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

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

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

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).  
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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).)<sup>1</sup> 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 <sup>1</sup> The statutes and regulations applicable to this Accusation are quoted in pertinent part  
in Appendix A.

1           7.       In a matter involving discipline of a license, the Bureau may recover its costs of  
2 investigation and prosecuting the proceeding. (Bus. & Prof. Code, § 19930, subd. (d).)

3                           **COMPREHENSIVE REGULATION AND LICENSING**

4           8.       Holding a license issued under the Act is a revocable privilege. (Bus. & Prof.  
5 Code, § 19801, subd. (k).) The Act provides for comprehensive regulation to prevent that  
6 privilege from being abused. Comprehensive regulation of gambling operations maintains the  
7 public trust that permissible gambling will not endanger the public health, safety, and welfare.  
8 That comprehensive regulation covers all persons, practices, and associations related to the  
9 operation of lawful gambling establishments. (Bus. & Prof. Code, § 19801, subd. (h).) The Act  
10 mandates that all persons having involvement in gambling operations must be licensed and  
11 regulated, including key employees. (Bus. & Prof. Code, §§ 19801, subd. (i), 19854.)

12           9.       The Act makes unqualified for licensure any person who is not of good  
13 character, honesty, and integrity. (Bus. & Prof. Code, § 19857, subd. (a); see Cal. Code Regs.,  
14 tit. 4, § 12355, subd. (a)(1) [mandatory denial of key employee license applicant].) The Act  
15 also makes unqualified for licensure any person whose prior activities and associations pose a  
16 threat to effective regulation and control of controlled gambling, or create or enhance the  
17 dangers of unsuitable, unfair, or illegal practices, methods, and activities in carrying on the  
18 business and financial arrangements incidental to the conduct of controlled gambling. (Bus. &  
19 Prof. Code, § 19857, subd. (b); see also Cal. Code Regs., tit. 4, § 12355, subd. (a)(1)  
20 [mandatory denial of key employee license applicant].)

21                           **FIRST CAUSE FOR DISCIPLINE**

22                   **(Violations of Business and Professions Code section 19984, subd. (a) – Interest in**  
23                   **Funds Wagered, Lost, or Won)**

24           10.       Respondent’s license is subject to discipline by revocation or suspension because  
25 on August 28 and 29, 2018, and other times presently unknown to the Bureau, Respondent  
26 played one or more controlled games<sup>2</sup> using the Card Room’s gambling chips while on duty as

27                   <sup>2</sup> “‘Controlled game’ means any controlled game, as defined in subdivision (e) of  
28 Section 337j of the Penal Code.” (Bus. & Prof. Code, § 19805, subd. (g).) Penal Code section

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;

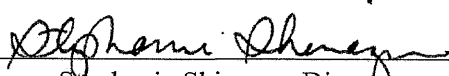
26 \_\_\_\_\_  
27 337j, subdivision (e)(1), provides in pertinent part that "[a]s used in this section 'controlled  
28 game' means any poker or Pai Gow game, and any other game played with cards or tiles, or  
both, and approved by the Department of Justice . . . ."

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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

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

2    **Jurisdictional Provisions**

3                    1.    Business and Professions Code section 19811 provides, in part:

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

8                    2.    Business and Professions Code section 19823 provides:

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

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

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

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

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

25                                    The commission shall have all powers necessary and proper to enable  
26                                    it fully and effectually to carry out the policies and purposes of this  
27                                    chapter, including, without limitation, the power to do all of the following:

28    \* \* \*

    (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.

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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 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.

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,

<sup>3</sup> “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.