BEFORE THE

CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for Approval of Initial Tribal-State Compact Key Employee Finding of Suitability Regarding: MICHAEL LEROY Applicant.	BGC Case No. BGC-HQ2024-00025AL CGCC Case No. CGCC-2024-1010-11Qiii **DECISION AND ORDER** Hearing Date: May 6, 2025 Time: 10:00 a.m.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871, and title 4, California Code of Regulations (CCR) section 12060, via Zoom video conference, on May 6, 2025.

Michael LeRoy (LeRoy) attended the hearing without representation.

Jane Crue, Deputy Attorney General, State of California (DAG Crue), represented complainant Yolanda Morrow, Director of the Department of Justice, Bureau of Gambling Control (Bureau).

During the evidentiary hearing, Presiding Officer Paras Modha (PO Modha), Attorney IV of the Commission, took official notice and admitted into the administrative record the following documents: the Commission's Notice and Agenda of Commission Hearing; the Commission's Conclusion of Prehearing Conference letter; the Commission's Notice of Hearing with attachments (A) LeRoy's Initial Application for Finding of Suitability Tribal Key Employee, and (B) the Bureau's Level II Tribal Key Employee Background Investigation Report; the Bureau's Statement of Particulars; and LeRoy's signed Notice of Defense form.

During the evidentiary hearing, PO Modha accepted into evidence the following exhibits pursuant to a stipulation between the parties:

(1) Exhibits 1-6, Bates Nos. BGC 0001-0103, offered by the Bureau and identified on the Bureau's Exhibit List.

PO Modha closed the administrative record and the matter was submitted for decision on May 6, 2025.

FINDINGS OF FACT

Procedural History

1. LeRoy started working as a Tables Games Dual Rate Supervisor, a key employee position, for Tachi Palace Hotel and Casino (TP) in April 2024.

2. On April 22, 2024, the Bureau received an Initial Application for Finding of Suitability Tribal Key Employee and Tribal Key Employee Supplemental Background Investigation Information form (Supplemental) (collectively, Application) from LeRoy to work as a Table Games Dual Rate Supervisor for TP.

3. On or about August 7, 2024, the Commission received a Level II Tribal Key Employee Background Investigation Report (Background Report) on LeRoy from the Bureau. In the Background Report, the Bureau states that LeRoy disclosed being terminated from his position as a Merchandiser for the Coca-Cola Company (Coca-Cola) for "failure to follow procedure" on his Application and provided a statement indicating that he was terminated for taking $100 in cash he found at a self-checkout station after completing a merchandising shift. During a previous Bureau investigation related to a prior application, LeRoy disclosed that his reason for leaving Coca-Cola was due to a "change of ownership." LeRoy provided a statement explaining the reason for the prior non-disclosure. Given that LeRoy disclosed his termination on the current Application, the Bureau recommends that the Commission approve LeRoy's Application.

4. On October 10, 2024, the Commission voted to refer the consideration of LeRoy's Application to a Gambling Control Act (GCA) evidentiary hearing pursuant to CCR sections 12054(a)(4) and 12060. On or about October 14, 2024, the Commission sent a notice of its referral of LeRoy's Application to a GCA hearing with a Notice of Defense form to LeRoy via U.S. regular mail and certified mail.

5. On or about November 8, 2024, the Commission received a signed Notice of Defense form from LeRoy requesting an evidentiary hearing on the consideration of his Application.

6. On December 26, 2024, the Commission sent a Notice of Hearing, via email, to LeRoy and DAG Crue. The hearing was set for May 6, 2025, at 10:00 a.m. The Prehearing

Conference was set for March 26, 2025, at 10:00 a.m.

7. On or about March 21, 2025, the Bureau sent a Statement of Particulars to LeRoy, via email, and to the Commission. In the Statement of Particulars, the Bureau provides factors in aggravation and mitigation for the Commissioners' consideration of LeRoy's Application. These factors include the factual circumstances leading to LeRoy's termination by Coca-Cola, LeRoy's statements regarding why he left employment with Coca-Cola on a previous application and on the current Application, and his work history at TP. Based on the foregoing, the Bureau requests that the Commission take such action as it may deem appropriate on LeRoy's Application.

8. On March 26, 2025, a Prehearing Conference was held before PO Modha. LeRoy attended without representation. DAG Crue attended on behalf of the Bureau.

9. On March 26, 2025, PO Modha sent a Conclusion of Prehearing Conference letter to LeRoy and DAG Crue via email.

10. The Commission heard this matter via Zoom video conference on May 6, 2025.

LeRoy's Employment History in Controlled Gambling

11. On July 1, 2021, the Bureau received an Initial Application for Employee Category License: TPPPS Worker License and Commission Work Permit or TPPPS Worker: Supplemental Information form (2021 Supplemental) (collectively, 2021 Application) from LeRoy to work as a Third-Party Player for KB Ventures (KB).

12. LeRoy worked as a Third-Party Player for KB from June 2021 to November 2022.

13. LeRoy worked as a Part-Time Table Games Dealer for TP from November 2023 to April 2024. In April 2024, LeRoy assumed his role as a Tables Games Dual Rate Supervisor for TP.

14. There was no evidence presented that LeRoy has had any derogatory employment history while working in controlled gambling.

LeRoy's Employment with Coca-Cola

Employment Dates and Termination

15. LeRoy worked as a Merchandiser for Coca-Cola from January 2017 to February 2018. In February 2018, LeRoy was terminated by Coca-Cola for taking $100 in cash he found at a self-

checkout station at Walmart at the end of his shift.

LeRoy's 2021 Application

16. LeRoy's 2021 Application consists of two parts. The first part is three pages and contains five sections, including applicant information. LeRoy signed the first part of the 2021 Application on or about June 17, 2021.

17. The second part of the 2021 Application is the 2021 Supplemental, which is eight pages and contains nine sections. The 2021 Supplemental requires that the applicant disclose, among other things, their work history information.

18. Section (6) of the 2021 Supplemental requires an applicant to disclose their work history information. For each employer in the last ten years, the applicant is required to provide the reason for leaving employment. If the applicant was terminated, the applicant is required to explain the circumstances for the termination.

19. On his 2021 Supplemental, LeRoy wrote that he left employment with Coca-Cola due to a "change of ownership." LeRoy's response was inaccurate because he had been terminated by Coca-Cola for taking $100 in cash he found at a self-checkout station at Walmart at the end of his shift.

20. During the evidentiary hearing, LeRoy testified that he wrote "change of ownership" on his 2021 Supplemental because it was his default answer on a lot of employment applications at the time. LeRoy also testified that he knew he had been terminated by Coca-Cola when he filled out his 2021 Supplemental.

21. Section (9) of the 2021 Supplemental is a Declaration, signed by LeRoy on or about June 24, 2021, in which LeRoy declared under penalty of perjury that the information provided in the 2021 Supplemental was "true, accurate, and complete." However, the 2021 Supplemental contained information that was not true or accurate because LeRoy did not leave his employment with Coca-Cola due to a "change in ownership." Additionally, the 2021 Supplemental was not complete because LeRoy failed to provide the reason for his termination by Coca-Cola.

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LeRoy's Current Application

22. LeRoy's current Application also consists of two parts. The first part is three pages and requests applicant information. LeRoy signed the first part of the Application on or about April 15, 2024.

23. The second part of the Application is the Supplemental, which is eight pages and contains ten sections. The Supplemental requires that the applicant disclose, among other things, their experience and employment.

24. Section (4) of the Supplemental requires an applicant to disclose their work history information. For each employer in the last ten years, the applicant is required to provide the reason for leaving employment

25. On his Supplemental, LeRoy wrote that he left employment with Coca-Cola because he was "terminated for failure to follow procedure."

26. During its background investigation, the Bureau requested that LeRoy provide a written statement detailing the events leading up to his termination by Coca-Cola. In response, LeRoy wrote:[1]

> I was a merchandiser for Coca Cola as a merchandiser and kne [sic] of my stops was at a Walmart that day I went back for my second call for the day to touchup before I went home for the day. After I was done with my shift I was ready to go home and sleep and went to self checkout to get a drink for km the way home. I did see 100 dollars in 20's I did end up taking that in a lapse of judgment as my mentality was at the time I'm ready to go home deal with everything else on my Monday (as it was my Friday). On my Monday we had a meeting at the office to go over new product and such and afterwards I was called into the office where I was asked about the money I took. I pulled the money out of my wallet and handed it to them as I did have it and never spent it. My lapse in judgment and laziness did ultimately end up costing my job.

27. In a subsequent written statement to the Bureau, LeRoy states that he spoke with some of the background agents at TP when filling out his Application and that his explanation of what happened at Coca-Cola "was a bit more clear of what happened."

28. During the evidentiary hearing, LeRoy testified that he spoke with background agents at TP regarding his Application, that he took the Application more seriously, and that he tried to fill out the Application in a better and more truthful manner.

[1] The following statement is provided verbatim.

29. LeRoy testified that he had no excuse for taking $100 in cash from the self-checkout station at Walmart. LeRoy testified that he brought the $100 in cash to a work meeting on his first day back to work and turned it in to his employer. LeRoy testified that there were no criminal charges arising out of his taking $100 in cash from the self-checkout station at Walmart. Finally, LeRoy testified that he will not have another lapse in judgment, that he has been trained on procedures at TP, and that he has learned the importance of issues dealing with money.

30. Section (10) of the Supplemental is a Declaration, signed by LeRoy on or about April 14, 2024, in which LeRoy declared under penalty of perjury that the information provided in the Supplemental was "true, accurate, and complete."

Melissa Avent's Testimony During the Evidentiary Hearing

31. Melissa Avent (Avent) is a Staff Services Manager I in the Tribal Key Unit of the Bureau. Avent testified that she has worked for the Bureau for 19 years. Avent supervises a group of analysts that conduct background investigations on tribal key employees. Avent testified that she is familiar with LeRoy's Application and the Bureau's background investigation.

32. Avent testified that LeRoy wrote "change of ownership" on his 2021 Application and "terminated for failure to follow procedures" on his current Application as his reasons for leaving employment with Coca-Cola. Avent testified that LeRoy stated that he was usure what to write on his 2021 Application. Avent testified that an agent at TP helped LeRoy with his current Application. Avent testified that although the Bureau was concerned about LeRoy's failure to disclose his termination by Coca-Cola on his 2021 Application, the fact that he disclosed his termination on the current Application and that there was no other derogatory information discovered during the Bureau's background investigation led the Bureau to recommend approval of his Application.

Assessment of LeRoy's Suitability for Licensure

33. For the reasons provided below, the Commission finds that LeRoy has met his burden of demonstrating that he is qualified to receive a Tribal Key Employee Finding of Suitability. Therefore, cause exists to approve LeRoy's Application.

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LeRoy met his burden of proving that he is a person of good character, honesty, and integrity

34. An applicant demonstrates good character, honesty, and integrity by providing truthful, accurate, and complete responses on their application and supplemental, in response to Bureau inquiries during the Bureau's background investigation, and while testifying during the evidentiary hearing. An applicant also demonstrates good character and integrity by accepting responsibility for their actions.

35. Conversely, an applicant demonstrates a lack of good character, honesty, and integrity by omitting pertinent information, and providing untrue, misleading, and/or contradictory information on their application and supplemental, in response to Bureau inquiries, and while testifying during the evidentiary hearing. An applicant also demonstrates a lack of good character and integrity by failing to take responsibility for their actions.

36. On his 2021 Supplemental, LeRoy wrote that his reason for leaving Coca-Cola was "change of ownership." This was untrue and misleading because LeRoy had been terminated by Coca-Cola for taking $100 in cash he found at a self-checkout station at Walmart at the end of his shift. Additionally, LeRoy testified that he knew he had been terminated by Coca-Cola when he filled out his 2021 Supplemental. As a result, there would have been multiple causes to deny LeRoy's 2021 Application, including: (1) LeRoy supplied untrue and misleading information on his 2021 Application regarding his reason for leaving Coca-Cola; and (2) LeRoy demonstrated a lack of good character, honesty, and integrity by providing untrue and misleading information on his 2021 Application regarding his reason for leaving Coca-Cola.

37. Fortunately for LeRoy, he took the current application process much more seriously and provided accurate and meaningful responses that demonstrated good character, honesty, and integrity as follows:

a. First, LeRoy testified that he spoke with background agents from TP regarding his Application to fill it out in a better and more truthful manner, which demonstrates a sincere interest in properly and accurately filling out the Application.

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b. Second, LeRoy accurately disclosed his termination from Coca-Cola on his Supplemental.

c. Third, LeRoy provided a detailed written statement to the Bureau regarding the circumstances leading to his termination by Coca-Cola.

d. Fourth, LeRoy accepted responsibility for his actions that led to his termination by Coca-Cola by acknowledging his lapse of judgment, testifying that he had no excuse for taking $100 in cash from the self-checkout station at Walmart, and returning the $100 in cash to his employer.

38. Although the Commission was very concerned about LeRoy's untrue and misleading disclosure regarding his reason for leaving employment with Coca-Cola on his 2021 Application, LeRoy's subsequent actions as provided above were sufficient to address those concerns.

39. Therefore, based on the foregoing, LeRoy has met his burden of demonstrating that he is a person of good character, honesty, and integrity.

LeRoy met his burden of proving that his prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of 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

40. The existence of, and details regarding, an applicant's work history are facts material to the qualification for licensure of an applicant. For instance, they may affect the assessment of the applicant's general character, honesty, integrity, and/or ability to participate in controlled gambling. They may lead to a finding that the issuance of a license to such an applicant would be inimical to public health, safety, or welfare, or 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. An applicant's work history may be sufficient to support a factual finding and legal conclusion that the applicant poses a threat to the public interest of this state, to the effective regulation and control of controlled gambling, or creates or enhances 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

thereto.

41. LeRoy has some derogatory employment history. LeRoy was terminated by Coca-Cola for taking $100 in cash from a self-checkout station at Walmart at the end of his shift, a violation of Coca-Cola's procedures. LeRoy's actions demonstrated, at a minimum, a serious error in judgment. LeRoy's actions are especially concerning given that controlled gambling is a highly regulated industry with large amounts of cash and cash equivalents (i.e. gambling chips) present.

42. However, there is no derogatory information in the administrative record relating to LeRoy's work history in controlled gambling for KB or TP. LeRoy showed initiative by seeking assistance from background agents at TP for filling out his Supplemental and demonstrated good character, honesty, and integrity by disclosing his termination by Coca-Cola on his Supplemental and providing a detailed statement regarding the circumstances leading to his termination. LeRoy accepted responsibility for his actions that led to his termination by Coca-Cola by acknowledging his lapse of judgment and testifying that he had no excuse for taking $100 in cash from the self-checkout station at Walmart. LeRoy also returned the $100 in cash to his employer. Further, LeRoy testified that he will not have another lapse in judgment, that he has been trained on procedures at TP, and that he has learned the importance of issues dealing with money. Finally, the incident at Walmart occurred seven years ago and there is no information in the administrative record that a similar incident has occurred before or since. As a result, the likelihood that LeRoy will engage in actions at TP similar to his taking the $100 in cash from the self-checkout station at Walmart is minimal.

43. Based on the foregoing, LeRoy has met his burden of proving that his prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of 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.

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44. All documentary and testimonial evidence submitted by the parties that is not specifically addressed in this Decision and Order was considered but not used by the Commission in making its determination on LeRoy's Application.

LEGAL CONCLUSIONS

Applicable Statutes and Regulations

45. Every Gaming Employee shall obtain, and thereafter maintain current, a valid tribal gaming license, and except as provided in subdivision (b), shall obtain, and thereafter maintain current, a State Gaming Agency determination of suitability, which license and determination shall be subject to biennial renewal. Tribal-State Compact between the State of California and the Santa Rosa Indian Community of the Santa Rosa Rancheria section 6.4.3(a).

46. The Tribe agrees that the State has its own interests in ensuring that certain Applicants be found suitable. For those Applicants as to whom or which a determination of suitability is required, the Tribe agrees to direct the Tribal Gaming Agency to transmit to the State Gaming Agency the Applicant's completed license application within sixty (60) days of the Tribal Gaming Agency's finding of suitability. Tribal-State Compact between the State of California and the Santa Rosa Indian Community of the Santa Rosa Rancheria section 6.5.6(a).

47. Investigation and disposition of applications for a determination of suitability by the State Gaming Agency shall be governed entirely by California State law, and the State Gaming Agency shall determine whether the Applicant would be found suitable for licensure in a gambling establishment subject to the State Gaming Agency's jurisdiction. Tribal-State Compact between the State of California and the Santa Rosa Indian Community of the Santa Rosa Rancheria section 6.5.6(c).

48. The GCA is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate those purposes. Business and Professions Code section 19971.

49. Public trust and confidence can only be maintained by strict and comprehensive regulation of all persons, locations, practices, associations, and activities related to the operation of lawful gambling establishments. Business and Professions Code section 19801(h).

50. "Finding of Suitability" means a finding that a person meets the qualification criteria described in subdivisions (a) and (b) of Section 19857, and that the person would not be disqualified from holding a state gambling license on any of the grounds specified in Section 19859. Business and Professions Code section 19805(j).

51. The Commission has the responsibility of 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. Business and Professions Code section 19823(a)(1).

52. An "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. Business and Professions Code section 19823(b).

53. 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. Business and Professions Code section 19824.

54. The Commission has the power to deny any application for a license, permit, or approval for any cause deemed reasonable by the Commission. Business and Professions Code section 19824(b).

55. The Commission has the power to take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled gambling activities. Business and Professions Code section 19824(d).

56. The burden of proving his or her qualifications to receive any license from the Commission is on the applicant. Business and Professions Code section 19856(a); CCR section 12060(j).

57. An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated with, controlled gambling. Business and Professions Code section 19856(b).

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58. In reviewing an application for any license, the commission shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the 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. Business and Professions Code section 19856(c).

59. No gambling license shall be issued unless, based on all of the information and documents submitted, the Commission is satisfied that the applicant is a person of good character, honesty, and integrity. Business and Professions Code section 19857(a).

60. No gambling license shall be issued unless, based on all of the information and documents submitted, the Commission is satisfied that the applicant is a person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of 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. Business and Professions Code section 19857(b).

61. No gambling license shall be issued unless, based on all of the information and documents submitted, the Commission is satisfied that the applicant is a person that is in all other respects qualified to be licensed as provided in this chapter. Business and Professions Code section 19857(c).

62. The Commission shall deny a license to any applicant who is disqualified for failure of the applicant to provide information, 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. Business and Professions Code section 19859(b).

63. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a finding, if it is the sort of evidence upon which reasonable persons are accustomed to rely upon in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that

might make improper the admission of the evidence over objection in a civil action. Business and Professions Code section 19871(a)(4); CCR section 12060(g)(2).

64. 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. Business and Professions Code section 19866.

65. The Bureau relies, in large part, on the applicant's disclosures while conducting a background investigation. The failure to honestly, accurately, and completely disclose information on an application subverts the Bureau's efforts to conduct a thorough and complete investigation. Business and Professions Code sections 19826(a) and 19866.

66. Both the substance of an applicant's disclosures, and the truthfulness and thoroughness of an applicant's disclosures, are considered by the Bureau in making a recommendation as to the applicant's suitability for licensure, and by the Commission in making a determination whether to approve or deny a license application. Business and Professions Code sections 19824(a) and (d), 19826(a), and 19866.

Approval of LeRoy's Application

67. LeRoy met his burden of proving that he is a person of good character, honesty, and integrity. Therefore, LeRoy is qualified for licensure pursuant to Business and Professions Code section 19857(a).

68. LeRoy met his burden of proving that his prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of 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. Therefore, LeRoy is qualified for licensure pursuant to Business and Professions Code section 19857(b).

69. LeRoy met his burden of proving that he is a person that is in all other respects qualified to be licensed as provided in the GCA. Therefore, LeRoy is qualified for licensure pursuant to Business and Professions Code section 19857(c).

ORDER

1. Michel LeRoy's Application for Tribal Key Employee Finding of Suitability is APPROVED.

2. No costs are awarded.

3. Each side to pay its own attorneys' fees.

This Order is effective on July 10, 2025.

Dated: 7/10/2025 Signature: DocuSigned by: 38D0AB38C651466...

Paula LaBrie, Chair

Dated: 7/10/2025 Signature: DocuSigned by: Stacey Luna Baxter 928DBCE0554B423...

Stacey Luna Baxter, Commissioner

Dated: 7/10/2025 Signature: DocuSigned by: Eric Heins 2B4CE9520F8845C...

Eric Heins, Commissioner

Dated: 7/10/2025 Signature: DocuSigned by: William Liu 7722F4571120449...

William Liu, Commissioner

Dated: 7/10/2025 Signature: DocuSigned by: 14B4AD3B90F8462...

Edward Yee, Commissioner