section 19930, in a sum  
12 according to proof, from the Respondents jointly and severally; and
- 13 3. Take such other and further action as the Commission may deem appropriate.

14  
15 Dated: January 24<sup>th</sup>, 2014.

  
\_\_\_\_\_  
WAYNE J. QUINT, JR., Chief  
Bureau of Gambling Control  
Department of Justice  
State of California  
Complainant