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**CALIFORNIA GAMBLING
CONTROL COMMISSION**

In the Matter of the Application for a Key Employee License Regarding:

CGGC Case No. 2013-0321-1

**CRAIG TERUO OGASAWARA, aka:
CRAIG TURVO OGASAWARA and
CRAIG OGASAWARA**

STATEMENT OF PARTICULARS

Applicant.

PARTIES

1. Wayne J. Quint, Jr., submits this Statement of Particulars solely in his official capacity as the Chief of the California Department of Justice, Bureau of Gambling Control (Bureau).
 2. On or about July 12, 2011, Craig Teruo Ogasawara (Applicant) filed an Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 08/09), with the California Gambling Control Commission (Commission) for a key employee portable personal license.

1 3. At its March 21, 2013 meeting, the Commission referred the question of Applicant's
2 suitability for licensure to an evidentiary hearing.

3 4. On or about April 2, 2013, pursuant to California Code of Regulations, title 4, section
4 12050, subdivision (b), the Commission's Executive Director set the matter for a hearing to be
5 conducted pursuant to the provisions of Business and Professions Code sections 19870 and 19871,
6 and California Code of Regulations, title 4, section 12050, subdivision (b)(2).

7 **JURISDICTION**

8 5. Business and Professions Code section 19811, subdivision (b), provides:

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

12 6. Business and Professions Code section 19823 provides:

13 (a) The responsibilities of the commission include, without
14 limitation, all of the following:

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

18 (2) Assuring that there is no material involvement,
directly or indirectly, with a licensed gambling operation,
or the ownership or management thereof, 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.

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

22 7. Business and Professions Code section 19824 provides in part:

23 The commission shall have all powers necessary and proper to
enable it fully and effectually to carry out the policies and purposes of

this chapter, including, without limitation, the power to do all of the following:

* * *

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, 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.

8. Business and Professions Code section 19854, subdivision (a), provides:

Every key employee shall apply for and obtain a key employee license.

9. Business and Professions Code section 19870 provides:

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

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

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

(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.

10. Business and Professions Code section 19871 provides:

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

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

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

(A) To call and examine witnesses.

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

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

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

(E) To offer rebuttal evidence.

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

(4) The meeting need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a finding, if it is the sort of 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.

(b) Nothing in this section confers upon an applicant a right to discovery of the department's^[1] 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.

SPECIFIC STATUTORY AND REGULATORY PROVISIONS

11. Business and Professions Code section 19856, subdivision (a) provides in part:

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

12. Business and Professions Code section 19854, subdivision (b) provides:

No person may be issued a key employee license unless the person would qualify for a state gambling license.

13. Business and Professions Code section 19857 provides in part:

No gambling license shall be issued unless, based on all 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.

LICENSURE CONSIDERATIONS

(Misdemeanor Criminal Convictions)

14. Applicant has a history of misdemeanor criminal convictions that presents a question whether Applicant is qualified for licensure pursuant to the criteria set forth in Business and Professions Code section 19857. The circumstances are as follows:

¹ "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

1 a. On or about September 22, 2005, Applicant was convicted of violating Vehicle Code
2 section 40508, subdivision (a), failure to appear, a misdemeanor, in the case of *People of the State*
3 *of California v. Craig Ogasawara* (Super. Ct. Santa Clara County, 2005, No. H3007161). The
4 conviction resulted from Applicant's failure to appear on time in Santa Clara County Traffic Court
5 on citations for speeding (Veh. Code, § 40508(A)) and disobeying traffic lane signs (Veh. Code, §
6 21655.5). The citations were dismissed upon Applicant's plea of guilty to the failure to appear.

7 b. On or about September 4, 2001, Applicant was convicted of violating Penal Code
8 section 273.6, subdivision (a), violation of a protective order, a misdemeanor; section 415,
9 subdivision (1), fighting or challenging to fight in a public place, a misdemeanor; and section 243,
10 subdivision (e), battery, a misdemeanor; in the case of *People of the State of California v. Craig*
11 *Teruo Ogasawara* (Super. Ct. Santa Clara County, 2001, No. CC057502). These misdemeanor
12 convictions arose out of a custody dispute with Applicant's son's mother and his concern for his
13 son's welfare. There was no physical violence involved. Applicant ultimately obtained sole
14 custody of his son and the mother has no visitation rights.

15 c. On or about September 29, 1995, Applicant was convicted in the State of Nevada of
16 violating Douglas County Code 9.454.351,² possession of a drug which may not be introduced into
17 interstate commerce, a misdemeanor, in the case of *People of Nevada v. Craig Ogasawara* (Justice
18 Ct., Tahoe Township, Douglas County, 1995, No. 95-0745). Applicant was in possession of
19 marijuana.

BUREAU RECOMMENDATION

15. On or about January 7, 2013, the Bureau recommended to the Commission that
Applicant's Application for Gambling Establishment Key Employee License, CGCC-031 (Rev.
08/09) be granted. That recommendation took into account the following factors:

a. Applicant has been employed in various capacities in the licensed gambling industry in California and Nevada since August 2000. Such employment includes being employed as a key

² Douglas County Code, section 9.454.351 (DCC 9.454.351), mirrors Nevada Public Health and Safety Code, section 454.351(N.R.S. 454.351).

1 employee (floor manager) with Bankers Casino, a licensed gambling establishment located in
2 Salinas, California, from May 2011 through March 2013.³ There is no history of any employment
3 problems during the nearly 13 years Applicant has been employed in the licensed gambling
4 industry; or any evidence that, as a result of Applicant's employment, he posed a threat to the
5 public's interest, or to the effective regulation and control of controlled gambling, or created or
6 enhanced the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the
7 conduct of controlled gambling or in the carrying on of the business and financial arrangements
8 incidental thereto.

b. It has been nearly eight years since Applicant's misdemeanor conviction of violating Vehicle Code section 40508, subdivision (a), failure to appear; approximately 12 years since Applicant's misdemeanor convictions for violating Penal Code section 273.6, subdivision (a), section 415, subdivision (f), and section 243, subdivision (e); and approximately 18 years since Applicant's misdemeanor conviction for violation of Douglas County Code 9.454.351.

14 c. There is no evidence of Applicant having a history of repeated violations of the same
15 or similar criminal offenses.

16 d. There is no evidence of Applicant having a history of violating any of the provisions
17 of the Gambling Control Act (Bus. & Prof. Code, § 19800, et seq.).

18 e. Applicant has been cooperative and honest during the Bureau's investigation of
19 Applicant's suitability for licensure.

f. Applicant does not appear to pose a threat to the health, safety or welfare of the public.

CONCLUSION

WHEREFORE, Bureau Chief Wayne J. Quint, Jr., consistent with the recommendation made by letter dated January 7, 2013, recommends that following the hearing to be held on the matters herein alleged the Commission issue a decision granting the Application for Gambling

³ Individuals, such as Applicant, who meet certain requirements, may work in a key employee position for a licensed gambling establishment pending the California Gambling Commission taking a final action on that person's application for licensure. (Cal. Code. Regs., tit. 4, § 12354)

1 Establishment Key Employee License, CGCC-031 (Rev. 08/09), submitted by Craig Teruo
2 Ogasawara and issue him a key employee portable personal license.

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5 Dated: May 30, 2013

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Wayne J. Quint, Jr., Chief
Bureau of Gambling Control
California Department of Justice