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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 for
Denial of Application for a Work Permit for:

BGC Case No. BGC-HQ2020-00001SL
CGCC Case No. CGCC-2020-0109-13B

15
16 **JASON OWEN SNARR**

STATEMENT OF REASONS

17
18 **Respondent.**

19
20
21 Complainant alleges as follows:

22 **PARTIES**

23 1. Stephanie K. Shimazu (Complainant) brings this Statement of Reasons solely in her
24 official capacity as Director of the California Department of Justice, Bureau of Gambling Control
25 (Bureau).

26 2. On or about January 25, 2019, the Bureau received an Application for Initial Regular
27 Work Permit/Temporary Work Permit, signed on January 10, 2018, and Work Permit
28

1 Questionnaire, signed January 18, 2018 (collectively, Application), from Jason Owen Snarr
2 (Respondent) to allow for his continued employment as a card dealer and bartender for the
3 Nineteenth Hole Casino (NHC), a licensed gambling establishment, license number GEGE-
4 000967.

5 3. NHC has employed Respondent as a bartender and card dealer since June 2017. On
6 or about January 31, 2018, the California Gambling Control Commission (Commission) issued
7 Respondent a temporary work permit, number GEWP-002696, for this employment. Respondent
8 has received a series of 120-day extensions of his temporary work permit. These extensions were
9 issued by the Commission on or about May 22, 2018, September 22, 2018, January 16, 2019,
10 May 2, 2019, and September 6, 2019.

11 4. On or about November 12, 2019, the Bureau submitted to the Commission a Work
12 Permit Initial Background Investigation Report, recommending that Respondent's Application be
13 denied. On or about November 22, 2019, the Commission issued to Respondent a Notice of
14 Cancellation of Temporary Work Permit pursuant to California Code of Regulations, title 4,
15 section 12128, subdivision (b)(2).

16 5. At its January 9, 2020 meeting, the Commission referred consideration of
17 Respondent's Application to an evidentiary hearing to be held pursuant to California Code of
18 Regulations, title 4, section 12060.¹

19 6. On or about January 24, 2020, Respondent submitted a Notice of Defense.

20 **BURDEN OF PROOF**

21 7. Respondent has the burden of proving that he is qualified to receive a work permit.
22 (Bus. & Prof. Code, § 19856, subd. (a).)

23 **FIRST CAUSE FOR DENIAL**

24 **(False and Inconsistent Statements Made to the Bureau)**

25 8. Respondent's Application is subject to denial in that he made false and inconsistent
26 statements to the Bureau regarding a 2003 criminal conviction for receipt of stolen property—a

27 ¹ The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A.

1 car—a violation of Penal Code section 496d.² In response to Bureau inquiries about the
2 circumstances of this crime, Respondent made claims that were inconsistent with the police
3 report. While the conviction occurred in 2003, these statements about the conviction were made
4 in 2018 and 2019. Respondent also failed to disclose information related to prior employment on
5 his Application.

6 9. Respondent's false and inconsistent statements and omissions provide sufficient basis
7 to deny his Application.

8 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, 19914; Cal. Code. Regs., tit. 4, §§
9 12105.)

10 **SECOND CAUSE FOR DENIAL**

11 **(Multiple Misdemeanors)**

12 10. Respondent's Application is subject to denial in that he has been convicted of two
13 misdemeanors. Respondent was first convicted on February 4, 2003, of violating Penal Code
14 section 496d, for receiving a stolen vehicle, a misdemeanor crime of moral turpitude, in *People v.*
15 *Jason Snarr*, Contra Costa County Superior Court Case No. 02-277707-06. Respondent was also
16 convicted on June 24, 2019, of violating Vehicle Code section 23152, subdivision (a), for driving
17 under the influence of an alcoholic beverage, a misdemeanor crime, in *People v. Jason Snarr*,
18 Contra Costa County Superior Court Case No. 4-196199-4.

19 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, 19914; Cal. Code. Regs., tit. 4, §§
20 12105.)

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28 ² Per the police report, Respondent was also driving this vehicle without a driver's
license, though he was not apparently convicted of driving without a license.

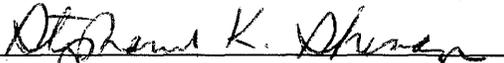
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PRAYER

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

- 1. Denying Respondent's Application for a work permit;
- 2. Taking such other and further action as the Commission may deem appropriate.

Dated: April 6, 2020


STEPHANIE K. SHIMAZU, Director
Bureau of Gambling Control
California Department of Justice
Complainant

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

5 * * *

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

- 9 4. Business and Professions Code section 19853, subdivision (a), provides in part:

10 The commission, by regulation or order, may require that the
11 following persons register with the commission, apply for a finding of
12 suitability as defined in subdivision (i) of 19805, or apply for a
13 gambling license:

14 * * *

15 (3) Any person who does business on the premises of a
16 licensed gambling establishment.

- 17 5. Business and Professions Code section 19870 provides:

18 (a) The commission, after considering the recommendation of
19 the chief^{f41} and any other testimony and written comments as may be
20 presented at the meeting, or as may have been submitted in writing to
21 the commission prior to the meeting, may either deny the application
22 or grant a license to an applicant who it determines to be qualified to
23 hold the license.

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

28 (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

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

1 court finds that the action of the commission was arbitrary and
2 capricious, or that the action exceeded the commission's jurisdiction.

3 6. Business and Professions Code section 19871 provides:

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

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

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

10 (A) To call and examine witnesses.

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

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

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

18 (E) To offer rebuttal evidence.

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

22 (4) The meeting need not be conducted according to
23 technical rules relating to evidence and witnesses. Any relevant
24 evidence may be considered, and is sufficient in itself to support
25 a finding, if it is the sort of evidence on which responsible
26 persons are accustomed to rely in the conduct of serious affairs,
27 regardless of the existence of any common law or statutory rule
28 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^[5] 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.

27 ⁵ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
28 (h).)

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7. Business and Professions Code section 19984, subdivision (b), provides, in part:

The commission shall establish reasonable criteria for, and require the licensure and registration of, any person or entity that provides proposition player services to gambling establishments pursuant to this section, including owners, supervisors, and players The commission may impose licensing requirements, disclosures, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling in this state

8. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in part:

If the Commission elects to hold an evidentiary hearing, the hearing will be conducted as a GCA hearing under Section 12060, unless the Executive Director or the Commission determines the hearing should be conducted as an APA hearing under Section 12058

9. California Code of Regulations, title 4, section 12060, provides:

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on information contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or applicant as well as the Commission's operational considerations. The Commission retains the authority to refer the matter to an APA hearing pursuant to subsection (a) of Section 12056 or hear the matter at a Section 12054 meeting if the Commission deems it appropriate.

(b) When the Commission has elected to hold a GCA hearing, the Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 60 calendar days in advance of the GCA hearing.

(c) The presiding officer shall have no communication with the Commission or Commission staff upon the merits, or upon information or documents related to the application prior to the evidentiary hearing. The Executive Director shall designate a presiding officer which shall be:

- (1) A member of the Commission's legal staff; or,
- (2) An Administrative Law Judge.

(d) The applicant or the complainant, or the applicant and the complainant, may request a continuance in writing to the Executive Director stating the reason for the continuance and any proposed

1 future hearing dates. The Executive Director or Commission may
2 approve the request.

3 (e) The complainant shall provide to the applicant, at least 45
4 calendar days prior to the GCA hearing, and the applicant shall
5 provide to the complainant, at least 30 calendar days prior to the GCA
6 hearing, the following items:

7 (1) A list of potential witnesses with the general subject of
8 the testimony of each witness;

9 (2) Copies of all documentary evidence intended to be
10 introduced at the hearing and not previously provided;

11 (3) Reports or statements of parties and witnesses, if
12 available; and

13 (4) All other written comments or writings containing
14 relevant evidence.

15 (f) A presiding officer shall rule on the admissibility of
16 evidence and on any objections raised except for objections raised
17 under subsection (g). A ruling by the presiding officer shall be final.

18 (1) In advance of the GCA hearing, upon a motion of a
19 party or by order of the presiding officer, the presiding officer
20 may conduct a pre-hearing conference, either in person, via
21 teleconference, or by email exchange, subject to the presiding
22 officer's availability and shall issue a pre-hearing order if
23 appropriate or requested by either party. The pre-hearing
24 conference and order may address the following:

25 (A) Evidentiary issues;

26 (B) Witness and exhibit lists;

27 (C) Alterations in the Bureau recommendation;

28 (D) Stipulation for undisputed facts including the
admission of the Bureau's report; and

(E) Other issues that may be deemed appropriate to
promote the orderly and prompt conduct of the hearing.

(2) The GCA hearing need not be conducted according to
technical rules of evidence. Any relevant evidence may be
considered, and is sufficient in itself to support findings if it is
the sort of evidence on which reasonable 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.

(g) The Commission may, at any time upon a showing of
prejudice by the objecting party:

1 (1) Prohibit the testimony of any witness or the
2 introduction of any documentary evidence that has not been
disclosed pursuant to subsection (e); or

3 (2) Continue any meeting or hearing as necessary to
4 mitigate any prejudice.

5 (h) The complainant shall present all facts and information in
6 the Bureau report, if any, and the results of the Bureau's background
7 investigation, and the basis for any recommendation, if the Bureau
8 filed one with the Commission according to Business and Professions
9 Code section 19868, to enable the Commission to make an informed
decision on whether the applicant has met his, her, or its burden of
proof. The complainant may but is not required to recommend or seek
any particular outcome during the evidentiary hearing, unless it so
chooses.

10 (i) The burden of proof is on the applicant at all times to prove
11 his, her, or its qualifications to receive any license or other approval
under the Act.

12 (j) The applicant may choose to represent himself, herself, or
itself, or may retain an attorney or lay representative.

13 (k) Except as otherwise provided in subsection (g), the
14 complainant and applicant shall have the right to call and examine
15 witnesses under oath; to introduce relevant exhibits and documentary
16 evidence; to cross-examine opposing witnesses on any relevant matter,
17 even if the matter was not covered in direct examination; to impeach
any witness, regardless of which party first called the witness to
testify; and to offer rebuttal evidence. If the applicant does not testify
on his, her or its own behalf, the applicant may be called and
examined, under oath, as if under cross-examination.

18 (l) Oral evidence shall be taken upon oath or affirmation,
19 which may be administered by the Executive Director, a member of
the Commission, or the presiding officer, if an Administrative Law
20 Judge.

21 (m) At the conclusion of the evidentiary hearing, the members
22 of the Commission shall take the matter under submission, may
discuss the matter in a closed session meeting, and may schedule
future closed session meetings for deliberation.

23
24 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

25 10. Business and Professions Code section 19856 provides, in part:

26 (a) Any person who the commission determines is qualified to receive a
27 state license, having due consideration for the proper protection of the health,
28 safety, and general welfare of the residents of the State of California and the
declared policy of this state, may be issued a license. The burden of proving
his or her qualifications to receive any license is on the applicant.

1 (b) An application to receive a license constitutes a request for a
2 determination of the applicant's general character, integrity, and ability to
participate in, engage in, or be associated with, controlled gambling.

3 (c) In reviewing an application for any license, the
4 commission shall consider whether issuance of the license is inimical
5 to public health, safety, or welfare, and whether issuance of the
6 license will undermine public trust that the gambling operations with
respect to which the license would be issued are free from criminal
and dishonest elements and would be conducted honestly.

7 11. Business and Professions Code section 19857 provides:

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

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

11 (b) A person whose prior activities, criminal record, if any,
12 reputation, habits, and associations do not pose a threat to the public
13 interest of this state, or to the effective regulation and control of
14 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.

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

17 12. Business and Professions Code section 19859 provides, in part:

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

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

22 13. Business and Professions Code section 19914 provides, in part:

23 (a) The commission may revoke a work permit or, if issued by
24 the licensing authority of a city, county, or city and county, notify the
25 authority to revoke it, and the licensing authority shall revoke it, if the
26 commission finds, after a hearing, that a gambling enterprise employee
27 or independent agent has failed to disclose, misstated, or otherwise
28 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 employee or independent agent, subsequent to being
issued a work permit, has done any of the following:

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

3 * * *

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

6 * * *

7 (b) The commission shall revoke a work permit if it finds, after
8 hearing, that the holder thereof would be disqualified from holding a
9 state gambling license for the reasons specified in subdivision (e) or
10 (f) of Section 19859.

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

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

14 (1) The applicant meets any of the criteria for mandatory
15 disqualification under Business and Professions Code section
16 19859.

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

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

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

25 * * *

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

28 * * *

(e) The provisions of Business and Professions Code sections
19857, 19859, and 19914, subdivision (a) shall be deemed incorporated
by reference into this regulation for the purposes set forth in this section.
For the purposes of this section, the criteria incorporated by reference in
these regulations from Business and Professions Code section 19914,
subdivision (a), apply to conduct or events occurring prior to the filing
of an application for a work permit.