



INDUSTRY MATTERS

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OWNERS, MANAGERS, DA’S—WE WANT TO HEAR FROM YOU!

By Paula LaBrie
Commissioner

When an applicant learns that Bureau or Commission staff recommends denial of their license application, it must be daunting for those who truly want to continue working in the industry. The Commissioners understand this, and while it is our job to determine an applicant's eligibility based on facts and evidence, it's the applicant's job to ultimately prove they are qualified to be licensed. It is the applicant's responsibility to demonstrate they are a person of good character and integrity, and not a threat to public safety or the gambling industry.



Since character is a substantive issue the Commission must evaluate to determine eligibility, the applicant must stand ready to present relevant and credible character evidence. This may be difficult for many applicants who are not represented by a designated agent or counsel, nervous, or simply inexperienced.

Something the Commission appreciates is when an owner, manager, or designated agent provides testimony or a letter of support for the employee whose suitability for licensure has come into question. Verbal testimony is preferred, and provides an opportunity for cross-examination and a more thorough conversation at the hearing. Alternatively, a detailed letter that specifically addresses or rebuts the basis for the recommended denial can be helpful to the Commission.

Thank you to those in leadership positions who come forward to support your employees. It's not always easy to take time from your busy schedule, but the Commission appreciates these shows of support. It can provide the Commission an opportunity for a more detailed understanding of the applicant's personality and necessary qualifications. And, while this support cannot guarantee licensure approval, the Commission certainly takes it into consideration and incorporates it in its analysis when making a licensing decision.

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CGCC Calendar

Upcoming Licensing Meetings

July 11
July 25
August 29
September 12
September 26

Gaming Policy Advisory Committee

July 11 (1:30 p.m.)

Regulations

Licensing Regulations Hearing
August 12-13 (10:00 a.m.)

Upcoming State Holidays (Office Closed)

Independence Day (July 4)
Labor Day (September 2)

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TRIBAL NATION GRANT FUND ESTABLISHED, FIRST MEETING HELD

By Erica Dennis

Tribal Nation Grant Fund Program Analyst



In September 2018, Governor Jerry Brown signed AB-880 to establish the Tribal Nation Grant Fund (TNGF). The bill also established, within state government, the Tribal Nation Grant Fund Panel and the Tribal Nation Grant Fund Program, through which the panel may award grants and make other distributions from the fund to eligible tribes. The panel receives assistance from the Governor's Tribal Advisor, the Bureau of Gambling Control, and the California Gambling Control Commission.

The TNGF Panel held its inaugural meeting on May 17 in the Commission's Hearing Room. Nine tribal leaders representing Northern, Central, and Southern California have been tasked with setting up the guidelines and parameters of the TNGF Program. Aware of the vital task ahead of them, tribal leaders hope to create a program that will help eligible tribes in California that are in need of funding to better their communities. The panel will meet monthly in hopes of releasing the program before the end of the year. In order to get a better understanding of the needs of the tribal communities, the panel members plan to make visits to eligible tribes throughout the state.

The TNGF was initially created in the 2012 tribal-state compact with the Federated Indians of Graton Rancheria, and was included in subsequent compacts and Secretarial Procedures for the Rincon Band of Luiseno Mission Indians of the Rincon Reservation, Enterprise Rancheria, and North Fork Rancheria. The compacts established the TNGF as a fund created by the Legislature to make discretionary distributions of funds to Non-Gaming Tribes and Limited-Gaming Tribes for purposes related to "effective self-governance, self-determined community, and economic development."

The TNGF website, www.tngf.ca.gov, has information on current panel members, upcoming meetings, grant information, and more.

COMMISSION TO HOLD HEARING ON AUGUST 12-13 FOR LICENSING REGULATIONS OVERHAUL

By Joshua Rosenstein

Regulatory and Legislative Specialist



This summer, the Commission will consider a major restructuring of its existing licensing regulations. The Commission's licensing regulations define the processes and requirements used for licensure or other approvals.

The proposed regulations intend to simplify, clarify, and make consistent the Commission's current licensing procedures for work permits, key employees, cardroom owners, and all third-party provider of proposition player services (TPPPS) license types. This includes replacing the TPPPS registration process with a temporary licensure process, and consolidating all Commission forms, which will reduce the total number of forms from 60 to 25.

Additionally, this regulatory package proposes the repeal of gambling business regulations, restructures all definitions and terms related to licensing, and provides standards of representation for designated agents.

The hearing will be held on August 12-13 in the Commission Hearing Room. As part of this hearing, the Commission will give advance notice of the proposed regulation and will request comments in advance. At this hearing, the Commission will discuss and consider the proposed regulations and public comments. Once noticed, a copy of the proposed text and description will be available on the Commission's website at www.cgcc.ca.gov on the [Proposed Regulations](#) page under the Regulations tab.

STATE AUDITOR REVIEWS THE COMMISSION—HOW WE DID

By Stacey Luna Baxter
Executive Director



In August 2018, the Joint Legislative Audit Committee approved a request for the California State Auditor (CSA) to conduct an audit of the Commission and the Bureau of Gambling Control. The [audit’s objectives and methods to address them](#) ensured a thorough review of the Commission’s functions, including, but not limited to:

- ◆ Commission laws, rules, regulations, policies, and procedures;
- ◆ Compliance with the Bagley-Keene Open Meeting Act, the California Code of Judicial Ethics, and the Administrative Procedures Act; and,
- ◆ Expenditures and use of funds.

In addition, the CSA reviewed whether the Commission adhered to policies and procedures to ensure all applicants are provided equal protection regardless of race, national origin, or gender. The CSA found no evidence of discrimination on the basis of ethnicity or any other related characteristics.

The [audit report](#) resulted in five recommendations to the Commission that provide opportunities for improvement, some that the Commission had already begun working on prior to the audit request. These opportunities are mostly geared toward making the Commission more efficient in processing applications and issuing decisions; however, some recommendations require changes to existing statute before they can be implemented.

Please see the complete audit report for the full recommendations and the Commission’s official response. The following is a brief summary of the recommendations and the Commission’s status for each:

Summary of CSA Recommendations to the Commission	Status
Prevent delays in matters of denials by revising current statutes and regulations to allow for denials at regular meetings. (Pages 29-30 of Audit Report)	Currently drafting proposed amendments to existing statutes.
Implement procedures for tracking the number of license applications. (Page 30 of Audit Report)	Completed.
Conduct cost analyses, with the intent of amending the current fee structures, by July 2020. (Pages 41-42 of Audit Report)	Currently working with the Bureau of Gambling Control and reviewing bids for an independent consultant to assist with completion of this project.
Revise existing regulations to ensure consistent processing time frames, application process, and ability to reapply after denial across all licensing types by May 2020. (Page 53 of Audit Report)	Proposed regulatory language has been drafted and a regulations workshop is scheduled for August 12-13.
Establish formal protocols to ensure applicants are aware of their ability to request a withdrawal from the evidentiary hearing process. (Page 53 of Audit Report)	Completed. The Commission strengthened its existing protocols and began implementing them in April 2019, prior to the release of the Audit Report.



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SACRAMENTO WELCOMES 2019 NAGRA ANNUAL TRAINING AND EDUCATION CONFERENCE



Pictured: CGCC Executive Director Stacey Luna Baxter (left), Senator Bill Dodd (right)

The North American Gaming Regulators Association (NAGRA) held its 35th Annual Training and Education Conference in Sacramento on June 11-13. Representatives from the Commission and the Bureau joined over 100 guests from all over the country to participate in the conference. The conference covered every hot topic in the industry: sports betting, licensing investigations, integrating cannabis laws and gaming regulations, charitable gaming, lottery fraud, problem gambling, anti-money laundering, technological innovations, emergency preparedness, and more.

The conference was a valuable opportunity to network with other gaming regulators, discuss best practices, and build relationships that will benefit the industry as a whole. The Commission would like to thank NAGRA for organizing these conferences, and we look forward to attending again in the future!

Reminder: Commission and Bureau Trainings Coming Soon!

As we mentioned in our April 2019 issue, the Commission and the Bureau will conduct training sessions throughout California for the Cardroom and Third-Party Provider of Proposition Player Services (TPPPS) industries on the application and background investigation process. The process is primarily intended for those who assist or advise cardroom or TPPPS applicants (Designated Agents, human resources staff, compliance staff, etc.) through the application and background investigation process. The Commission will send out training registration information soon, so keep an eye out!

Comments, suggestions, questions, or ideas for future articles or newsletter topics are always accepted and can be submitted directly to the Commission at the address above or by emailing them to fcastano@cgcc.ca.gov.

HAIL AND FAREWELL

The Commission bids farewell to Deputy Director of Legislative and Regulatory Affairs **Julia Bishop**, who accepted a position with the Association of California Water Agencies.

In turn, the Commission welcomes **Joshua Speaks**, who was appointed Deputy Director of the Legislative and Regulatory Affairs Division on June 13. Prior to joining the Commission, Josh worked at the Commission on Teacher Credentialing. He was responsible for managing the agency's legislative agenda, testifying in legislative hearings, and helping shape the state's education policies.

HEARING RESULTS

(Decisions Effective April 1—June 30)

Cardroom Owner-Licensee:

Joseph Melech, Monica Melech, and Emmanuel Macalino, Star's Casino, approved with conditions via settlement May 30

Key Employee License:

Leon Bernardi, approved with conditions via settlement April 29
 Edward Mason, approved with conditions via settlement April 29

Jon Strecker, approved with conditions via settlement April 29
 Timothy Rupert, denied May 13
 Christopher Stigers, approved with condition May 16

Third-Party Player License:

Aleksey Tkach, approved April 29
 Antonio Leonido, denied April 29
 Ian Riley, approved April 29
 Lola Walker-Marcia, denied April 29
 Ja'Meika Thompson, denied May 10
 Kom Bang, denied May 10
 Angela Hoang, denied May 16
 Xiu Zhang, denied May 30
 Cindy Yanez, approved May 30
 Derek Gaxiola, denied June 17

Work Permit:

Steve Hodge, denied May 30