

1 KAMALA D. HARRIS
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 RONALD L. DIEDRICH
Deputy Attorney General, SBN 95146
4 1300 I Street, Suite 125
P.O. Box 944255
5 Sacramento, CA 94244-2550
Telephone: (916) 322-1043
6 Fax: (916) 327-2319
E-mail: Ronald.Diedrich@doj.ca.gov
7 *Attorneys for Complainant*

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CALIFORNIA GAMBLING
CONTROL COMMISSION

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

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13
14 **In the Matter of the Statement of Reasons
for Denial of Key Employee License
Regarding:**

BGC Case No. BGC-HQ2013-00003SL

CGCC Case No. CGCC-2013-1030-7B

15
16 **JOHN SU'A**

17 
18 **License No. GEKE-001211**

STATEMENT OF REASONS

19
20 **Respondent.**

21
22 Complainant alleges as follows:

23 **PARTIES**

24 1. Wayne J. Quint Jr. (Complainant) brings this Statement of Reasons solely in his
25 official capacity as the Chief of the California Department of Justice, Bureau of Gambling Control
26 (Bureau).

27 2. On or about October 6, 2011, the California Gambling Control Commission
28 (Commission) received an Application for Gambling Establishment Key Employee License,

1 CGCC-031 (Rev. 08/19), and a Key Employee Supplemental Background Investigation
2 Information, BGC-APP 016A (Rev. 08/09) (collectively: application) from John Su'a
3 (Respondent). Respondent is employed as a supervisor in the security department of the
4 Commerce Hotel & Casino, license number GECE-001093, located in Commerce, California.

5 3. On or about October 17, 2011, Respondent submitted an Application for Interim Key
6 Employee License, CGCC-035 (New 08/09) to the Commission. The Commission granted
7 Respondent an interim key employee license, license number GEKE-001722. Respondent's
8 interim key employee license expired on October 31, 2013. However, the Commission allowed
9 Respondent to continue to work until the completion of this matter.

10 4. At its October 30, 2013 meeting, the Commission referred the matter of Respondent's
11 request for a key employee license to an evidentiary hearing

12 5. On or about October 31, 2013, pursuant to California Code of Regulations, title 4,
13 section 12050, subdivision (b), the Executive Director of the Commission set the matter for a
14 hearing to be conducted pursuant to the provisions of Business and Professions Code sections
15 19870 and 19871.

16 JURISDICTION

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

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

21 7. Business and Professions Code section 19823 provides:

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

24 (1) Assuring that licenses, approvals, and permits are
25 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.

26 (2) Assuring that there is no material involvement,
27 directly or indirectly, with a licensed gambling operation, or
28 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,

1 safety, or welfare.

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

7 8. Business and Professions Code section 19824 provides, in part:

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

13 * * *

14 (b) For any cause deemed reasonable by the commission, deny
15 any application for a license, permit, or approval provided for in this
16 chapter or regulations adopted pursuant to this chapter, limit, condition,
17 or restrict any license, permit, or approval, or impose any fine upon any
18 person licensed or approved. The commission may condition, restrict,
19 discipline, or take action against the license of an individual owner
20 endorsed on the license certificate of the gambling enterprise whether
21 or not the commission takes action against the license of the gambling
22 enterprise.

23 * * *

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

27 9. Business and Professions Code section 19854, subdivision (a), provides:

28 Every key employee shall apply for and obtain a key employee
license.

10. Business and Professions Code section 19870 provides:

(a) The commission, after considering the recommendation of
the [Bureau] chief and any other testimony and written comments as
may be presented at the meeting, or as may have been submitted in
writing to the commission prior to the meeting, may either deny the
application or grant a license to an applicant who it determines to be
qualified to hold the license.

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

(c) When an application is denied, the commission shall prepare
and file a detailed statement of its reasons for the denial.

1 (d) All proceedings at a meeting of the commission relating to a
2 license application shall be recorded stenographically or by audio or
video recording.

3 (e) A decision of the commission denying a license or approval,
4 or imposing any condition or restriction on the grant of a license or
5 approval may be reviewed by petition pursuant to Section 1085 of the
6 Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure
7 shall not apply to any judicial proceeding described in the foregoing
sentence, and the court may grant the petition only if the court finds that
8 the action of the commission was arbitrary and capricious, or that the
action exceeded the commission's jurisdiction.

11. Business and Professions Code section 19871 provides:

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

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

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

13 (A) To call and examine witnesses.

14 (B) To introduce exhibits relevant to the
15 issues of the case.

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

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

19 (E) To offer rebuttal evidence.

20 (3) If the applicant does not testify in his or her own
21 behalf, he or she may be called and examined as if under cross-
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's¹ investigative reports or to require disclosure
3 of any document or information the disclosure of which is otherwise
4 prohibited by any other provision of this chapter.

5 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

6 12. Business and Professions Code section 19854, subdivision (b) provides:

7 No person may be issued a key employee license unless the
8 person would qualify for a state gambling license.

9 13. Business and Professions Code section 19856, subdivision (a) provides, in part:

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

12 14. Business and Professions Code section 19857 provides, in part:

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

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

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

24 15. Business and Professions Code section 19859, subdivision (d) provides:

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

27 (d) Conviction of the applicant for a misdemeanor
28 involving dishonesty or moral turpitude within the 10-year period
immediately preceding the submission of the application, unless
the applicant has been granted relief pursuant to Section 1203.4,
1203.4a, or 1203.45 of the Penal Code; provided, however, that
the granting of relief pursuant to Section 1203.4, 1203.4a, or
1203.45 of the Penal Code shall not constitute a limitation on the
discretion of the commission under Section 19856 or affect the
applicant's burden under Section 19857.

(h.)¹ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.

1 **FIRST CAUSE FOR DENIAL OF LICENSE APPLICATION**

2 **(Mandatory Denial - Conviction of a Crime of Dishonesty)**

3 16. Respondent's application for a key employee license is subject to mandatory denial
4 pursuant to Business and Professions Code section 19859, subdivision (d), in that Respondent
5 suffered two misdemeanor criminal convictions involving dishonesty within 10 years immediately
6 prior to his submitting his application, for which he has not been granted relief pursuant to sections
7 1203.4, 1203.4a, or 1203.45 of the Penal Code.

8 On or about August 26, 2013, Respondent was convicted, upon a plea of guilty, of two
9 counts of violating Revenue and Taxation Code, section 19706, willful failure to file or make a
10 fraudulent tax return, in the case of *People v. Su'a* (Super. Ct. Orange County, 2012, No.
11 12NF3312).

12 **SECOND CAUSE FOR DENIAL OF LICENSE RENEWAL**

13 **(Unsuitable for Licensure)**

14 17. Respondent's application for a key employee license is subject to mandatory denial
15 pursuant to Business and Professions Code section 19857, subdivisions (a) and/or (b), in that
16 Respondent has demonstrated that he is not a person of good character, honesty, and integrity;
17 and/or, that he is a person whose prior activities and criminal record pose a threat to the public
18 interest of this state, to the effective regulation and control of controlled gambling, or create or
19 enhance the dangers of unsuitable, unfair, or illegal practices, methods and activities in the
20 conduct of controlled gambling or in the carrying on of the business and financials arrangements
21 incidental thereto.

22 On or about October 15, 2010, Respondent willfully and unlawfully failed to file a tax
23 return and supply information for the taxable year 2009, with the intent to evade properly paying
24 taxes; and with the intent to willfully make, render, sign, and verify a false or fraudulent tax return
25 or statement, and to supply false or fraudulent information.

26 On or about October 15, 2011, Respondent willfully and unlawfully failed to file a tax
27 return and supply information for the taxable year 2010, with the intent to evade properly paying
28

1 taxes; and with the intent to willfully make, render, sign, and verify a false or fraudulent tax return
2 or statement, and to supply false or fraudulent information.


3 As a result of the above unlawful conduct, Respondent, upon a plea of guilty, suffered two
4 misdemeanor criminal convictions, as alleged in paragraph 16 above and incorporated herein by
5 reference.

6 **PRAYER**

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

- 9 1. Denying the Application for Gambling Establishment Key Employee License
10 submitted by John Su'a; and
11 2. Taking such other and further action as the Commission may deem appropriate.

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13 Dated: September 30TH, 2014

14 
15 Wayne J. Quint, Jr., Chief
16 Bureau of Gambling Control
17 California Department of Justice
18 Complainant
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