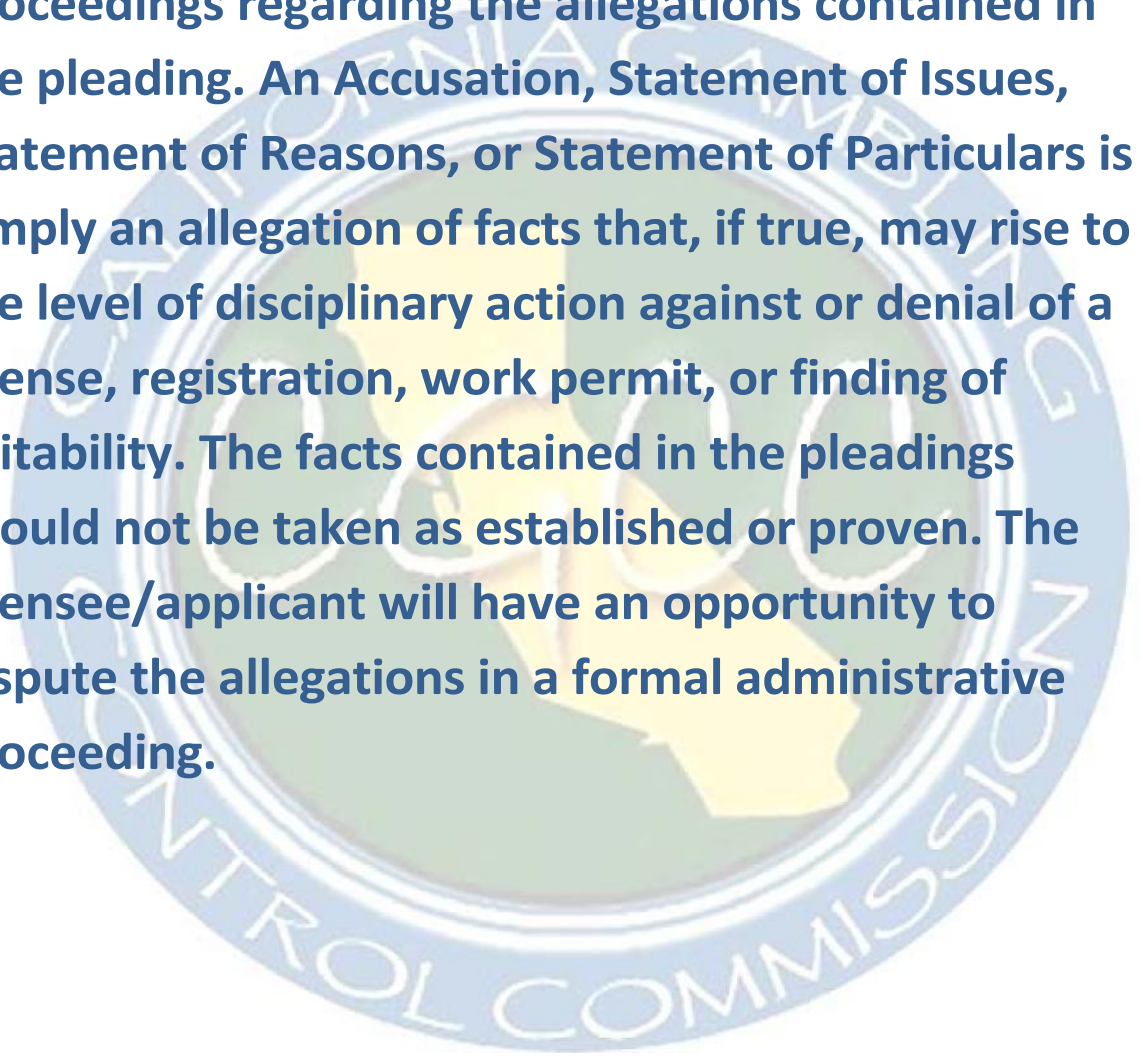


**The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, Statement of Reasons, or Statement of Particulars is simply an allegation of facts that, if true, may rise to the level of disciplinary action against or denial of a license, registration, work permit, or finding of suitability. The facts contained in the pleadings should not be taken as established or proven. The licensee/applicant will have an opportunity to dispute the allegations in a formal administrative proceeding.**



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

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

16 **CRYSTAL HERNANDEZ VAZQUEZ**  
17 **(TPWK-004886)**  
18 Respondent.

**BGC Case No. BGC-HQ2023-00002SL**

**CGCC Case No. CGCC-2023-0309-5B**

**STATEMENT OF REASONS**

Date: November 9, 2023  
Time: 10:00 a.m.  
Place: 2399 Gateway Oaks, Suite 100  
Sacramento, CA

20 Complainant alleges as follows:

21 **PARTIES**

22 1. Yolanda Morrow (Complainant) brings this Statement of Reasons for Denial of  
23 Application for a Third-Party Proposition Player Services Worker License solely in her official  
24 capacity as the Director of the California Department of Justice, Bureau of Gambling Control  
25 (Bureau).

26 2. Players Edge Services (Players Edge), a licensed third-party proposition player  
27 services provider, has employed Crystal Hernandez Vazquez (Respondent) since approximately  
28 August 2022. On or about September 1, 2022, the California Gambling Control Commission

1 (Commission) issued third-party proposition worker temporary license number TPWK-004886 to  
2 Respondent. The temporary license expires on August 31, 2024.

3 **THE APPLICATION AND THIS PROCEEDING**

4 3. On or about August 24, 2022, the Bureau received an initial Application for  
5 Employee Category License and Commission Work Permit or TPPPS Worker: Supplemental  
6 Information (Application) from Respondent. The Application is to allow for Respondent's  
7 employment as a third-party worker for Players Edge.

8 4. On or about January 2023, the Bureau submitted a Third-Party Worker Initial  
9 Background Investigation Report, Level III, to the Commission recommending that Respondent's  
10 Application be denied.

11 5. At its March 9, 2023 meeting, the Commission referred consideration of  
12 Respondent's Application to an evidentiary hearing to be conducted pursuant to Business and  
13 Professions Code sections 19856, 19857, and 19859, and California Code of Regulations, title 4,  
14 section 12054, subdivision (a)(4).<sup>1</sup>

15 6. On or about April 3, 2023, Respondent submitted her Notice of Defense.

16 **BURDEN OF PROOF**

17 7. Respondent has the burden of proving her qualifications to receive a license.  
18 (Bus. & Prof. Code, § 19856, subd. (a).)

19 **FIRST CAUSE FOR DENIAL**

20 **(Failure to Accurately and Honestly**

21 **Disclose Required Material Information)**

22 8. Respondent's Application is subject to denial and her temporary license to be voided  
23 because Respondent, under penalty of perjury, failed to disclose on her Application that, on or  
24 about April 22, 2022, she had a failure to appear (FTA) on a Vehicle Code infraction in El  
25 Dorado County Superior Court. When respondent filed her Application, the FTA remained  
26

27 <sup>1</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in pertinent  
28 part in Appendix A. The full text of the Gambling Control Act is contained in Business and Professions Code section 19800 et seq.

1 outstanding and the associated \$591 fine remained unpaid. Respondent disclosed neither the  
2 FTA, nor the outstanding fine, on her Application.

3 9. Respondent's Application is also subject to denial and her temporary license is  
4 subject to being voided because Respondent, under penalty of perjury, failed to disclose on her  
5 Application that, in May of 2022, her employment with Kings Casino Management Corp. was  
6 involuntarily terminated based upon her errors in following company policies and procedures.  
7 Among other facts, Respondent failed to disclose that On April 13, 2022, she failed to follow  
8 Title 31 procedures by neglecting to record, as required by FinCEN, that a cardroom guest had  
9 crossed the \$10,000-in-a-day gaming threshold. Respondent did not disclose her errors, nor did  
10 she disclose her termination from employment on the Application. Rather than disclose the fact  
11 that her employment had been terminated, Respondent stated on her application that she left  
12 employment with Kings Casino Management Corp. "seeking new opportunities."

13 10. Respondent later provided information that her employment was terminated for  
14 performance deficiencies, and admitted that her statement on her Application was false, and that  
15 embarrassment and pride had prevented her from accurately and truthfully reporting the  
16 termination of employment on the Application.

17 11. Respondent also inaccurately reported her dates of employment with Kings Casino  
18 Management Corp. on her Application. Respondent stated that her dates of employment were  
19 February 7, 2019, to August 4, 2022. In fact, Respondent's dates of employment were February  
20 7, 2019, to May 4, 2022.

21 (Bus. & Prof. Code, §§ 19856, 19857, 19859, subs. (a) & (b) [mandatory denial], 19866; Cal.  
22 Code. Regs., tit. 4, §§ 12040, subs. (a)(1), (2) [mandatory denial], 12122, subd. (d), 12130, subd.  
23 (d).)

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**PRAYER**

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

- 1. Denying Respondent’s Application;
- 2. Voiding Respondent’s temporary license number TPWK-004886; and
- 3. Taking such other and further action as the Commission may deem appropriate.

Dated: September 11, 2023

  
\_\_\_\_\_  
YOLANDA MORROW, Director  
Bureau of Gambling Control  
California Department of Justice

1 **APPENDIX A – STATUTORY AND REGULATORY PROVISIONS**

2 **JURISDICTION**

- 3 1. Business and Professions Code section 19811, subdivision (b), provides:

4 Jurisdiction, including jurisdiction over operation and concentration, and  
5 supervision over gambling establishments in this state and over all persons or  
6 things having to do with the operation of gambling establishments is vested  
7 in the commission.

- 8 2. Business and Professions Code, section 19823 provides:

9 (a) The responsibilities of the commission include, without  
10 limitation, all of the following:

11 (1) Assuring that licenses, approvals, and  
12 permits are not issued to, or held by, unqualified or  
13 disqualified persons, or by persons are conducted in  
14 a manner that is inimical to the public health, safety,  
15 or welfare.

16 (2) Assuring that there is no material  
17 involvement, directly or indirectly, with a licensed  
18 gambling operation, or the ownership or  
19 management thereof, by unqualified or disqualified  
20 persons, or by persons whose operations are  
21 conducted in a manner that is inimical to the public  
22 health, safety, or welfare.

23 (b) For the purposes of this section, “unqualified person”  
24 means a person who is found to be unqualified pursuant to the  
25 criteria set forth in Section 19857, and “disqualified person” means  
26 a person who is found to be disqualified pursuant to the criteria set  
27 forth in Section 19859.

- 28 3. 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,<sup>[2]</sup>  
including, without limitation, the power to do all of the following:

[¶] . . . [¶]

(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

<sup>2</sup> “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1 individual owner endorsed on the license certificate of the gambling  
2 enterprise whether or not the commission takes action against the  
license of the gambling enterprise.

3 [¶] . . . [¶]

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

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

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

9 [¶] . . . [¶]

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

12 5. Business and Professions Code, section 19870 provides:

13 (a) The commission, after considering the recommendation of  
14 the chief<sup>3]</sup> and any other testimony and written comments as may  
15 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.

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

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

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

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

28 <sup>3</sup> “Chief” refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1           6.     Business and Professions Code, section 19871 provides:

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

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

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

9                                   (A) To call and examine witnesses.

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

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

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

19                                   (E) To offer rebuttal evidence.

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

23                           (4) The meeting need not be conducted  
24 according to technical rules relating to evidence and  
25 witnesses. Any relevant evidence may be  
26 considered, and is sufficient in itself to support a  
27 finding, if it is the sort of evidence on which  
28 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) Nothing in this section confers upon an applicant a right to  
discovery of the department's<sup>4</sup> 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.

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

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



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

5 8. California Code of Regulations, title 4, section 12060 provides, in part:

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

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

22 **SPECIFIC STATUTORY PROVISIONS**

23 9. Business and Professions Code section 19856 provides, in part:

24 (a) The burden of proving his or her qualifications to receive  
25 any license is on the applicant.

26 (b) An application to receive a license constitutes a request for  
27 a determination of the applicant's general character, integrity, and  
28 ability to participate in, engage in, or be associated with, controlled  
gambling.

10. 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.

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

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

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

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

8 (b) Failure of the applicant to provide information,  
9 documentation, and assurances required by this chapter or requested  
10 by the chief, or failure of the applicant to reveal any fact material to  
11 qualification, or the supplying of information that is untrue or  
12 misleading as to a material fact pertaining to the qualification  
13 criteria.

14 12. Business and Professions Code section 19866 provides:

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

19 13. California Code of Regulations, title 4, section 12040, subdivisions (a)(1) and (a)(2),  
20 provide:

21 (a) An application for an initial or renewal license:

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

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

28 14. California Code of Regulations, title 4, section 12122, subdivision (d), provides:

(d) Upon issuance or denial of a license or Commission work  
permit by the Commission, the temporary license will become void  
and cannot be used thereafter.

1 **THIRD-PARTY PROPOSITION PLAYER PROVISIONS**

2 15. Business and Professions Code section 19984, subdivision (b), provides, in part:

3 The commission shall establish reasonable criteria for, and require the  
4 licensure and registration of, any person or entity that provides proposition  
5 player services to gambling establishments pursuant to this section, including  
6 owners, supervisors, and players . . . The commission may impose licensing  
7 requirements, disclosures, approvals, conditions, or limitations as it deems  
8 necessary to protect the integrity of controlled gambling in this state . . .

9 16. California Code of Regulations, title 4, section 12130, subdivision (d), provides:

10 (d) A TPPPS [Third-Party Proposition Player Services]  
11 registration includes all conditions of a temporary license provided  
12 in subsections (a), (b), and subsections (d) and (e) of Section 12122.

13 17. California Code of Regulations, title 4, section 12270, subdivisions (b)(8) and (b)(9),  
14 provide:

15 (b) Each TPPPS contract will specifically require all of the  
16 following to be separately set forth at the beginning of the contract  
17 in the following order:

18 [¶] . . . [¶]

19 (8) That proposition player services must be  
20 provided in the gambling establishment only in  
21 compliance with laws and regulations pertaining to  
22 controlled gambling.

23 (9) That proposition player services may be  
24 provided only by authorized players with current

25 SA2023301373  
26 Vazquez Stmt of Reasons to YM(2)