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 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 Work Permit:

BGC Case No. BGC-HQ2014-00010SL

15 LIPPINE NOP

CGCC Case No: CGCC-2014-05-08-7

16 [REDACTED]
 17 Temporary Work Permit No. GEWP-001900

STATEMENT OF REASONS

18 Respondent.
 19



20
 21 Complainant alleges as follows:

22 PARTIES

23 1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons for Denial of
 24 Application for a Work Permit solely in his official capacity as the Chief of the California
 25 Department of Justice, Bureau of Gambling Control (Bureau).

26 2. On or about October 11, 2012, Lippine Nop (Respondent) submitted an application to
 27 the California Gambling Control Commission (Commission) for a regular work permit to allow
 28

1 her employment at the Empire Sportsmen's Association (Empire), a licensed gambling
2 establishment in Modesto, California.

3 3. On or about October 12, 2012, the Commission issued Respondent a temporary work
4 permit, number GEWP-001900, which allowed her employment at Empire pending action upon
5 her application for a regular work permit. Respondent's temporary work permit was continuously
6 extended by the Commission until on or about May 20, 2014, when the Commission's Executive
7 Director cancelled Respondent's temporary work permit. This cancellation was required by
8 California Code of Regulations, title 4, section 12128, subdivisions (b)(2) and (c), because the
9 Bureau recommended that her application for a regular work permit be denied.¹

10 4. At its May 8, 2014 meeting, the Commission referred the determination of
11 Respondent's suitability to be granted a regular work permit to an evidentiary hearing.

12 5. On or about May 20, 2014, pursuant to California Code of Regulations, title 4, section
13 12050, subdivision (b), the Commission's Executive Director sent the matter for a hearing to be
14 conducted pursuant to the provisions of Business and Professions Code sections 19870 and 19871.

15 6. On or about June 11, 2014, Respondent submitted a second application to the Bureau
16 for a regular work permit concerning her employment at Empire,² despite her temporary work
17 permit having been cancelled, which, as she was advised, required the immediate cessation of her
18
19

20 ¹ The cancellation of a temporary work permit does not stop the processing or review
21 (which includes, when appropriate, an evidentiary hearing) of the application for a regular work
22 permit. (Cal. Code. Regs., tit. 4, § 12124.)

23 ² Respondent's second application is not a new or different application within the meaning
24 of Business and Professions Code section 19868, subdivision (d). Rather, in effect, Respondent
25 merely sent the Bureau a second copy of her original application for the same job at the same
26 gambling establishment, while the determination regarding her original application was already
27 pending, and as yet unresolved, before the Commission in the evidentiary hearing process. It
28 should be noted that the process has already passed the point where Respondent can request to
withdraw her original application. (Bus. & Prof. Code, § 19869.) Accordingly, Respondent
cannot now stop the evidentiary hearing process that is currently underway regarding her original
application for a work permit by filing this second application.

1 employment as a gambling enterprise employee³ at Empire; and the Commission's having already
2 sent the matter of her suitability for a regular work permit at Empire to an evidentiary hearing.⁴

3 7. On or about June 16, 2014, the Bureau advised the Respondent that her duplicative
4 application would not be processed by the Bureau because the Bureau had already recommended
5 denial of her application for a regular work permit at Empire, her temporary work permit had been
6 cancelled, and the Commission had already referred the matter of her application for a regular
7 work permit at Empire to hearing. Should the Commission determine that Respondent's second
8 application for a regular work permit at the same gambling establishment must also be processed,
9 despite the current proceedings, then the Complainant requests that a determination regarding such
10 an identical application be consolidated with the present case.

11 JURISDICTION

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

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

16 9. Business and Professions Code section 19823 provides:

17 (a) The responsibilities of the commission include, without
18 limitation, all of the following:

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

23 ³ "Gambling enterprise employee" means any natural person employed in the operation of
24 a gambling enterprise, including, among others, cage personnel, collection personnel and
25 waitresses. (Bus. & Prof. Code, § 19805, subd. (n).) Both of Respondent's applications for a
regular work permit to be employed at Empire include her working in the cage and/or collections.
Her first application also included duties as a waitress.

26 ⁴ Respondent's apparent purpose in filing another application is to try to "reset" her
27 application date relative to a prior criminal conviction that would, on the basis of her original
28 application date, constitute a basis for mandatory denial as pled below in paragraphs 18, 19 and
20.

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

7 (b) For the purposes of this section, "unqualified person"
8 means a person who is found to be unqualified pursuant to the
9 criteria set forth in Section 19857, and "disqualified person" means
10 a person who is found to be disqualified pursuant to the criteria set
11 forth in Section 19859.

12 10. Business and Professions Code section 19824 provides in part:

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

17 * * *

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

27 * * *

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

11. Business and Professions Code section 19870 provides:

(a) The commission, after considering the recommendation of
the 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.

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

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

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

8 (e) A decision of the commission denying a license or approval,
9 or imposing any condition or restriction on the grant of a license or
10 approval may be reviewed by petition pursuant to Section 1085 of the
11 Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure
12 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.

13 12. Business and Professions Code section 19871 provides:

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

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

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

20 (A) To call and examine witnesses.

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

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

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

27 (E) To offer rebuttal evidence.
28

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

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

12 (b) Nothing in this section confers upon an applicant a right to
13 discovery of the department's⁽⁵⁾ investigative reports or to require
14 disclosure of any document or information the disclosure of which is
15 otherwise prohibited by any other provision of this chapter.

16 13. Business and Professions Code section 19912, provides in part:

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

22 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

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

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

26 15. Business and Professions Code section 19857 provides:

27 No gambling license shall be issued unless, based on all the
28 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

⁵ Hereinafter, "department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

1 interest of this state, or to the effective regulation and control of
2 controlled gambling, or create or enhance the dangers of unsuitable,
3 unfair, or illegal practices, methods, and activities in the conduct of
4 controlled gambling or in the carrying on of the business and financial
5 arrangements incidental thereto.

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

8 16. Business and Professions Code section 19859 provides in part:

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

11 * * *

12 (b) Failure of the applicant to provide information,
13 documentation, and assurances required by the chapter or requested by
14 the chief, or failure of the applicant to reveal any fact material to
15 qualification, or the supplying of information that is untrue or
16 misleading to a material fact pertaining to the qualification criteria.

17 * * *

18 (d) Conviction of the applicant for any misdemeanor involving
19 dishonesty or moral turpitude within the 10-year period preceding the
20 submission of the application, unless the applicant has been granted
21 relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal
22 Code; provided, however, that granting of relief pursuant to Section
23 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a
24 limitation on the discretion of the commission under Section 19856 or
25 affect the applicant's burden under Section 19857.

26 17. California Code of Regulations, title 4, section 12105 provides in part:

27 (a) An application for a work permit shall be denied by the
28 Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory
disqualification under Business and Professions Code section
19859.

(2) The applicant is found unqualified pursuant to the
criteria set forth in subdivisions (a) or (b) of Business and
Professions Code section 19857.

* * *

1 (c) The grounds for denial set forth in this section apply in
2 addition to any grounds prescribed by statute.

3 **FIRST CAUSE FOR DENIAL OF APPLICATION**

4 **(Criminal Conviction – Crime of Moral Turpitude)**

5 18. Respondent's application for a regular work permit is subject to mandatory denial
6 pursuant to Business and Professions Code, sections 19912 and 19859, subdivision (d), and
7 California Code of Regulations, title 4, section 12105, subdivisions (a)(1) and (c), in that on or
8 about April 22, 2003, upon a plea of guilty, Respondent was convicted of violating Michigan
9 Penal Code section 750.356D4, Retail Fraud, Third Degree, a misdemeanor and crime of moral
10 turpitude or dishonesty, in the case of *City of Holland v. Lippine Noy* (Mich. 58th Judicial Dist.,
11 2003, No. HL-01-0040355-SM.)

12 Respondent submitted her application on or about October 11, 2012, which was less than
13 ten years from the date of her 2003 conviction. Respondent has not been granted relief from this
14 conviction pursuant to Penal Code, sections 1203.4, 1203.4a, or 1203.45; or any other provision of
15 law; or been granted the equivalent relief in the State of Michigan.

16 **SECOND CAUSE FOR DENIAL OF APPLICATION**

17 **(Failure to Disclose – Untrue Statement: Criminal Conviction)**

18 19. Respondent's application for a regular work permit is subject to mandatory denial
19 pursuant to Business and Professions Code sections 19912 and 19859, subdivision (b), and
20 California Code of Regulations, title 4, section 12105, subdivisions (a)(1) and (c), in that on or
21 about October 11, 2012, Respondent failed to disclose in her application her 2003 conviction,
22 which is pled above in paragraph 18 and incorporated herein by reference. Rather, Respondent,
23 under penalty of perjury, affirmatively stated that she had not been convicted of a misdemeanor
24 crime of dishonesty or moral turpitude within the prior ten years.

25 **THIRD CAUSE FOR DENIAL OF APPLICATION**

26 **(Failure to Disclose – Untrue Statement: Criminal Conduct)**

27 20. Respondent's application for a regular work permit is subject to mandatory denial
28 pursuant to Business and Professions Code sections 19912 and 19859, subdivision (b), and

1 California Code of Regulations, title 4, section 12105, subdivisions (a)(1) and (c), in that on or
2 about June 18, 2013, Respondent provided the Bureau with a false or significantly misleading
3 statement regarding the circumstances that lead to her 2003 conviction, in which she pled guilty
4 and which is pled above in paragraph 18 and incorporated herein by reference. Respondent told
5 the Bureau that her sister stole a pair of shoes for which she took the blame. In fact, in addition to
6 the items stolen by her sister (sandals and a purse), Respondent stole a carton of cigarettes and
7 laundry detergent from the store.

8 FOURTH CAUSE FOR DENIAL OF APPLICATION

9 (Unqualified for Licensure)

10 21. In the event the Commission finds that Respondent's conduct, as pled in paragraphs
11 18, 19 or 20 above, and incorporated herein by reference, does not subject Respondent's
12 application to mandatory denial, then Respondent's application for a regular work permit is subject
13 to denial pursuant to Business and Professions Code sections 19912 and 19857, subdivisions (a)
14 or (b), and California Code of Regulations, title 4, sections 12105, subdivisions (a)(2) and (c), in
15 that Respondent has demonstrated she lacks the requisite qualifications to be granted a regular
16 work permit. In addition to the conduct plead in paragraphs 18, 19 and 20 above, and incorporated
17 herein by reference, on or about May 1, 2001, upon a plea of guilty, Respondent was convicted of
18 violating Michigan Prosecuting Attorney's Coordinating Council (PACC)/Ordinance section
19 436.1701A, Under Age Drinking, a misdemeanor, in the case of *City of Holland v. Lippine Nop*
20 (Mich. 58th Judicial Dist., 2001, No. HL-01-001382-SM.)

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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 a Work Permit; and
2. Taking such other and further action as the Commission may deem appropriate.

Dated: August 26TH, 2014


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