

INDUSTRY MATTERS

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COMMISSION TO CONTINUE HEARINGS VIA ZOOM TO PROMOTE INCREASED PUBLIC ACCESS

By Stacey Luna Baxter
Executive Director

For almost two years, the Commission and its stakeholders benefited from temporary exemptions allowing the Commission to bypass specific Bagley-Keene Open Meeting Act (Act) requirements, such as holding in-person public meetings and noticing the location of each Commissioner. Thanks to these exemptions, the Commission has held its public meetings solely via Zoom since April 2020.

The temporary exemptions were in place via various Executive Orders issued by Governor Newsom, as well as Assembly Bill 361, which extended the temporary exemptions for an additional few months, to ensure the safety of the public and state employees during the State of Emergency associated with the Coronavirus pandemic. The temporary exemptions expired as of March 31, 2022.

The Commission, however, recognizes the increased access holding meetings via Zoom has provided its stakeholders. As such, the Commission will continue to hold its public meetings and evidentiary hearings via Zoom, as well as in person in compliance with the Act.

Although the Commissioners and limited Commission staff will be attending each meeting from a public location, **the Commission strongly encourages stakeholders to continue to access and participate in the Commission’s public meetings via Zoom.**

However, should stakeholders wish to attend in person instead of via Zoom, the location(s) for each public meeting will be noticed and on the Commission’s website on each agenda at least ten days prior to the meeting date. For those that choose to participate in person, the Commission strongly encourages your participation at the Commission’s hearing room located in Sacramento rather than the satellite locations that may be available. When the Commission operates a satellite location, support and occupancy space will be limited.

Please see the March 18, 2022 [Industry Notice](#) for more information.

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CGCC Calendar

Upcoming Licensing Meetings

- April 7*
- April 21*
- May 12*
- May 26*
- June 9*
- June 23*

Gaming Policy Advisory Committee (GPAC)

May 24

Upcoming State Holidays (Office Closed)

May 30 (Memorial Day)



Click above for industry-related COVID-19 updates

California Gambling Control Commission

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Paula LaBrie

Commissioner

Eric Heins

Commissioner

Edward Yee

Commissioner

Cathleen Galgiani

Commissioner

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OPG CHIEF GIVES COMMISSION THE FACTS ABOUT PROBLEM GAMBLING

On March 24, the California Department of Public Health's Office of Problem Gambling (OPG) Acting Chief Robin Christensen presented to the Commission an update on OPG's ongoing work and the successes of this year's Problem Gambling Awareness Month.

This year's theme is "The Facts About Problem Gambling," which emphasized OPG's need to provide clear, factual information about problem gambling and its impact on people.

This year also featured OPG's thirteenth annual training summit, "Gambling Recovery in Era of Uncertainty," which reflected a need for compassion and resilience in the face of uncertainty.

The summit was held virtually, hosting live trainings regarding gambling and the brain, self-exclusion, and clinical perspectives on suicide, cravings, and impulsivity. There were also recorded trainings covering topics such as sports betting and problem gambling within targeted communities. Over 250 people registered to access these trainings, which is an increase in the number of people who would attend live in-person summits in previous years.

Ms. Christensen also updated the Commissioners on OPG's treatment program, CalGETS, which trains and oversees over 200 licensed mental health providers and six treatment programs across the state. Since 2009, CalGETS has served over 17,000 individuals in California through telehealth, outpatient services, group therapy, and residential treatment services. Ms. Christensen noted the successes of telehealth, citing its popularity with both care providers and clients due to its flexibility, and reported better outcomes due to telehealth's effectiveness.

OPG plans on increasing problem gambling awareness during 2022, including awareness of the resources OPG provides to help individuals with gambling disorder.

The Commission thanks Robin and her staff for their incredible work year-round, not just during Problem Gambling Awareness Month, and looks forward to sharing their success stories in the future.

VISIT THE COMMISSION EDUCATION WEBPAGE TODAY!

The Commission maintains an [Education page](#) on its website, filled with all kinds of useful information, including tutorial videos in over 100 languages, brochures in multiple languages, the newsletter archive, industry notices, Covid-related industry updates, FAQs, and more!

The Commission is committed to providing our stakeholders with important information, and the page is constantly updated.

If you have any ideas for potential additions to the Education page, please contact comments@cgcc.ca.gov.

SPORTS WAGERING IS NOT LEGAL IN CALIFORNIA, AND IT MAY AFFECT YOUR LICENSE APPLICATION

By Kate Patterson
Staff Counsel

Recently, the Commission considered license applications from applicants who were found to have participated in online gambling or sports wagering in California and other states where it is not legal.

[California Penal Code section 337a](#) prohibits sports wagering. The statute is broad enough to prohibit the conduct of placing a wager, as well as offering and accepting wagers on trials or contests of skill, which likely encompass all types of sporting events. Additionally, sports wagering websites are not authorized to operate in California and are not licensed or regulated by the State.



An applicant's participation in sports wagering may result in an applicant being denied for licensure, or having conditions placed on their license, depending on the circumstances. These potential negative licensing consequences stem from [Business and Professions Code section 19857](#), which provides, in part, that no gambling license shall be issued unless the Commission is satisfied that the applicant has good character, honesty, and integrity; and is a person whose prior activities and habits do not pose a threat to the effective regulation of controlled gambling or enhance the dangers of illegal practices and activities in the conduct of controlled gambling.

An applicant's participation in sports wagering may call their qualification for licensure into question. An applicant's participation in sports wagering, or other forms of unauthorized gambling, is especially troubling because it may indicate a disregard for the laws of this State relating to the operation of lawful gambling establishments. Licensed gambling establishments adhere to laws that ensure public safety, and take comprehensive measures to ensure that gambling is free from criminal elements, that it is conducted honestly and competitively, and in suitable locations.

Conversely, unregulated gambling enterprises are inimical to the public health, safety, welfare, and good order. ([Business and Professions Code section 19801\(d\)](#))

An applicant's participation in sports wagering, whether by placing bets on the Bovada website or otherwise, is inherently incompatible with the qualification criteria in section 19857, and may result in the applicant being found unsuitable for licensure to work in a lawful gambling establishment.

CAN WE GET YOUR NUMBER?

We don't mean to be forward, but here at the Commission and at the Bureau of Gambling Control, we need your phone number. And your mailing address, email address, even your fax number if you have one. And most importantly, you need to notify the Bureau any time your contact info changes, pursuant to [California Code of Regulations, Title 4, section 12004](#).

We need this information to be up-to-date in order to make the licensing process go as smoothly as possible for all parties. The Commission relies on its licensees to be on top of these things, because otherwise, things such as work badges and other documentation get returned to the Commission instead of being in the hands of our licensees. And when the Commission receives returned documentation, our first step is to call the phone number on file. And if the phone number is no longer current, then additional steps have to be taken, and you are still waiting for your documents.

So please, remember to submit this [Notice of Contact Information Change](#) form within 10 days of the change.



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COMMISSION REGULATIONS UPDATE: THREE PACKAGES PASSED IN 2022 WITH MORE ON THE WAY; HEARING REGULATIONS EFFECTIVE APRIL 1

By Adrianna Alcalá-Beshara, Josh Rosenstein, and Alex Hunter
Division of Legislative and Regulatory Affairs



Did you know there have already been three regulatory packages approved by the Office of Administrative Law in 2022, and more currently in the process of approval? In the Legislative and Regulatory Affairs Division, we are hard at work in the current legislative session and also working on various regulations packages to meet statutory initiatives, streamline processes, and increase operational efficiencies. In this article we will discuss some of the regulatory packages recently approved and in progress. So let's begin.

Assembly Bill (AB) Hearing 120 Regulations

On February 8, 2022, the Office of Administrative Law approved and filed with the Secretary of State the [AB 120 Hearing Regulations](#). The regulations are effective April 1, 2022. The effects of AB 120 include:

- Changing the timeline for when a request to withdraw an application may be made, from when the Bureau of Gambling Control has completed its initial review of an application and prepared any recommendation for the Commission, to when the Commission has issued its final decision on the application.
- Providing the Commission with the authority to deny an application, or approve an application with limits, restrictions, or conditions, without an evidentiary hearing, provided that the action of the Commission is stayed for 30 days to allow the applicant the opportunity to request an evidentiary hearing.

As a result of AB 120 and the Commission's subsequent regulations, the Commission's Licensing Division Memorandum will only be provided to the Commissioners and will no longer be released to the Bureau of Gambling Control, Applicant, and/or Designated Agent. However, the Commission will post the options provided to the Commissioners and the Commission staff recommendation on its website seven days prior to each Commission Licensing Meeting.

For more information regarding these changes, please review the [Commission's March 17, 2022 Notice](#), which was emailed to our stakeholders and is also available on the Commission's website.

Southern California Gambling Control Act Hearings

On January 11, 2022, the Office of Administrative Law approved and filed with the Secretary of State a [regulations package](#) for holding Gambling Control Act hearings in Southern California. The regulations are effective April 1, 2022. This regulations package was first initiated prior to the COVID-19 pandemic.

The purpose of this package is to reduce travel costs and other disproportionate burdens for applicants residing in Southern California who have been scheduled for a GCA hearing. While existing law provided the Commission discretion to hold hearings in other locations within the State when the interests of the public may be better served, regulations were necessary for determining when this would be appropriate. The regulations established a process with specific criteria for applicants residing in a Southern California county to request that their GCA hearing be held at a location in Southern California determined by the Commission.

Information on regulations in progress is continued on Page 5...

REGULATIONS UPDATE CONTINUED...

Commission Fees Modernization Project

The 45-day public comment period for the Commission Fee Modernization Project has now passed. The Commission will be noticing a meeting for the Commission to consider the final adoption of the regulations package later this year.

The Commission, the Bureau, and a consultant conducted a [fee study](#) wherein recommendations were made to adjust the fees for Bureau and Commission activities. Following the Department of Finance’s approval for the fee study, the Commission immediately adopted emergency regulations for certain applicable fee adjustments. These emergency regulations are currently in effect.

The Commission will address the remaining fee adjustments through the regular rulemaking process. Following the anticipated adoption of the regular rulemaking package, the Commission will begin working on the next regulatory package. The Commission is already in the process of revisiting last year’s data to ensure the costs remain commensurate with the fees charged and is committed to continuing the upkeep of regulatory costs on a frequent and regular basis.

Advertising

On February 25, 2022, the Commission held a regulations workshop regarding deceptive advertising. The Commission received valued feedback from industry representatives through the workshop and public comment period, and the Commission included [additional revisions](#) based on those responses.

The Commission will gather data to complete a fiscal analysis on how the proposed regulations may financially impact public and private entities, and develop the notice of the proposed regulatory action.

The proposed regulations would establish new definitions, as well as general and specific requirements, pertaining to gambling-related advertisements produced by or for any cardroom owner-type licensee or Third Party Provider of Proposition Player Services owner-type licensee. The proposed new requirements would provide a regulatory framework for the Bureau to utilize in evaluating advertisements that solicit participation in controlled gambling at a gambling establishment, and procedures for notifying the responsible parties.

Further, the proposed regulations contain mechanisms for enforcement concerning a failure to correct a non-compliant advertisement.

For more information on proposed or recently adopted regulations, please visit the Commission’s [Regulations page](#).

Hearing Results

(Decisions Effective January 1 — March 31)

Key Employee License

Carmelita Albiani, denied March 14

Work Permit

Vito LoConte, approved February 10

Third-Party Player License

Christine Werner, denied February 7

Steven Wang, denied March 28

DO YOU HAVE 30 SECONDS?

Of course you have 30 seconds. So we’re asking you to please spend those 30 seconds wisely by taking our 30-Second Survey, which will allow you to give us valuable feedback on how quickly and effectively we at the Commission address your questions or concerns. It’s literally three questions, and the third is optional! Best of all, it’s anonymous!

So please, take 30 seconds to let us know how we’re doing by taking the online survey [here](#).