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10 **BEFORE THE**
11 **CALIFORNIA GAMBLING CONTROL COMMISSION**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Statement of Reasons for
14 Denial of Application for Third-Party
15 Proposition Player Services Worker License
for:

16 **DOMINICK ARTURO SANCHEZ**

17
18 **Respondent.**
19

BGC Case No. BGC-HQ2022-00016SL

CGCC Case No: CGCC-2022-0721-7Aii

20 **STATEMENT OF REASONS**

Hearing Date: March 22, 2023
Hearing Time: 10:00 a.m.
Hearing Place: 2399 Gateway Oaks, Ste. 100,
Sacramento, CA 95833

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

24 Complainant alleges as follows:

25 **PARTIES**

26 1. Yolanda Morrow (Complainant) brings this Statement of Reasons for Denial of
27 Application for a Third-Party Proposition Player Services Worker License solely in her official
28

1 capacity as Director of the California Department of Justice, Bureau of Gambling Control
2 (Bureau).

3 2. Blackstone Gaming, LLC, a registered third-party proposition player services
4 provider, license number TPPP-000119, has employed Dominick Arturo Sanchez (Respondent)
5 since approximately August 2021 as a third-party proposition player services worker (third-party
6 worker).

7 **THE APPLICATION AND THIS PROCEEDING**

8 3. On or about August 16, 2021, the Bureau received from Respondent an initial
9 Application for Employee Category License, together with a Commission Work Permit or Third-
10 Party Proposition Player Services (TPPPS) Worker: Supplemental Information form (collectively,
11 Application). The Application was to allow for Respondent's employment as a third-party
12 worker for Blackstone Gaming, LLC.

13 4. On or about August 24, 2021, the California Gambling Control Commission
14 (Commission) issued to Respondent a temporary third-party proposition worker services license
15 number TPWK-002001, which is valid through July 31, 2023.

16 5. On or about April 29, 2022, the Bureau submitted a Third-Party Worker Initial
17 Background Investigation Report, Level III, to the Commission recommending that Respondent's
18 Application be denied.

19 6. At its July 21, 2022 meeting, the Commission referred consideration of Respondent's
20 Application to an evidentiary hearing to be conducted pursuant to Business and Professions Code
21 sections 19870 and 19871, and California Code of Regulations, title 4, section 12060.¹ On July
22 22, 2022, the Commission notified Respondent of its action upon the Application and provided
23 Respondent with a Notice of Defense form.

24 7. On or about August 16, 2022, Respondent submitted a completed Notice of Defense
25 form to the Commission requesting an evidentiary hearing.

26 _____
27 ¹ The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A. The full text of the Gambling Control Act is found at Business and
Professions Code section 19800 et seq.

1 information that is untrue or misleading. Respondent also engaged in illegal behavior,
2 demonstrating a willingness to violate the law and a conscious disregard for the health, safety and
3 welfare of others. Respondent is currently the subject of a protective order as a result of his
4 unlawful actions. By acting in the manner described herein, Respondent has failed to establish
5 that his prior activities, criminal record, and habits do not pose a threat to the public interest of
6 this state, or to the effective regulation and control of controlled gambling.


7 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subd. (a), 19866; Cal. Code Regs.,
8 tit. 4, §12040, subd. (a)(1), (2) [mandatory denial].)

9 **PRAYER**

10 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
11 and that following the hearing, the Commission issue a decision:

- 12 1. Denying Respondent's Application for a Third-Party Proposition Player Services
13 Worker License;
14 2. Cancelling Respondent's temporary license number TPWK-002001; and
15 3. Taking such other and further action as the Commission may deem appropriate.

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17 Dated: January 4, 2023



YGLANDA MORROW, Director
Bureau of Gambling Control
California Department of Justice
Complainant

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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.

4. 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 (j) of 19805, or apply for a gambling license:

* * *

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

5. 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.

1 6. Business and Professions Code section 19857 provides:

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

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

6 (b) A person whose prior activities, criminal record, if any,
7 reputation, habits, and associations do not pose a threat to the public
8 interest of this state, or to the effective regulation and control of
9 controlled gambling, or create or enhance the dangers of unsuitable,
10 unfair, or illegal practices, methods, and activities in the conduct of
11 controlled gambling, or in the carrying on of the business and financial
12 arrangements incidental thereto.

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

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

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

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

20 (b) Failure of the applicant to provide information,
21 documentation, and assurances required by this chapter or requested
22 by the chief, or failure of the applicant to reveal any fact material to
23 qualification, or the supplying of information that is untrue or
24 misleading to a material fact pertaining to the qualification criteria.

25 8. Business and Professions Code section 19866 provides:

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

29 9. Business and Professions Code section 19870 provides:

30 (a) The commission, after considering the recommendation of the
31 chief^{3]} and any other testimony and written comments as may be
32 presented at the meeting, or as may have been submitted in writing to
33 the commission prior to the meeting, may either deny the application

34 ³ “Chief” refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 or grant a license to an applicant who it determines to be qualified to
2 hold the license.

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

7 * * *

8 (d) When an application is denied after an evidentiary hearing,
9 the commission shall prepare and file a detailed statement of its
10 reasons for the denial.

11 (e) All proceedings relating to an application at a meeting of the
12 commission or at an evidentiary hearing shall be recorded
13 stenographically or by audio or video recording.

14 (f) A decision of the commission after an evidentiary hearing,
15 denying a license or approval, or imposing any condition or restriction
16 on the grant of a license or approval may be reviewed by petition
17 pursuant to Section 1085 of the Code of Civil Procedure. Section
18 1094.5 of the Code of Civil Procedure does not apply to any judicial
19 proceeding held to consider that petition, and the court may grant the
20 petition only if the court finds that the action of the commission was
21 arbitrary and capricious, or that the action exceeded the commission's
22 jurisdiction.

23 10. Business and Professions Code section 19871 provides:

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

27 (1) Oral evidence shall be taken only upon oath or
28 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 if 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.

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(3) If the applicant does not testify on his or her own behalf, the applicant 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's^[4] 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.

CALIFORNIA CODE OF REGULATIONS

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

An application for an initial or renewal license:

- (1) Will be denied if the Commission finds that the applicant has not satisfied the requirements of Business and Professions Code section 19857; or,
- (2) Will be denied if the Commission finds that any of the provisions of Business and Professions Code section 19859 apply to the applicant.

12. California Code of Regulations, title 4, section 12054, subdivision (a)(2) provides:

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

* * *

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

⁴ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

1 13. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
2 part:

3 If the Commission elects to hold an evidentiary hearing, [. . .] the
4 hearing will be conducted as a GCA hearing under Section 12060,
5 unless the Executive Director or the Commission determines the
6 hearing should be conducted as an APA hearing under Section
7 12058

8 14. California Code of Regulations, title 4, section 12060, provides:

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

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

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

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

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

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

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

(2) If at any time before the hearing, the Executive Director
determines that the criteria in subparagraphs (A) through (C) of

1 paragraph (1) are no longer met, Commission staff may cancel the
2 Southern California GCA hearing and issue a new notice for a
hearing at the Commission's principal office in Sacramento.

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

- 6 (1) A member of the Commission's legal staff; or,
- 7 (2) An Administrative Law Judge.

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

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

- 15 (1) A list of potential witnesses with the general subject of
the testimony of each witness;
- 16 (2) Copies of all documentary evidence intended to be
17 introduced at the hearing and not previously provided;
- 18 (3) Reports or statement of parties and witnesses, if
available; and
- 19 (4) All other written comments or writing containing relevant
20 evidence.

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

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

- 27 (A) Evidentiary issues;
- 28 (B) Witness and exhibit lists;

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(C) Alterations in the Bureau recommendation;

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

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

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

(2) The GCA hearing need not be conducted according to technical rules of evidence. Any relevant evidence may be considered, and is sufficient in itself to support findings if it is the sort of evidence on which reasonable 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) Except as otherwise provided in subsection (h), 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,

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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.

(m) 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.

(n) 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.