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8
9 **BEFORE THE**
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**
11 **STATE OF CALIFORNIA**

12
13 **In the Matter of the Statement of Reasons**
14 **for Denial of Application for a Third-Party**
15 **Proposition Player License:**

BGC Case No.: BGC-HQ2017-00016SL
CGCC Case No.: CGCC-2017-0828-10A

16 **SWEENEY JAHRIN WILLIAMS**

STATEMENT OF REASONS

17 [REDACTED]
18 Respondent.

19
20 Complainant alleges as follows:

21 **PARTIES**

22 1. Nathan DaValle (Complainant) brings this Statement of Reasons for a denial of an
23 application for a third-party proposition player license solely in his official capacity as the Acting
24 Director of the California Department of Justice, Bureau of Gambling Control (Bureau).

25 2. On or about August 29, 2016, the California Gambling Control Commission
26 (Commission) issued a third-party proposition player services registration, number TPPL-018180
27 to Sweeney, Williams (Respondent) with an expiration date of September 15, 2018.
28

1 (Bus. & Prof. Code, §§ 19856 & 19857, subs. (a) and/or (b), & Cal. Code. Regs., tit. 4, §§ 12205,
2 subd. (a), & 12204, subs (d)³ and/or (i).

3 **SECOND CAUSE FOR DENIAL OF APPLICATION**

4 **(Failure to Disclose – Criminal Conviction)**

5 9. Respondent’s 2016 Application is subject to denial because Respondent falsely stated
6 on his Application, which he signed under penalty of perjury, that he had never been convicted of
7 a misdemeanor. Respondent failed to disclose that about seven years prior, on or about August
8 20, 2009, he suffered a misdemeanor conviction in the case of *People v. Sweeney J. Williams*
9 (Super. Ct. L.A. County, 2008, No. 8BF05053).

10 (Bus. & Prof. Code, §§ 19856, 19857, 19859, subs. (a), 19866, and/or (b), & 19866, &
11 Cal. Code. Regs, tit. 4, § 12218.11, subs. (e), (f), and/or (j).)

12 **THIRD CAUSE FOR DENIAL OF APPLICATION**

13 **(Lack of Requisite Good Character, Honesty, and Integrity—Provided Misleading
14 Information to the Bureau Regarding Criminal Conviction)**

15 10. Respondent’s application is subject to denial because Respondent, in response to the
16 Bureau’s inquiries, provide untrue or misleading information regarding the circumstances that
17 lead to his 2009 misdemeanor conviction in the case of *People v. Sweeney J. Williams* (Super. Ct.
18 L.A. County, 2008, No. 8BF05053). Respondent told the Bureau “I did not think it was a
19 misdemeanor, I thought it was just a traffic ticket,” which is at odds with, and not supported by,
20 the court’s records, including, the fact that his probation in that case was revoked, and he was
21 ordered to serve 30 days in jail.

22 (Bus. & Prof, Code, §§ 19856, 19857 & 19866, & Cal. Code. Regs, tit. 4, § 12218.11, subs. (e),
23 (j).)

24 **PRAYER**

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

27 ³ Respondent has not yet had an application denied. However, should the Commission
28 deny Respondent’s application for licensure as pled for by the Complainant in this case, such a
denial would provide a contemporaneous basis to cancel Respondent’s registration.

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1. Denying Respondent's Application for a Third-Party Proposition Player Services License;

2. Taking such other and further action as the Commission may deem appropriate, including directing the Executive Director to cancel Respondent's Third-Party Player Registration No. TPPL-018180 pursuant to California Code of Regulations, title 4, sections 12204 and 12205, subdivisions (a) and (b).

Dated: December 29, 2017.



NATHAN D'VALLE, Acting Director
Bureau of Gambling Control
California Department of Justice
Complainant

APPENDIX A
JURISDICTION

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

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

2. Business and Professions Code section 19823 provides:

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

(1) Assuring that licenses, approvals, and permits are not issued to, or held 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.

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

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

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

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

* * *

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, limit, condition, or restrict any license, permit, or approval, or impose any

1 fine upon any person licensed or approved. The commission may
2 condition, restrict, discipline, or take action against the license of an
3 individual owner endorsed on the license certificate of the gambling
4 enterprise whether or not the commission takes action against the
5 license of the gambling 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 19853, subdivision (a), provides:

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

14 * * *

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

17 5. Business and Professions Code section 19870 provides:

18 (a) The commission, after considering the recommendation of
19 the chief 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

1 1085 of the Code of Civil Procedure. Section 1094.5 of the Code of
2 Civil Procedure shall not apply to any judicial proceeding described in
3 the foregoing sentence, and the court may grant the petition only if the
4 court finds that the action of the commission was arbitrary and
capricious, or that the action exceeded the commission's jurisdiction.

5 6. Business and Professions Code section 19871 provides:

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

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

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

11 (A) To call and examine witnesses.

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

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

17 (D) To impeach any witness, regardless of 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.

1 (b) Nothing in this section confers upon an applicant a right to
2 discovery of the department's^[4] 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 7. Business and Professions Code section 19856, subdivision (a) provides in part:

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

8 8. Business and Professions Code section 19857 provides in part:

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:

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

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

17 9. 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 (b) Failure of the applicant to provide information,
23 documentation, and assurances required by the chapter or requested by
24 the chief, or failure of the applicant to reveal any fact material to
25 qualification, or the supplying of information that is untrue or
26 misleading to a material fact pertaining to the qualification criteria.

25 10. California Code of Regulations, title 4, section 12218.11 provides, in part:

26 A requester [of a Third Party Proposition Player Services license]
27 shall be ineligible for licensing for any of the following causes:

28 ⁴ Hereinafter, "department" refers to the Department of Justice, Bureau of Gambling
Control. (Bus. & Prof. Code, § 19805, subd. (h).)

1 * * *

2 (e) The requester has failed to meet the requirements of
3 Business and Professions Code sections 19856 or 19857.

4 (f) The requester would be ineligible for a state gambling
5 license under any of the criteria set forth in Business and
6 Professions Code section 19859, subdivisions (b), (e), or (f).

7 * * *

8 (j) The applicant is ineligible based on any other
9 provision of law.

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

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

24 (b) When the Commission has elected to hold a GCA hearing,
25 the Executive Director shall give notice to the applicant, pursuant to
26 paragraph (2) subsection (c) of Section 12052, to the Office of the
27 Attorney General, and to the Bureau no later than 60 calendar days in
28 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
future hearing dates. The Executive Director or Commission may
approve the request.

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

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

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

9 (3) Reports or statements of parties and witnesses, if
10 available; and

11 (4) All other written comments or writings containing
12 relevant evidence.

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

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

23 (A) Evidentiary issues;

24 (B) Witness and exhibit lists;

25 (C) Alterations in the Bureau recommendation;

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

28 (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.

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

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

5 (2) Continue any meeting or hearing as necessary to
6 mitigate any prejudice.

7 (h) The complainant shall present all facts and information in
8 the Bureau report, if any, and the results of the Bureau's background
9 investigation, and the basis for any recommendation, if the Bureau
10 filed one with the Commission according to Business and Professions
11 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.

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

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

16 (k) Except as otherwise provided in subsection (g), the
17 complainant and applicant shall have the right to call and examine
18 witnesses under oath; to introduce relevant exhibits and documentary
19 evidence; to cross-examine opposing witnesses on any relevant matter,
20 even if the matter was not covered in direct examination; to impeach
21 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.

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

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

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12. 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.

13. California Code of Regulations, title 4, section 12204 provides, in part:

An applicant shall be ineligible for registration for any of the following causes:

* * *

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

* * *

(i) The applicant is ineligible based on any other provision of law.

14. California Code of Regulations, title 4, section 12205 provides:

(a) Any regular registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the owner, if the registrant is a supervisor, player, or other employee and to any gambling establishment in which the registrant provides proposition player services.

(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.