



# INDUSTRY MATTERS

Volume 4, Issue 2

April 2017

**Inside this issue:**

Strategic Planning	2
Disciplinary Hearings	3
Commission Decisions	4
Designated Agents	4

## Paula LaBrie joins CGCC as new attorney Commissioner

By Eric Petosky  
Public Information Officer

The California Gambling Control Commission welcomed its newest Commissioner on Jan. 23, 2017. Paula LaBrie replaces Tiffany Conklin as the Commissioner with an attorney background. Previously, LaBrie was the Chief Deputy Director for the California State Lottery from 2012-2017.



LaBrie earned her law degree from the University of California, Hastings College of Law, after finishing her business administration degree at California State University Hayward. Later, she also earned a Master of Law degree in Government and Public Policy from McGeorge School of Law.

### What do you believe you will bring to the Commission?

The Commission is already packed with a group of talented and dedicated individuals. In addition to law, I have studied and worked in a variety of disciplines including gaming, regulatory, business, finance, marketing, government, and public policy. On a professional level, I bring a wealth of diverse experience.

So I have seen and worked to resolve a number of issues that face both private industry and the public. Personally, I value fairness and reasonableness and aspire to inject those into my personal and professional life.

### Are there any insights from your previous regulatory experience that add value to the controlled gambling industry?

Proper vetting, consensus, and a will to resolve enforceable solutions are key to effectuate change for the better.

### What interests you most about the gambling industry and joining the Commission?

Overall, gambling is a fascinating industry. There are certainly the elements of fun, socialization, entertainment, and at times even a little healthy competition. However, I believe gambling is an industry that must be regulated because it is fraught with temptation.

If acted upon, that temptation can destroy lives or compromise the integrity of the industry. In short, the Commission provides an important balance between entertainment and temptation for both the industry and the public. This is extremely important work for California.

### What attracted you to choose the CGCC?

A lot of the work is academic, and I enjoy spotting issues and then finding workable solutions through policy, regulation, experience, and common sense. I also like the idea of using my knowledge to help establish and/or maintain healthy communities, businesses, people, and families.

At this juncture, I am still getting my sea legs, so I haven't quite figured out exactly which areas I want to focus on during my tenure. But, I will say that problem gambling is extremely concerning to me, so I'm sure I'll be involved in that area.



Paula LaBrie joined the California Gambling Control Commission Jan. 23 as the newest Commissioner to occupy the attorney member slot. (Courtesy photo)

### CGCC Calendar

#### Upcoming Licensing Meetings

- April 6
- April 20
- May 11
- May 25
- June 8
- June 22

#### Gaming Policy Advisory Committee Meetings

April 6

#### Upcoming State Holidays (Office Closed)

May 29 (Memorial Day observed)

## California Gambling Control Commission

**Chairman**  
*Jim Evans*

**Commissioner**  
*Lauren Hammond*

**Commissioner**  
*Paula LaBrie*

**Commissioner**  
*Trang To*

**Commissioner**  
*Vacant*

**Executive Director**  
*Stacey Luna Baxter*

**Deputy Director, Legislation & Regulatory Affairs**  
*Anna Carr*

**Deputy Director, Licensing Division**  
*Adrianna Alcalá-Beshara*

**Deputy Director, Administration Division**  
*Alana Carter*

**Chief Counsel**  
*R. Todd Vlaanderen*

**Public Information Officer**  
*Eric Petosky*

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# Strategic planning process includes input from stakeholder survey data

By Alana Carter  
*Deputy Director, Administration Division*

The California Gambling Control Commission is currently developing a 2017-19 Strategic Plan. During the beginning stages, we reached out to stakeholders with a survey to gain your thoughts and opinions. Thank you to those who took the time to participate. We truly value the information you have provided. Your responses are vital in helping the Commission meet the highest standards of excellence.



Successful strategic planning will strengthen our operation, and most importantly, ensure that our employees and stakeholders are working together toward a common goal.

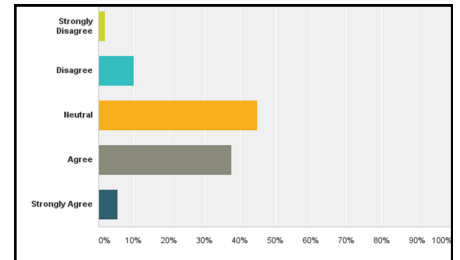
In sum, here are the recurring themes we heard from the survey results:

and more! In addition, Commission staff are encouraged to attend industry-related seminars, trainings, and will have more opportunities to get out into the field.

### The industry wants to see a streamlined licensing process.

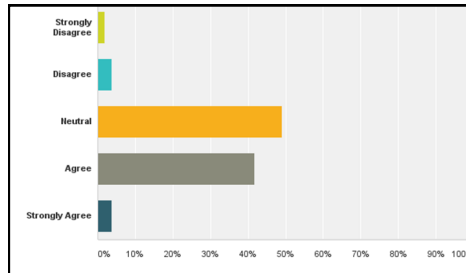
The Commission is continuously reviewing and looking for ways to make our licensing processes more efficient. The Legislation and Regulatory Affairs Division is developing proposed licensing regulations to establish a clearly-defined, uniform licensing process to establish, in part, an efficient temporary licensing process for gambling enterprise owner-licensees to expedite approval of a temporary license. The Commission has also utilized the Gaming Policy Advisory Committee (GPAC) to solicit input.

### Need for increased communication & stronger relationships with stakeholders.



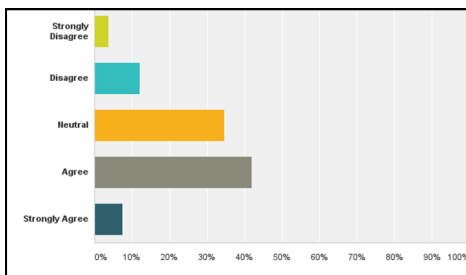
Good communication is essential. We will continue to utilize this quarterly newsletter as a means to communicate with the industry. In addition, the Commission is exploring additional communication avenues to strengthen relationships with our stakeholders. We welcome your ideas!

### This quarterly newsletter provides helpful information.



This is great news! We will continue to send this circular out and we welcome your ideas and suggestions for future newsletter topics. Please send ideas to: [comments@cgcc.ca.gov](mailto:comments@cgcc.ca.gov).

### A desire for more industry education & training.



Be on the lookout for upcoming newsletter articles, website information,

### The need to provide stakeholders with a clearer understanding of the roles and responsibilities of the Commission vs. Bureau.

While the Bureau and the Commission work closely together, both entities have distinct roles and responsibilities. Distinguishing between the two can be a challenge. We will send reminders to our stakeholders and update information on our website to help customers navigate to the proper agency.

# EVIDENTIARY HEARINGS 101: PART 3 OF 3

*Chief Counsel explains disciplinary hearings, details roles of claimant, respondent, agencies*

By R. Todd Vlaanderen  
Chief Counsel

Unlike application hearings where the Commission may choose to conduct a hearing before rendering a decision on an application, disciplinary hearings are initiated by the California Department of Justice, Bureau of Gambling Control (Bureau). After investigation, if the Bureau believes that a license, permit, or other type of suitability should be suspended or revoked, the Bureau will file an accusation with the Commission. The Bureau prosecutes the case and is referred to as the Claimant; the person whose license the Bureau seeks to discipline is called the Respondent.



### Office of Administrative Hearings

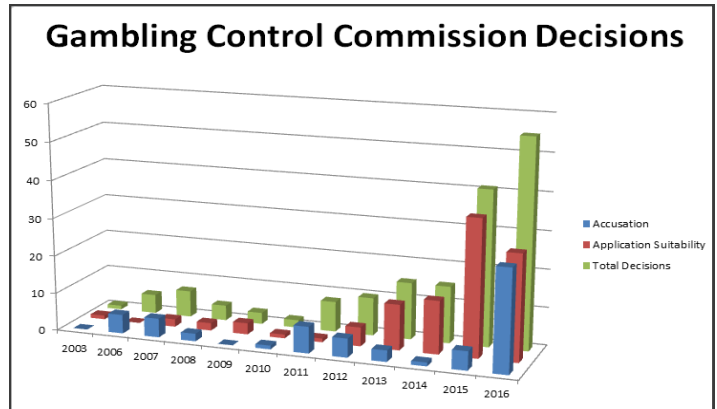
The hearing process is similar to the process outlined in our first article on Gambling Control Act hearings (*Evidentiary Hearings 101*; published in our October 2016 Newsletter) except the Commissioners are not at the hearing. Nor does the Commission control the scheduling or make any rulings on the admission of evidence. Attorneys for the Bureau schedule the hearing with the Office of Administrative Hearings (OAH) where the case will be heard by an administrative law judge.

After the accusation is filed with the Commission, the Bureau sends it and a Notice of Defense to the Respondent. If the Respondent fails to return the Notice of Defense in the time allotted, the discipline is entered by default (suspension or revocation, and potentially penalties, fines, and/or costs). If the Respondent returns the Notice of Defense to the Bureau requesting a hearing, the Bureau coordinates dates with the Respondent and then schedules the hearing. Notice is mailed to the Respondent with the date and time of the hearing.

The OAH has four offices throughout California (Oakland, Los Angeles, Sacramento and San Diego). In most cases, the hearing is held at the office closest to the Respondent. The Respondent may hire an attorney or represent themselves.

### Administrative Law Judge

Evidence and testimony are entered and presented at the OAH. Once the hearing has concluded, the administrative law judge has 30 days to prepare a proposed decision, which the



Accusation (blue) and application suitability (red) decisions have steadily increased for the Commission, with more total decisions (green) in past two years (2015-2016) than the previous 12 years combined.

OAH then sends to the Commission along with all the evidence and sometimes a transcript of the hearing. Once the Commission receives the proposed decision, the Commission has 30 days to provide a copy to the Bureau and the Respondent. The Commission must also make the proposed decision available as a public record within 30 days.

### Gambling Control Commission Role

The Commission has 100 days from the day it receives the proposed decision to consider it and either adopt or reject the proposed decision. The proposed decision is public, but there is no public comment on the proposed decision.

The Commission meets in closed session to review the evidence and make its decision. If the Commission adopts the proposed decision, it may do so in its entirety, or the Commission may choose to modify the proposed decision by reducing the proposed penalty and/or making technical or minor changes. If the Commission fails to act within 100 days, the decision is deemed adopted by the Commission.

If the Commission decides to reject the proposed decision, it may send the case back to the OAH to take additional evidence, or the Commission can decide the case on the record and write its own decision. If the Commission decides to write its own decision, the decision must be issued within 100 days of rejecting the proposed decision. The Commission is granted additional time if it has to order the transcript. Once the decision is adopted or re-written by the Commission, the Commission serves a copy on the Bureau and the Respondent and then posts the decision on the Commission website.

## HAIL AND FAREWELL

**Adrianna Alcalá-Beshara** joined the Gambling Control Commission Feb. 21, replacing Kathy Ellis as the Deputy Director of Licensing. Prior to the Commission, Adrianna served as the Assistant Chief of the Medi-Cal Dental Services Division at the California Department of Health Care Services. She earned a Juris Doctorate degree from Lincoln Law School and a Bachelor's degree focusing in Business and Government from Arizona State University. Welcome to the Commission!

**Kathy Ellis** retired from the Gambling Control Commission Mar. 30 after 33 years of state service. Kathy had been the Deputy Director of Licensing for just under four years, and is looking forward to, "enjoying my retirement." Thank you for your service, Kathy. A retirement well-earned!

**Nina Tantraphol** joined the Commission Jan. 9 as a Regulatory and Legislative Specialist. Nina earned her Bachelor's degree in Psychology from UC Berkeley and M.P.A and J.D. from the University of Washington. She has extensive regulatory and legislative experience. Nina previously worked for the Bureau of Automotive Repair as an Associate Government Program Analyst. Welcome to the Commission!

## CALIFORNIA GAMBLING CONTROL COMMISSION

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Comments, suggestions, questions or ideas for future articles or newsletter topics are always accepted and can be submitted directly to the Commission at the address above or by emailing them to [comments@cgcc.ca.gov](mailto:comments@cgcc.ca.gov).

## ID designated agents to avoid delays

By Lisa Chimento  
Licensing Division

When representing an applicant during their licensure process, designated agents must remember to complete an Appointment of Designated Agent form and submit it to the Bureau of Gambling Control and the Commission.



It is important for designated agents to file these forms along with an applicant's application, so that the Bureau and the Commission know who to contact if questions should arise about the application. In addition, Commission

Licensing staff must confirm who will be speaking at Commission meetings, and having the designated agent form on file gives staff a point of contact to ensure that an applicant is represented at the meeting.

If the applicant or the Designated Agent is not available to speak at a meeting, the item will most likely be tabled for a later meeting to allow for representation to be present.

If a licensee changes designated agents, please make sure to notify the Bureau and the Commission in writing and identify the new designated agent by submitting a new Appointment of Designated Agent form. Please call (916) 263-0700 with any questions.

### Commissioner LaBrie

*(Continued from page 1)*

#### **If you had one important message for stakeholders, what would it be?**

I am looking forward to establishing a good working relationship with all of you and, together, making this industry the best it can be.

#### **On your off-time, what do you enjoy doing?**

I am sort of a home-body and like doing creative projects around the

house. I have painted every room; tiled the kitchen backsplashes, fireplaces, and floors; and refurbished accent tables to name a few. I also dabble in still life painting using oil as a medium and poke around in the yard when the weather is nice. I inherited the love of using my hands and eyes to create and fix things from my father, who was quite a renaissance man. When I'm not working on projects I am either hosting or participating in a family event.

## HEARING RESULTS

(Jan. 1 – Mar. 31)

### **Disciplinary Orders:**

The California Gambling Control Commission issued a disciplinary order to Lucky Chances Casino effective Mar. 13, 2017. The Commission determined that Lucky Chances Casino allowed the involvement of a disqualified person in Lucky Chances' business and financial affairs. Lucky Chances will pay a financial penalty of approximately \$712,000 (50% of daily gross gaming revenue for 14 days) in lieu of having their license suspended for 14 days. License conditions were also placed on the owners' licenses.

### **Work Permits:**

Shawn Kahanu, approval issued Jan. 3  
Brandi Wright, denial issued Jan. 26  
Grant Doiron, denial issued Feb. 23  
Lippine Nop, denial issued Feb. 23  
Phoungneune Borihahn, denial issued Mar. 23

### **Key/Tribal Key Employee:**

Greg Docherty, denial issued Mar. 7  
Mark Pickins, approval issued Mar. 8