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2015 AUG 10 PM 12: 10

CALIFORNIA GAMBLING  
CONTROL COMMISSION

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

14 **In the Matter of the Statement of Reasons  
Against:**

BGC Case No. BGC-HQ2015-00002SL

CGCC Case No. CGCC-2014-1211-13

16 **Andre Alex Owens**  
17 

STATEMENT OF REASONS

18  
19 **Respondent.**

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21 Complainant alleges as follows:

22 **PARTIES**

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

26 2. On or about February 18, 2014, Andre Alex Owens (Respondent) submitted an  
27 Initial/Temporary Work Permit Application to work in a licensed Gambling Establishment, and a  
28

1 Work Permit Questionnaire (collectively, application) to the California Gambling Control  
2 Commission (Commission).

3 3. On or about November 3, 2014, the Bureau submitted to the Commission a Work  
4 Permit Employee Background Investigation Report recommending that Respondent's application  
5 be denied.

6 4. At its December 11, 2014 meeting, the Commission referred Respondent's  
7 application to an evidentiary hearing.<sup>1</sup>

8 5. On or about March 4, 2015, Respondent submitted a Notice of Defense requesting an  
9 evidentiary hearing to consider the merits of his application and the Bureau's recommendation to  
10 deny his application.

### 11 JURISDICTION

12 6. Business and Professions Code section 19811 provides, in part:

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

16 7. 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 are not  
20 issued to, or held by, unqualified or disqualified persons, or by  
21 persons whose operations are conducted in a manner that is  
inimical to the public health, safety, or welfare.

22 (2) Assuring that there is no material involvement,  
23 directly or indirectly, with a licensed gambling operation, or the  
24 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.

25 (b) For the purposes of this section, "unqualified person" means a  
26 person who is found to be unqualified pursuant to the criteria set forth in

27 <sup>1</sup> On November 21, 2014, the Commission cancelled Respondent's Temporary Work  
28 Permit pursuant to title 4 of the California Code of Regulations, section 12128, subdivision (b)(2).

1 Section 19857, and a "disqualified person" means a person who is found  
2 to be disqualified pursuant to the criteria set forth in Section 19859.

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

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

8 \* \* \*

9 (b) For any cause deemed reasonable by the commission,  
10 deny any application for a license, permit, or approval provided for  
11 in this chapter or regulations adopted pursuant to this chapter, limit,  
12 condition, or restrict any license, permit, or approval, or impose any  
13 fine upon any person licensed or approved.

14 \* \* \*

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

18 9. Business and Professions Code, section 19870 provides:

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

25 (b) When the commission grants an application for a license or  
26 approval, the commission may limit or place restrictions thereon as it  
27 may deem necessary in the public interest, consistent with the policies  
28 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.

<sup>2</sup> Hereinafter, "chapter" refers to Business and Professions Code, division 8, chapter 5,  
(commencing with section 19800), also known as the Gambling Control Act.

1 (e) A decision of the commission denying a license or approval,  
2 or imposing any condition or restriction on the grant of a license or  
3 approval may be reviewed by petition pursuant to Section 1085 of the  
4 Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure  
5 shall not apply to any judicial proceeding described in the foregoing  
6 sentence, and the court may grant the petition only if the court finds that  
7 the action of the commission was arbitrary and capricious, or that the  
8 action exceeded the commission's jurisdiction.

9 10. Business and Professions Code, section 19871 provides:

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

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

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

17 (A) To call and examine witnesses.

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

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

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

25 (E) To offer rebuttal evidence.

26 (3) If the applicant does not testify in his or her own behalf,  
27 he or she may be called and examined as if under cross-  
28 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.

1 (b) Nothing in this section confers upon an applicant a right to  
2 discovery of the department's<sup>3</sup> investigative reports or to require  
3 disclosure of any document or information the disclosure of which is  
4 otherwise prohibited by any other provision of this chapter.

4 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

5 11. Title 4 of the California Code of Regulations, section 12105 provides, in part:

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

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

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

12 (b) An application for a work permit may be denied by the  
13 Commission if it finds any of the following:

13 (1) Cause set forth in Business and Professions Code section  
14 19914, subdivision (a), paragraphs (1) through (9), inclusive.

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

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

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

19 (b) A person whose prior activities, criminal record, if any,  
20 reputation, habits, and associations do not pose a threat to the public  
21 interest of this state, or to the effective regulation and control of  
22 controlled gambling, or create or enhance the dangers of unsuitable,  
23 unfair, or illegal practices, methods, and activities in the conduct of  
24 controlled gambling or in the carrying on of the business and  
25 financial arrangements incidental thereto. . . .

24 13. Business and Professions Code section 19859 provides, in part:

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

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

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

(b) Failure of the applicant to provide information, documentation, and assurances required by this chapter or requested by the Chief,<sup>[4]</sup> or failure of the applicant to reveal 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.

(c) Conviction of a felony, including a conviction by a federal court or a court in another state for a crime that would constitute a felony if committed in California.

14. Business and Professions Code section 19866 provides:

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

15. Business and Professions Code section 19914 states, in part:

(a) The commission may [deny] a work permit . . . if the commission finds, after a hearing, that a gambling enterprise [applicant], employee or independent agent has failed to disclose, misstated, or otherwise misled the department or the commission with respect to any fact contained in any application for a work permit, or if the commission finds that the [applicant], employee or independent agent . . . has done any of the following:

(1) Committed, attempted, or conspired to do any acts prohibited by this chapter.

\*\*\*

(3) Concealed or refused to disclose any material fact in any investigation by the department.

\*\*\*

(9) Been convicted of any felony.

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



1 unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled  
2 gambling. Respondent has engaged in repeated illegal behavior since 2003, including a felony  
3 conviction, demonstrating a pattern and practice of an inherent willingness to violate the law and  
4 a conscious disregard for the health, safety, and welfare of others. Respondent's convictions  
5 include:

6 a. On or about April 28, 2003, Respondent was convicted on six counts, upon a  
7 plea of guilty, of violating North Carolina General Statutes, section 14-56, breaking or  
8 entering into a motor vehicle, a Class I felony, in the case of *State of North Carolina v.*  
9 *Andre Alex Owens* (Wake County District Court case No. 01CR 85923).

10 b. On or about July 18, 2005, Respondent was found in violation of the conditions  
11 of probation imposed in Case No. 01CR 85923 and was placed under house arrest and  
12 ordered to wear an electronic monitoring device for thirty days.

13 c. On or about November 1, 2005, Respondent was convicted, upon a plea of  
14 guilty, of violating North Carolina General Statutes, section 14-33, simple assault, a  
15 misdemeanor, in the case of *State of North Carolina v. Andre Alex Owens* (Wake County  
16 District Court Case No. 05CR 104724).

17 **THIRD CAUSE FOR DENIAL**

18 **(Failure to Disclose)**

19 19. Respondent's application is subject to denial pursuant to Business and Professions  
20 Code, section 19857, subdivision (a), Business and Professions Code section 19866, and Title 4  
21 of the California Code of Regulations, section 12105, subdivisions (a) and (b), and mandatory  
22 denial pursuant to Business and Professions Code, section 19859, subdivision (b), in that  
23 Respondent failed to demonstrate that he is a person of good character, honesty, and integrity,  
24 failed to make full and true disclosure of all information to the Department and the Commission  
25 as necessary to carry out the policies of this State relating to licensing, registration, and control of  
26 gaming, failed to provide information, documentation, and assurances required by the Gambling  
27 Control Act or as requested by the Chief, or failed to reveal facts material to his qualification or  
28 the supplied information was untrue or misleading as to a material fact pertaining to the

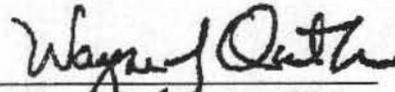
1 qualification criteria. Specifically, Respondent indicated in two places on his application, under  
2 penalty of perjury, that he had never been convicted of a felony, and he failed to disclose on his  
3 application that on or about April 23, 2003, he was convicted on six counts, upon a plea of guilty,  
4 of violating North Carolina General Statutes, section 14-56, breaking or entering into a motor  
5 vehicle, a Class I felony, in the case of *State of North Carolina v. Andre Alex Owens* (Wake  
6 County District Court case No. 01CR 85923). In addition, while Respondent disclosed on his  
7 application that he had a misdemeanor conviction within the previous ten years, he failed to  
8 provide any details about his 2005 assault conviction as required by the application.

9 **PRAYER**

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

- 12 1. Denying Respondent's application; and  
13 2. Taking such other and further action as the Commission may deem appropriate.

14  
15 Dated: August 5, 2015

16 

17 WAYNE J. QUINT JR., Chief  
18 Bureau of Gambling Control  
19 Department of Justice  
20 State of California  
21 Complainant

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DEPARTMENT OF JUSTICE



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August 6, 2015

Pamela Mathauser, Administrative Hearings Coordinator  
California Gambling Control Commission  
2399 Gateway Oaks Boulevard, Suite 200  
Sacramento, CA 95833

RE: In the Matter of the Statement of Reasons Against:  
Andre Alex Owens

Dear Ms. Mathauser:

Enclosed please find for filing the Statement of Reasons in the above-referenced matter. Please file the enclosed Statement of Reasons in accordance with the Commission's usual filing procedures.

Please retain one file-stamped copy of the Statement of Reasons for your files and return the endorsed-filed original to me, for use by the Complainant in the administrative hearing proceedings.

The original Statement of Reasons, together with the other relevant case documentation, pursuant to the Gambling Control Act, will be returned to the Commission following the evidentiary hearing and issuance of the proposed decision in this matter.

If you have any questions regarding this matter, please do not hesitate to contact me at the number listed above. Thank you.

Sincerely,

LINDA THORPE, Secretary to  
T. MICHELLE LAIRD

For KAMALA D. HARRIS  
Attorney General

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Enclosure

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