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

13
14 **In the Matter of the Statement of Reasons**
15 **for Denial of License Application:**

BGC Case No. BGC-HQ2015-00017SL

CGCC Case No: GCADS-GEWP-002142

16 **WILLIAM ANDREW KARR**
17 **Work Permit No. GEWP-002142**

STATEMENT OF REASONS

18 **Respondent.**

19
20 Complainant alleges as follows:

21 **PARTIES**

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

25 2. On May 5, 2014, William Andrew Karr (Respondent) submitted an application¹ for a
26 regular work permit to work as a dealer at Poker Flats Casino in Merced. On the basis of

27 _____
28 ¹ The application form is dated April 1, 2014.

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1 Respondent's application, the Commission issued Respondent temporary work permit number
2 GEWP-002142.

3 3. While Respondent's background investigation was proceeding at the Bureau, the
4 Commission extended Respondent's temporary work permit to August 24, 2105.

5 4. On June 2, 2015, the Bureau completed its background investigation and issued a
6 Work Permit Employee Background Investigation Report dated June 2015. During its
7 investigation, the Bureau learned that Respondent had been convicted of three misdemeanor
8 offenses which are more fully described in paragraph 9, below. On the basis of these convictions,
9 and Respondent's failure to fully disclose them in his application, the Bureau recommended that
10 the Commission deny Respondent's application for a regular work permit.

11 5. On June 10, 2015, the Commission, having received the Bureau's recommendation
12 that Respondent's application be denied, cancelled Respondent's temporary work permit as
13 required by California Code of Regulations, title 4, section 12128, subdivision (b)(2).

14 6. On June 15, 2015, pursuant to California Code of Regulations, title 4, section 12060,
15 subdivision (a), the Commission's Executive Director referred consideration of Respondent's
16 application to an evidentiary hearing to be conducted pursuant to Business and Professions Code
17 section 19870 and California Code of Regulations, title 4, section 12060, and provided Respondent
18 with required notice thereof.

19 7. On June 20, 2015, Respondent executed a Notice of Defense, which was received by
20 the Commission on or about June 29, 2015.

21 8. On November 2, 2015, the evidentiary hearing on Respondent's application for a
22 regular work permit was set for hearing before the Commission commencing at 10:00 a.m., on
23 April 26, 2016, and Respondent was provided with notice thereof.

24 SUMMARY OF THE CASE

25 9. Prior to the date of Respondent's application for a regular work permit, Respondent
26 was convicted of three misdemeanor offenses. Respondent did not disclose two of these
27 convictions when he submitted his application. The occurrences of the undisclosed convictions
28 constitute facts material to Respondent's qualifications for issuance of a regular work permit, and

1 violation of section 23103 (reckless driving) in place of 23152 (driving under the influence). This
2 plea is commonly known as "wet and reckless."

3 **SECOND CAUSE FOR DENIAL OF WORK PERMIT**

4 **(Failure to Disclose Material Information)**

5 11. Respondent's convictions of the misdemeanors described in paragraphs 10(a) and
6 10(c), above, are, for the reasons stated in paragraph 12, below, material to Respondent's
7 qualifications for licensure under the Gambling Control Act. Respondent's application for a
8 regular work permit is subject to denial pursuant to Business and Professions Code section 19859,
9 subdivision (b), and California Code of Regulations, section 12105, subdivision (a)(1), in that
10 Respondent failed to disclose in his application for a regular work permit the convictions described
11 in paragraphs 10(a) and 10(c), above.

12 **THIRD CAUSE FOR DENIAL OF WORK PERMIT**

13 **(Failure to Establish Qualifications)**

14 12. Respondent's application for a regular work permit is subject to denial pursuant to
15 Business and Professions Code section 19857, subdivisions (a) & (b), Business and Professions
16 Code section 19857, subdivisions (a) & (b), and California Code of Regulations, section 12105,
17 subdivisions (a)(1) and (2), in that Respondent's misdemeanor convictions described in
18 paragraphs 10(a), 10(b), and 10(c), above, demonstrate a lack of good character and a pattern and
19 practice of flagrant disregard for the requirements of law and legal authority. Respondent's
20 failure to disclose the misdemeanor convictions described in paragraphs 10(a) and 10(c), above
21 demonstrates a lack of good character, honesty, and integrity, and further demonstrates a
22 disregard for the requirements of law and legal authority. Accordingly, Respondent has failed to
23 clearly establish his eligibility and qualifications in accordance with the Gambling Control Act
24 by failing to establish that he is a person of good character, honesty, and integrity, and failing to
25 establish that he is a person whose prior activities, criminal record, reputation, habits, and
26 associations do not pose a threat to the public interest of this state, or to the effective regulation
27 and control of controlled gambling.

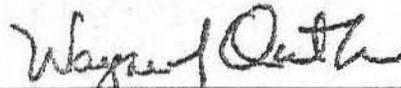
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PRAYER

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 regular work permit; and
2. Taking such other and further action as the Commission may deem appropriate.

Dated: January 14, 2016



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

1 person licensed or approved. The commission may condition, restrict,
2 discipline, or take action against the license of an individual owner
3 endorsed on the license certificate of the gambling enterprise whether
4 or not the commission takes action against the license of the gambling
5 enterprise.

6 * * *

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

10 4. Business and Professions Code section 19870 provides:

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

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

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

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

26 (e) A decision of the commission denying a license or approval,
27 or imposing any condition or restriction on the grant of a license or
28 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.

Specific Statutory and Regulatory Provisions

5. Business and Professions Code, section 19801 provides, in part:

(h) Public trust and confidence can only be maintained by strict
comprehensive regulation of all persons, locations, practices, associations,

1 and activities related to the operation of lawful gambling establishments
2 and the manufacture and distribution of permissible gambling equipment.

3 (i) All gambling operations, all persons having a significant
4 involvement in gambling operations, all establishments where gambling is
5 conducted, and all manufacturers, sellers, and distributors of gambling
6 equipment must be licensed and regulated to protect the public health,
7 safety, and general welfare of the residents of this state as an exercise of
8 the police powers of the state.

9 * * *

10 (k) In order to effectuate state policy as declared herein, it is
11 necessary that gambling establishments, activities, and equipment be
12 licensed, that persons participating in those activities be licensed or
13 registered, that certain transactions, events, and processes involving
14 gambling establishments and owners of gambling establishments be
15 subject to prior approval or permission, that unsuitable persons not be
16 permitted to associate with gambling activities or gambling
17 establishments Any license or permit issued, or other approval
18 granted pursuant to this chapter, is declared to be a revocable privilege,
19 and no holder acquires any vested right therein or thereunder.

20 6. Business and Professions Code section 19850 provides, in part:

21 Every person . . . who receives, directly or indirectly, any
22 compensation or reward, or any percentage or share of the money or
23 property played, for keeping, running, or carrying on any controlled game
24 in this state, shall apply for and obtain from the commission, and shall
25 thereafter maintain, a valid state gambling license, key employee license,
26 or work permit In any criminal prosecution for violation of this
27 section, the punishment shall be as provided in Section 337j of the Penal
28 Code.

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

(a) (1) A person shall not be employed as a gambling enterprise
employee . . . unless he or she is the holder of one of the following:

(A) A valid work permit issued in accordance with
the applicable ordinance or regulations of the county, city,
or city and county in which his or her duties are performed.

(B) A work permit issued by the commission
pursuant to regulations adopted by the commission for the
issuance and renewal of work permits

1 (b) A work permit shall not be issued by any city, county, or city and
2 county to any person who would be disqualified from holding a state
3 gambling license for the reasons stated in subdivisions (a) to (g), inclusive,
4 of Section 19859.

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

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

8 9. Business and Professions Code section 19857 provides:

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

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

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

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

22 10. Business and Professions Code section 19859 provides in part:

23 The Commission shall deny a license to any applicant who is
24 disqualified for any of the following reasons:

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

27 (b) Failure of the applicant to provide information,
28 documentation, and assurances required by this chapter or requested by
the Chief, 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.

11. Business and Professions Code section 19866, provides:

An applicant for licensure 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.

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

(a) An application for a work permit shall be denied by the 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.