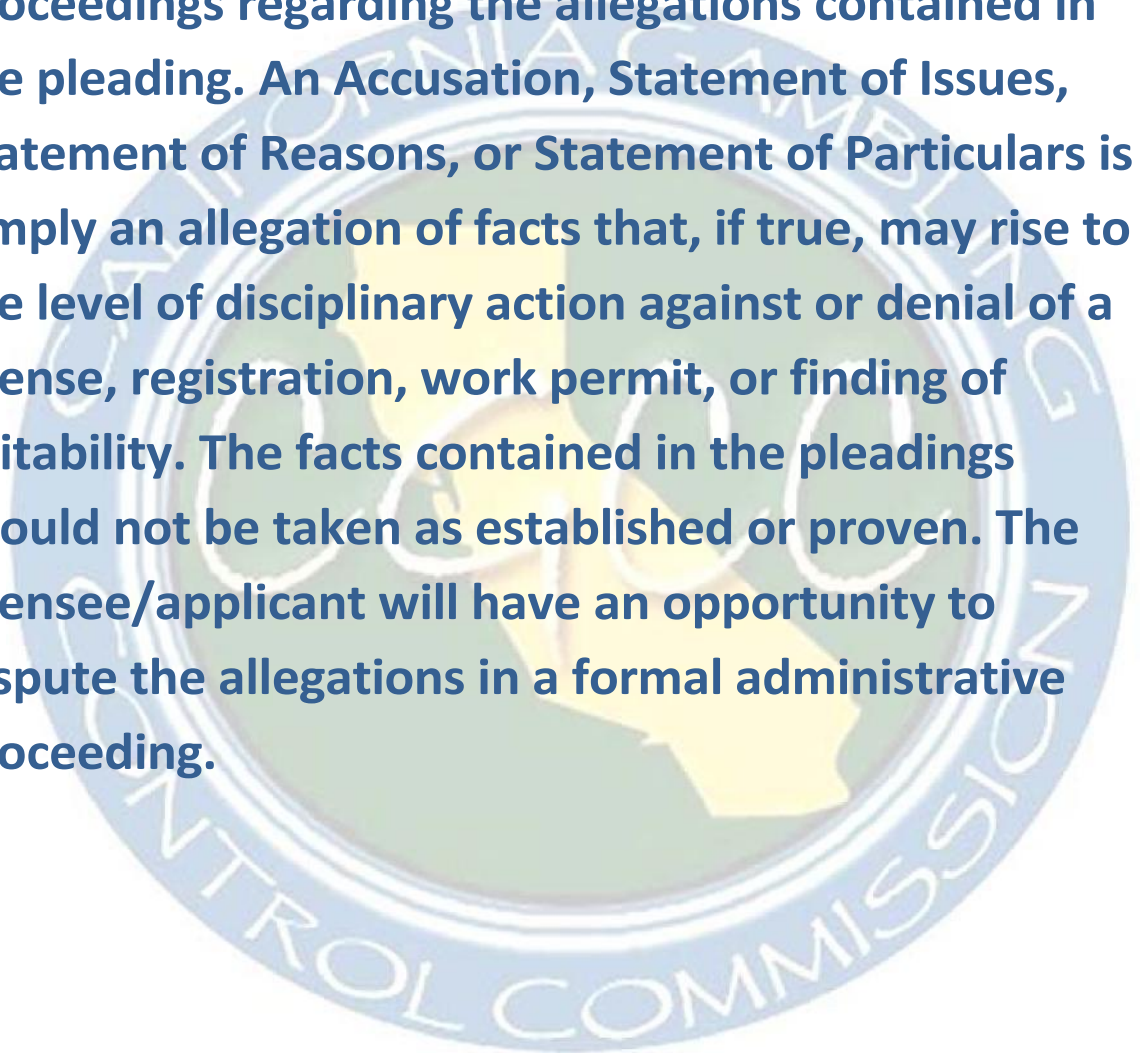


**The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of 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.**



**RECEIVED**

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

14 **In the Matter of the Statement of Reasons  
for Denial of a Finding of Suitability for a  
15 Tribal Key Employee License for:**

16 **ARRON NORTON**

17 (TRKE-022326)

18 **Respondent.**

CGCC Case No. CGCC-2022-0811-12H

BGC Case No. BGC-HQ2022-00021SL

**STATEMENT OF REASONS**

19  
20 Complainant alleges as follows:

21 **PARTIES**

22 1. Yolanda Morrow (Complainant) brings this Statement of Reasons solely in her  
23 official capacity as Director of the California Department of Justice, Bureau of Gambling Control  
24 (Bureau).

25 2. Arron Norton (Respondent) has been employed at the Viejas Casino and Resort since  
26 approximately August 2020 as a Table Games Supervisor.

1 **THE APPLICATION AND THIS PROCEEDING**

2 3. In connection with Respondent’s employment at the Viejas Casino and Resort, on or  
3 about September 2, 2020, the Bureau received from Respondent an Application for Finding of  
4 Suitability Tribal Key Employee and Supplemental Background Investigation Information forms  
5 (collectively, Application). Viejas Casino and Resort is owned and operated by the Viejas Band  
6 of Kumeyaay Indians (Tribe).<sup>1</sup>

7 4. In connection with Respondent’s Application, the Bureau issued to Respondent Tribal  
8 Key Employee Record no. TRKE-022326.

9 5. On or about June 15, 2022, the Bureau issued its Tribal Key Employee Initial  
10 Background Investigation Report, Level III, recommending that the California Gambling Control  
11 Commission (Commission) deny a finding of suitability for a tribal key employee license to  
12 Respondent.

13 6. On August 11, 2022, the Commission referred consideration of Respondent’s  
14 Application to an evidentiary hearing, which is to be held pursuant to California Code of  
15 Regulations, title 4, section 12060.<sup>2</sup>

16 7. On or about September 7, 2022, the Bureau received Respondent’s Notice of  
17 Defense.

18 **BURDEN OF PROOF**

19 8. Respondent has the burden of proving his qualifications to be found suitable for  
20 licensure. (Bus. & Prof. Code, § 19856, subd. (a).)

21 **CAUSE FOR DENIAL**

22 **(Misdemeanor Convictions for Unlawful Transaction With a Minor and Harassment)**

23 \_\_\_\_\_  
24 <sup>1</sup> The Tribe operates the Viejas Casino and Resort pursuant to its tribal-state class III  
25 compact. The Tribe’s Gaming Agency issued respondent’s conditional gaming license.  
26 Accordingly, under these circumstances, the Commission is required to make a finding of  
suitability “for licensure under the California Gambling Control Act.” (Tribal-State Compact  
Between the State of California and the Viejas Band of Kumeyaay Indians, § 6.5.6 subd. (a).)

27 <sup>2</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in  
28 pertinent part in Appendix A.

1           9. Respondent’s Application is subject to denial because on December 20, 2006, the  
2 Boone County Superior Court in Kentucky convicted Respondent of violating Kentucky Revised  
3 Statute, section 530.070 paragraph (1)(d), unlawful transaction with minor in the third degree<sup>3</sup>,  
4 and section 525.070 paragraph (1)(a), harassment<sup>4</sup>, both misdemeanors.

5           a. On an unspecified day in December 2005 or January 2006, Respondent, 29  
6 years old at the time, engaged in sexual intercourse with a 14-year-old minor (Minor).

7           b. The Bureau obtained documents from the police report regarding the incident  
8 that led to Respondent’s conviction.

9           c. On or about February 2, 2006, the Minor informed an investigating officer that  
10 having engaged in sexual activity with Respondent on “several occasions through the  
11 periods of October 2005 through January 2006,” he “was awakened by [Respondent]  
12 on a Sunday morning between the hours of 6:00 and 8:00 a.m.” The Minor and  
13 Respondent engaged in sexual intercourse shortly thereafter.

14           d. Respondent disclosed the convictions on his Application. When the Bureau  
15 requested additional information concerning the events giving rise to the convictions,  
16 Respondent replied, “Officially, my account of the crime, is that he woke me up and  
17 started kissing me which led to our having sex.” Respondent also reported to the  
18 Bureau that “[s]everal months later, [the Minor] tried the same thing by cornering me  
19 & trying to get me to have sex again. I refused and he threatened to tell people, but I  
20 left and had no further contact with him.”

21           10. Respondent’s conviction and the facts and circumstances leading to the conviction  
22 indicate that he is not a person of good character, honesty or integrity, and that his prior activities  
23

24 \_\_\_\_\_  
25 <sup>3</sup> “A person is guilty of unlawful transaction with a minor in the third degree when: . . .  
26 (d) He persistently and knowingly induces, assists or causes a minor to disobey his parent or  
guardian.”

27 <sup>4</sup> “A person is guilty of harassment when, with intent to intimidate, harass, annoy, or  
28 alarm another person, he or she: (a) Strikes, shoves, kicks, or otherwise subjects him to physical  
contact . . . .”

1 and criminal record demonstrate that he may pose a threat to the public interest of the state and  
2 the effective regulation and control of gambling.

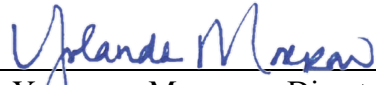
3 (Bus. & Prof. Code, §§ 19850, 19856, 19857, subds. (a) & (b), 19859, subds. (a) & (b),  
4 [mandatory denial]; Cal. Code Regs., tit. 4, § 12040 subd. (a).)

5 **PRAYER**

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

- 8 1. Denying a finding of suitability for a tribal key employee license to Respondent; and
- 9 2. Taking such other and further action as the Commission may deem appropriate.

10  
11 Dated: November 10, 2022

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

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1 **APPENDIX A**

2 **BUSINESS AND PROFESSIONS CODE**

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

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

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

9           (a) The responsibilities of the commission include,  
10 without 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  
14 in a manner that is inimical to the public health,  
15 safety, 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  
20 disqualified persons, or by persons whose  
21 operations are conducted in a manner that is  
22 inimical to the public 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  
25 the criteria set forth in Section 19857, and “disqualified  
26 person” means a person who is found to be disqualified  
27 pursuant to the criteria set 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>[5]</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

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

1 upon any person licensed or approved. The commission  
2 may condition, restrict, discipline, or take action against  
3 the license of an individual owner endorsed on the license  
4 certificate of the gambling enterprise whether or not the  
5 commission takes action against the license of the  
6 gambling enterprise.

7 \* \* \*

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

11 4. Business and Professions Code, section 19850, provides:

12 Every person who, either as owner, lessee, or employee, whether for  
13 hire or not, either solely or in conjunction with others, deals, operates,  
14 carries on, conducts, maintains, or exposes for play any controlled game  
15 in this state, or who receives, directly or indirectly, any compensation or  
16 reward, or any percentage or share of the money or property played, for  
17 keeping, running, or carrying on any controlled game in this state, shall  
18 apply for and obtain from the commission, and shall thereafter maintain,  
19 a valid state gambling license, key employee license, or work permit, as  
20 specified in this chapter. In any criminal prosecution for violation of  
21 this section, the punishment shall be as provided in section 337j of the  
22 Penal Code.

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

24 The commission, by regulation or order, may require that the  
25 following persons register with the commission, apply for a finding of  
26 suitability as defined in subdivision (i) of [Business and Professions  
27 Code, section] 19805, or apply for a gambling license:

28 \* \* \*

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

6. 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

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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.

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

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.

8. 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 as to a material fact pertaining to the qualification criteria.

9. Business and Professions Code, section 19866 provides:

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.



1           10. Business and Professions Code, section 19870 provides:

2                   (a) The commission, after considering the  
3                   recommendation of the chief<sup>6</sup> and any other testimony  
4                   and written comments as may be presented at the  
5                   meeting, or as may have been submitted in writing to the  
6                   commission prior to the meeting, may either deny the  
7                   application or grant a license to an applicant who it  
8                   determines to be qualified to hold the license.

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

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

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

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

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

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

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

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

9                                   (A) To call and examine  
10                                   witnesses.

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

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13                   <sup>6</sup> “Chief” refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

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(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 her or his own behalf, he or she may be called and examined as if under cross-examination.

(4) The meeting 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) Nothing in this section confers upon an applicant a right to discovery of the department's<sup>7</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.

**CALIFORNIA CODE OF REGULATIONS, TITLE 4**

12. California Code of Regulations, title 4, section 12040 provides, in part:

(a) 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

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<sup>7</sup> “Department” refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

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Professions Code section 19859 apply to the applicant.

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

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

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

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The 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 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.

(b) When a GCA hearing is elected pursuant to Section 12056, subsection (a), the 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.

(c) An applicant may request that his, her, or its GCA hearing be held at a Southern California location instead of the Commission's principal office in Sacramento, by 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.

(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 the Commission staff to last no longer than four hours.

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(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 criterial in subparagraphs (A) through (C) of paragraph (1) are no longer met, Commission staff may cancel the Southern California GCA hearing and issue a new notice for a hearing at the Commission’s principal office in Sacramento.

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

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

(2) An Administrative Law Judge.

(e) The applicant or the complainant, or the applicant and the complainant, may request a continuance in writing to the Executive Director stating the reason for the continuance and any proposed future 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)..

(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:

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- (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 or writings containing relevant evidence.

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

(1) In advance of the GCA hearing, upon a motion of a party or by order of the presiding officer, the presiding officer may conduct a pre-hearing conference, either in person, via 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:

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

(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

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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, 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.

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(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.

**KANSAS REVISED STATUTES**

15. Kentucky Revised Statute, section 525.070, provides, in part:

(1) A person is guilty of harassment when, with intent to intimidate, harass, annoy, or alarm another person, he or she:

(a) Strikes, shoves, kicks, or otherwise subjects him to physical contact;

16. Kentucky Revised Statute, section 530.070, provides, in part:

(1) A person is guilty of unlawful transaction with a minor in the third degree when:

...

(d) He persistently and knowingly induces, assists or causes a minor to disobey his parent or guardian.