

1 ROB BONTA
Attorney General of California
2 CARL SONNE
SENIOR ASSISTANT ATTORNEY GENERAL
3 THOMAS L. RINALDI
Supervising Deputy Attorney General
4 State Bar No. 206911
300 South Spring Street, Suite 1702
5 Los Angeles, CA 90013-1230
Telephone: (213) 269-6310
6 Fax: (916) 731-2126
E-mail: Thomas.Rinaldi@doj.ca.gov
7 *Attorneys for Complainant*

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

12
13 In the Matter of the Statement of Particulars
for:

14 **OSCAR ROSARIO (GEKE-002651)**

15 [REDACTED]
16 [REDACTED]

17 **Respondent.**

BGC Case No. BGC-HQ2023-00011AL

CGCC Case No: CGCC-2023-0921-5C

18 **STATEMENT OF PARTICULARS**

19 Hearing Date: October 8, 2024
Hearing Time: 10:00 a.m.
Hearing Place: 2399 Gateway Oaks, Ste. 220,
Sacramento, CA 95833

20 **This hearing will be conducted by means of**
21 **video conferencing on Zoom. The Zoom**
22 **meeting code is 285 757 8614.**

23 Complainant alleges as follows:

24 **THE PARTIES AND THIS PROCEEDING**

25 1. Yolanda Morrow (Complainant) brings this Statement of Particulars solely in her
26 official capacity as Director of the California Department of Justice, Bureau of Gambling Control
27 (Bureau).

1 **LICENSURE CONSIDERATIONS**

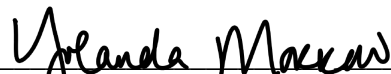
2 10. The Bureau’s investigation determined that on March 31, 2023, Respondent was
3 terminated from his previous casino employer for being the supervisor on duty when another
4 casino employee was involved in a phone scam that resulted in that employee taking funds from
5 the casino. According to that employer, Respondent “was aware of what was going on and
6 assisted [another employee] in getting the money ready, finding a Bit coin ATM, and knew he
7 was taking the money.” However, the Bureau’s investigation did not uncover any evidence that
8 Respondent was involved in the scam.

9 11. On August 2, 2023, Respondent provided a statement to the Bureau and summarized
10 the underlying incident as follows: On March 31, 2023, Respondent was terminated from the
11 casino due to the underlying incident which occurred in November of 2022. At that time, a newly
12 hired shift manager fell for a phone scam which involved the shift manager taking money from
13 the casino and taking it somewhere or to someone. The new employee had access to the cage and
14 money since he was a manager. The cashier on duty allowed the shift manager to get the money
15 after which he walked out of the casino without Respondent knowing. Because the incident
16 occurred on Respondent’s shift, he was told months later that he was being terminated for not
17 stopping him from walking out with the money. According to Respondent, the new employee
18 subsequently told police and investigators that Respondent was not involved in the scam.

19 **CONCLUSION**

20 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
21 and that following the hearing, the Commission take action as it may deem appropriate regarding
22 the Application submitted by Respondent.

23
24 Dated: August __, 2024



25 Yolanda Morrow, Director
26 Bureau of Gambling Control
27 California Department of Justice
28 Complainant

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

APPENDIX A

BUSINESS AND PROFESSIONS CODE

1. Business and Professions Code section 19805 provides, in part:

(x) “Key employee” means any natural person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions that regulate gambling operations, including, without limitation . . . cashier operations supervisors . . . or any other natural person designated as a key employee by the department for reasons consistent with the policies of this chapter.

2. 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.

3. 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.

4. 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,¹ including, without limitation, the power to do all of the following:

¹ “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

* * *

(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 fine upon any person licensed or approved. The commission may condition, restrict, discipline, or take action against the license of an individual owner endorsed on the license certificate of the gambling enterprise whether or not the commission takes action against the license of the gambling enterprise.

* * *

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

5. Business and Professions Code section 19850 provides, in part:

Every person who, either as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain, a valid state gambling license, key employee license, or work permit, as specified in this chapter.

6. Business and Professions Code section 19853, subdivision (a), provides in part:

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

* * *

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

7. Business and Professions Code, section 19854 provides, in part:

(a) Every key employee shall apply for and obtain a key employee license.

(b) No person may be issued a key employee license unless the person would qualify for a state gambling license.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

8. Business and Professions Code section 19856 provides:

(a) Any person who the commission determines is qualified to receive a state license, having due consideration for the proper protection of the health, safety, and general welfare of the residents of the State of California and the declared policy of this state, may be issued a license. The burden of proving his or her qualifications to receive any license is on the applicant.

(b) 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.

(c) 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.

9. Business and Professions Code section 19857 provides:

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

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

(b) 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.

(c) A person that is in all other respects qualified to be licensed as provided in this chapter.

10. Business and Professions Code section 19859 provides, in part:

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

(a) Failure of the applicant to clearly establish eligibility and qualification in accordance with this chapter.

(b) 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 to a material fact pertaining to the qualification criteria.

1 11. Business and Professions Code section 19866 provides:

2 An applicant for licensing or for any approval or consent required
3 by this chapter, shall make full and true disclosure of all information
4 to the department and the commission as necessary to carry out the
policies of this state relating to licensing, registration, and control of
gambling.

5 12. Business and Professions Code section 19870 provides:

6 (a) The commission, after considering the recommendation of the
7 chief² and any other testimony and written comments as may be
8 presented at the meeting, or as may have been submitted in writing to
9 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.

10 (b) When the commission grants an application for a license or
11 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.

12 (c) If, during a meeting, the commission denies an application,
13 denies approval, or approves with limits, restrictions, or conditions,
14 the action shall be stayed for a period of 30 days after the meeting,
during which the applicant may request an evidentiary hearing. If the
15 applicant does not file a request for an evidentiary hearing within 30
16 days, the action of the commission taken at the meeting is final. If the
17 applicant waives the right to hearing and assents to the action of the
commission in writing, upon receipt of the waiver by the commission,
the action shall no longer be stayed. If the applicant files a timely
request for an evidentiary hearing, the action shall be vacated and the
application shall be reviewed de novo at the evidentiary hearing.

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

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

22 (f) A decision of the commission denying a license or approval,
23 or imposing any condition or restriction on the grant of a license or
24 approval may be reviewed by petition pursuant to Section 1085 of the
Code of Civil Procedure. Section 1094.5 of the Code of Civil
25 Procedure shall not apply to any judicial proceeding described in the
26 foregoing sentence, and the court may grant the petition only if the
27 court finds that the action of the commission was arbitrary and
28 capricious, or that the action exceeded the commission's jurisdiction.

² "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

13. Business and Professions Code section 19871 provides:

(a) An evidentiary hearing described in Section 19870 shall be conducted in accordance with regulations of the commission and as follows:

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

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

(A) To call and examine witnesses.

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

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

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

(E) To offer rebuttal evidence.

(3) If the applicant does not testify in his or her own behalf, he or she may be called and examined as if under cross-examination.

(4) 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 on which responsible 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.

(b) This section does not confer upon an applicant a right to discovery of the department's³ investigative reports or to require disclosure of any document or information the disclosure of which is otherwise prohibited by any other provision of this chapter.

///
///
///
///

³ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

1 **CALIFORNIA CODE OF REGULATIONS**

2 14. California Code of Regulations, title 4, section 12040, subdivision (a) provides, in
3 part:

4 An application for an initial or renewal license:

5 (1) Will be denied if the Commission finds that the applicant
6 has not satisfied the requirements of Business and Professions
Code section 19857; or,

7 (2) Will be denied if the Commission finds that any of the
8 provisions of Business and Professions Code section 19859 apply
to the applicant.

9 15. California Code of Regulations, title 4, section 12054 provides:

10 (a) At a Commission meeting, the Commission may take, but is not limited to
11 taking, one of the following actions:

12 (1) Issue a license, temporary license, interim license, registration, permit, finding
of suitability, renewal or other approval.

13 (2) Issue a license, work permit, finding of suitability, or other approval with
14 conditions, restrictions, or limitations, and for a renewal application, issue an interim
15 renewal license pursuant to Section [12035](#).

16 (3) Deny an application for a license, work permit, finding of suitability, or other
17 approval, and for a renewal application, issue an interim renewal license pursuant to
Section [12035](#).

18 (4) Elect to hold or retract an evidentiary hearing in accordance with
19 Section [12056](#) and, for a renewal application, issue an interim renewal license pursuant to
20 Section [12035](#). The Commission will identify those issues for which it requires additional
information or consideration related to the applicant's suitability.

21 (5) Table or continue an item for consideration at a subsequent meeting, for any
22 purpose, including obtaining new or additional information from the applicant, Bureau or
23 Commission staff, provided that in the case of renewal applications, the Commission must
act on the application before the license expires.

24 (6) Extend a cardroom category license, TPPPS category license, registration, or
25 finding of suitability for up to 180 calendar days, as necessary, if an applicant has
26 submitted their renewal application prior to the original expiration date of the current
license, Commission work permit, registration, or finding of suitability, and the
Commission is unable to act on the application prior to the expiration date.

27 (7) Approve or deny a request for withdrawal pursuant to Section [12015](#).

1 (8) Make a finding of abandonment pursuant to subsection (c) of Section [12017](#).

2 (9) If the Bureau has filed an accusation with the Commission pursuant to
3 Business and Professions Code section 19930 prior to Commission action on a renewal
4 application, the Commission will issue an interim renewal license pursuant to
Section [12035](#).

5 (10) Issue a default decision pursuant to Section 12057.

6 (11) Consider a request for reconsideration pursuant to Section [12064](#).

7 (b) An applicant does not have a right to an evidentiary hearing pursuant to
8 Section [12056](#) if the Commission approves or denies a request for withdrawal pursuant to
9 paragraph (5) of subsection (a) or makes a finding of abandonment pursuant to paragraph
10 (6) of subsection (a), and that decision is final when issued, unless the Commission
specifies otherwise.

11 16. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
12 part:

13 If the Commission elects to hold an evidentiary hearing, the
14 hearing will be conducted as a GCA hearing under Section 12060,
15 unless the Executive Director or the Commission determines the
hearing should be conducted as an APA hearing under Section
12058

16 17. California Code of Regulations, title 4, section 12060, provides:

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

22 (b) When a GCA hearing is elected pursuant to Section 12056, subsection (a), the
23 Executive Director will give notice to the applicant, pursuant to paragraph (2)
subsection (c) of Section 12052, to the Office of the Attorney General, and to the
Bureau no later than 60 calendar days in advance of the GCA hearing.

24 (c) An applicant may request that his, her, or its GCA hearing be held at a Southern
25 California location instead of the Commission's principal office in Sacramento, by
26 completing the appropriate section on the Notice of Defense, CGCC-CH1-03 (Rev.
08/21). The request must be made on the initial Notice of Defense form submitted to
the Commission and Bureau within the timeframes specified on the form.

28

1 (1) The Executive Director will approve a Southern California GCA hearing, if the
2 request is timely made on the initial Notice of Defense form and meets all of the
3 following criteria:

4 (A) The GCA hearing is estimated by Commission staff to last no longer than four
5 hours.

6 (B) The primary residence of the applicant is located in one of the following counties:
7 Imperial, Kern, Los Angeles, Orange, Riverside, San Diego, San Luis Obispo, San
8 Bernardino, Santa Barbara, or Ventura.

9 (C) A GCA hearing will be noticed for a Southern California location only when it is
10 in the best public interest, promotes judicial economy, and comports with the
11 Commission's availability.

12 (2) If at any time before the hearing, the Executive Director determines that the
13 criteria in subparagraphs (A) through (C) of paragraph (1) are no longer met,
14 Commission staff may cancel the Southern California GCA hearing and issue a new
15 notice for a hearing at the Commission's principal office in Sacramento.

16 (d) The presiding officer and her or his support staff will have no communication
17 with the Commission or Commission staff upon the merits of an application prior to
18 the evidentiary hearing. The Executive Director will designate a presiding officer
19 which will be:

20 (1) A member of the Commission's legal staff; or,

21 (2) An Administrative Law Judge.

22 (e) The applicant or the complainant, or the applicant and the complainant, may
23 request a continuance in writing to the Executive Director stating the reason for the
24 continuance and any proposed future hearing dates. The Executive Director or
25 Commission may approve the request. For a Southern California GCA hearing, if a
26 continuance is granted, the hearing may be scheduled in Sacramento or Southern
27 California based on the criteria specified in subparagraphs (A) through (C) of
28 paragraph (1) of subsection (c).

(f) The complainant will provide to the applicant, subject to subsection (b) of Section
12056, at least 45 calendar days prior to the GCA hearing, and the applicant must
provide to the complainant, at least 30 calendar days prior to the GCA hearing, the
following items:

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

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

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

(4) All other written comments, writings, or other items containing relevant evidence.

(g) The provisions of subsection (f) of this section provide the exclusive right to and
method of discovery between the applicant and complainant to a GCA hearing.
Discovery is not permitted upon a Commission member or an advisor of the

1 Commission unless a showing is made that they have direct personal factual
2 information pertaining to material issues related to the application at issue and the
3 information to be gained from the Commission member or advisor of the Commission
4 is not available through any other sources.

5 (h) A presiding officer will rule on the admissibility of evidence and on any
6 objections raised except for objections raised under subsection (h). A ruling by the
7 presiding officer is final.

8 (1) In advance of the GCA hearing, upon a motion of a party or by order of the
9 presiding officer, the presiding officer may conduct a pre-hearing conference, either
10 in person, via teleconference, or by email exchange, subject to the presiding officer's
11 availability and will issue a pre-hearing order if appropriate or requested by either
12 party. The pre-hearing conference and order may address the following:

13 (A) Evidentiary issues;

14 (B) Witness and exhibit lists;

15 (C) Alterations in the Bureau recommendation;

16 (D) Stipulations for undisputed facts and/or the admission of evidence including
17 without limitation the Bureau's report;

18 (E) Authorizing offsite livestreaming appearances for parties or witnesses if good
19 cause has been presented and only if the process for offsite livestreaming has been
20 approved by the Executive Director; and,

21 (F) Other issues that may be deemed appropriate to promote the orderly and prompt
22 conduct of the hearing.

23 (2) The GCA hearing need not be conducted according to technical rules of evidence.
24 Any relevant evidence may be considered, and is sufficient in itself to support
25 findings if it is the sort of evidence on which reasonable persons are accustomed to
26 rely in the conduct of serious affairs, regardless of the existence of any common law
27 or statutory rule that might make improper the admission of that evidence over
28 objection in a civil action.

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

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

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

(j) The complainant will present all facts and information in the Bureau report, if any,
and the results of the Bureau's background investigation, and the basis for any
recommendation, if the Bureau filed one with the Commission according to Business
and Professions 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(k) The burden of proof is always on the applicant to prove his, her, or its qualifications to receive any license or other approval under the Act.

(l) The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative. Lay representatives may assist the applicant but are not authorized to serve as an attorney as otherwise defined and regulated by state law.

(m) Except as otherwise provided in subsection (i), the complainant and applicant will have the right to call and examine witnesses under oath; to introduce relevant exhibits and documentary evidence; to cross-examine opposing witnesses on any relevant matter, even if the matter was not covered in direct examination; to impeach 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 behalf, the applicant may be called and examined, under oath, as if under cross-examination.

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

(o) At the conclusion of the evidentiary hearing, the members of the Commission will take the matter under submission, may discuss the matter in a closed session meeting, and may schedule future closed session meetings for deliberation.