

# INDUSTRY MATTERS

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## NEW LICENSING PROCESS IN PLACE TO AVOID INTERIM RENEWAL LICENSES

By **Stephanie Clark**  
*Licensing Analyst*

As a result of the passage of [Assembly Bill 120](#), [Business and Professions Code section 19870](#) was amended to require that in cases where the Commission approves an application for renewal of a license, work permit, or finding of suitability (collectively, “license”) with conditions, the approval will be stayed for a period of 30 days after the meeting, during which the applicant may request an evidentiary hearing.

In the case of renewal applications, the Commission amended [CCR section 12054](#) to allow for immediate issuance of an interim renewal license so that the applicant does not face having their license expire during the 30-day stay period.

After the Commission approves a renewal, a Licensing Analyst will contact applicants and attempt to obtain written consent to the conditions so that the renewal license may be issued and a new badge may be immediately provided. This correspondence will contain a two-part question, both parts of which must be answered by the applicant:

*Do you assent to the condition(s) placed on your license/work permit/finding of suitability? If so, please promptly confirm in writing that you 1) assent to the conditions and 2) waive your right to a hearing on the condition(s) so that we may issue the appropriate badge to you immediately.*

If an applicant does not respond to the Licensing Analyst by assenting to the conditions and waiving the right to a hearing, Commission staff must send an interim renewal license badge and a Notice of Defense form to the applicant. If the applicant does not return the Notice of Defense form to request an evidentiary hearing on the conditions, the regular renewal license and badge will be issued after the expiration of 30 days. If the applicant requests an evidentiary hearing, the interim renewal license will remain valid for two years or until the conclusion of the hearing.

If an applicant assents to the conditions placed on their license, they should promptly respond to the Licensing Analyst with written assent to allow for immediate issuance of the renewal license and badge. Otherwise, Commissions staff will issue an interim renewal license and badge, only to issue the regular license and badge 30 days later.

If you have any questions about this practice, please call the Licensing Division at 916-263-6292 or email Deputy Director Dolores Olivarez at [dolivarez@cgcc.ca.gov](mailto:dolivarez@cgcc.ca.gov).

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### CGCC Calendar

**Upcoming Licensing Meetings**  
 July 7  
 July 21  
 August 11  
 August 23  
 September 8  
 September 22

**Upcoming State Holidays (Office Closed)**  
 July 4 (*Independence Day*)  
 September 5 (*Labor Day*)



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## PLEASE REMEMBER TO PROVIDE REQUESTED DOCUMENTS FROM SPOUSAL INFO FORM

As a reminder, when submitting the [Spousal Information Form](#) along with your application, please take special care to read the requirements of each section. A Spousal Information Form is required for all initial and renewal owner category licenses. Applicants may write “Not Applicable” and sign the forms if: the applicant is not married; their spouse is licensed or applying for licensure; or the applicant does not have ownership interest.

There has been some confusion recently regarding Section 4 of the form, “Additional Required Items.” The Commission would like to remind applicants that they must provide all applicable items requested in Section 4 when submitting their application. This applies to initial and renewal applications.

Failure to provide requested information may result in the denial of an application. The application package will not be [deemed complete](#) until all required forms, documentation, and fees have been completed and received by the Bureau of Gambling Control.

Applications where required spousal information has not been received by the Bureau will be held until the necessary information has been received. So to avoid delays and to help ensure an efficient licensing process, please thoroughly review your application package and confirm that you are supplying all relevant information.

## NEW 30-SECOND SURVEY UNVEILED

Did you know that the Commission maintains a “[Frequently Asked Questions](#)” page on its website? Chances are, if you’ve ever had a question for us, someone has asked it before, and we’ve answered it.

Through our newest 30-second [quarterly survey](#), we’re gathering feedback on our FAQ page: is it helpful? Is it missing something? What can we improve about it?

These surveys benefit both the Commission and our stakeholders, because through your honest feedback, we are able to better meet the needs of our stakeholders. So please, take 30 seconds and let us know about our FAQ page. We also welcome your questions or feedback on any other topic via email at [comments@cgcc.ca.gov](mailto:comments@cgcc.ca.gov).

The Commission bids a fond farewell to Deputy Director of Legislative and Regulatory Affairs Adrianna Alcalá-Beshara! Adrianna’s last day with the Commission will be on July 8. Adrianna will be the Chief of the Medi-Cal Dental Program at the Department of Health Care Services. The Commission can’t thank Adrianna enough for her diligent work over the past five-plus years as the Deputy Director of the Licensing Division and then of Legislative and Regulatory Affairs. We wish her the best of luck!

## BEYOND THE INCIDENT REPORT: WHY YOU SHOULD REPORT EMPLOYEE THEFTS TO THE BUREAU OF GAMBLING CONTROL

By Kate Patterson  
*Staff Counsel*

Cardrooms are required to file an incident report with the Bureau of Gambling Control's (Bureau) Criminal Intelligence Unit within five business days of a suspected or verified theft occurring at the gambling establishment. Filing a police report is also recommended, even if it is an online report and officers do not respond to the scene. Additionally, when the perpetrator holds a license or work permit, the additional step of immediately contacting the Assigned Bureau Compliance and Enforcement Representative for the cardroom where the theft occurred has added benefits that may better protect the industry and public, in addition to improving the chances of prosecution by the local District Attorney's Office (DA Office).



There are multiple benefits when a cardroom immediately notifies the Assigned Bureau Compliance and Enforcement Representative. First, the Bureau will investigate the theft and collect evidence, including surveillance footage and witness interviews. If local law enforcement does not respond to the scene, the evidence gathered by the Bureau could be invaluable in any future civil, criminal, or licensing matter arising from the theft incident.

The Assigned Bureau Compliance and Enforcement Representative will analyze the information and evidence and prepare a report determining whether any criminal or licensing actions should be pursued by the Bureau. The Bureau can refer the matter to the DA's Office to be considered for prosecution. A criminal referral may be more seriously considered by the DA's Office when the Bureau is involved due to the following:

- Evidence was collected soon after the incident occurred, which may be utilized in the criminal prosecution;
- The Bureau can assist the DA's Office in understanding how the crime occurred and what provisions of law were violated, which can be complicated to people who are not familiar with the gambling industry and game rules;
- The Assigned Bureau Compliance and Enforcement Representative will be a valuable witness in a criminal proceeding and can authenticate the evidence collected and testify to their investigatory findings;
- The Assigned Bureau Compliance and Enforcement Representative will continue to follow up on the status of the criminal referral and may push for prosecution or request a written explanation as to why a matter was not prosecuted.

The Bureau can also initiate or recommend administrative, disciplinary, and other licensing actions against the perpetrator. These actions can protect the cardroom, industry, and public by providing notice to potential industry employers of the theft allegations and may ultimately prevent the perpetrator from continuing to work in the industry and harming the public. For instance, the Bureau may file an accusation seeking suspension or revocation of the license or work permit and/or issue appropriate emergency orders.

The Bureau may also notify the Commission of the investigatory findings and recommend action be taken. If the licensee only has a local jurisdiction work permit, the Commission's Executive Director can direct the local jurisdiction to revoke the work permit after a hearing under [Business and Professions Code section 19914](#).

The Commission can also direct the Executive Director to revoke a temporary license in certain circumstances under [Title 4, California Code of Regulations section 12128](#).

Further, the evidence collected by the Assigned Bureau Compliance and Enforcement Representative and the resulting report can be used to support the Bureau's recommendation of denial for future applications.

*Continued on Page 4...*



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**REPORTING EMPLOYEE THEFTS CONTINUED...**

If a cardroom does not report theft by licensees or work permit holders to the Assigned Bureau Compliance and Enforcement Representative, the Bureau may not learn of the allegations until the perpetrator submits a renewal application and Bureau licensing staff contact the former employer to verify the reasons provided on the application for leaving their former employment. If there has been a long lapse in time, witnesses may not recall the events as clearly or may no longer be available and surveillance footage may be gone, etc., making it difficult to substantiate the past theft and potentially allowing the perpetrator to continue working in the industry.

While it is required that a cardroom file a police report and submit an incident report when a crime occurs in a cardroom, the additional step of contacting the Assigned Bureau Compliance and Enforcement Representative is strongly recommended if the perpetrator holds a licensee or work permit. This additional step will allow the Bureau to conduct an investigation, potentially followed by a criminal referral or other steps to prevent the licensee from continuing to work in the industry.

*Special thanks to Nathan DaValle, Assistant Director of the Compliance and Enforcement Section, Steven Norris, Special Agent Supervisor for Special Programs, and Larissa Terry, Crime Analyst, for their assistance with this article.*

**COMMISSION AND BUREAU STAFF ATTEND ANTI-MONEY LAUNDERING TRAINING**

On May 31, Commission and Bureau of Gambling Control staff attended an anti-money laundering (AML) training session conducted by Tyler Burtis and John Kucera, experts in the field of enforcement and compliance in the gambling industry. The training covered money laundering vulnerabilities in cardrooms, AML programs and compliance, and money laundering indicators. This training came about as a result of the Commission’s Industry-Focused Employee Development Program, which is part of the Commission’s [Strategic Plan](#) goal to promote a culture of growth and learning.

The presenters also covered the stages of money laundering, applicable laws, the [AMLA Act of 2020](#), and most relevantly, real-world examples of money laundering happening in gambling establishments.

Also of note were the takeaways from the Treasury Department’s [2022 National Money Laundering Risk Assessment](#), which identified threats such as fraud, COVID-19 scams, ransomware, chip walking, and identity theft.

The Commission and the Bureau thank Tyler and John for the comprehensive AML training, as the Commission continues to emphasize its Strategic Plan goal to promote a culture of growth and learning for its employees.

**Hearing Results**

*(Decisions Effective April 1 — June 30)*

**State Gambling License**

Joanne Williams, Commerce Casino, denied May 23

**Key Employee License**

Jan Beverley, denied April 11

A. Vang Saephan, denied April 11

Naseem Salem, denied April 21

Nicole Seiuli, denied May 23

**Third-Party Owner License**

East Sea Investment Group, Inc., denied June 15

**Third-Party Player License**

Avelina Banuelos, denied April 11

Jasmine Chimal, denied April 11

Codey Daun, denied April 11

Adam Lewis, denied April 11

Selah Davis, denied May 7

Jeremy Beverly, denied June 13

Norman Merkel, denied June 13

Maylene Ross, denied June 13

Ryan LaFountain, denied June 26

Traci Preston, denied June 27

**Tribal Key Employee Finding of Suitability**

Jonathen Frankson, approved May 12

## REGULATIONS UPDATE: 180-DAY EXTENSION REGULATIONS GO INTO EFFECT OCTOBER 1; REQUEST FOR REGULATIONS FORM IN PROGRESS

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By Adrianna Alcalá-Beshara

*Deputy Director, Legislative and Regulatory Affairs*

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The Commission's Legislative and Regulatory Affairs Division is working away at several regulations packages, and excited to announce the following developments:

### **180-Day Extension**

The Office of Administrative Law (OAL) approved the Commission's regulations regarding 180-day license extensions, and the regulations will go into effect on October 1. These regulations implement one of the changes brought about by [SB 819](#), which provided the Commission the authority to extend current work permits, findings of suitability, and other approvals, under specified conditions, for up to 180 days.

While the Commission previously had the authority to issue 180-day extensions to only certain license types, this regulation allows the Commission to issue extensions to all license types, work permits, and findings of suitability.

### **Request for Regulations**

The Commission recently wrapped up the public comment period for the [regulations](#) concerning the Request for Regulations process.

[Government Code sections 11340.6](#) and [11340.7](#) provide a process by which a member of the public can petition a state agency to consider the adoption, amendment, or repeal of a regulation. The Commission is developing regulations that provide a more efficient process for the public to petition the Commission regarding regulations.

As part of these regulations, the Commission will develop a new form which will allow the public to explain the purpose and goals of their petition, along with the necessity, purpose, and goal for each part of the proposal. This information will help the Commission determine if the proposal will be denied or scheduled for a public hearing based upon the merits of the request.

The instructions recommend that the petitioner include a statement explaining any anticipated benefits of the proposal and what types of costs might be incurred by the Commission, Bureau, industry, or others as a result of the approval of the petition.

### **Commission Fees Modernization Project**

On June 23, the Commission approved the final adoption of the [Commission Fee Modernization Project](#) via the emergency rulemaking process. The Commission submitted these regulations to the Office of Administrative Law on June 24, and is awaiting OAL approval.

The Commission will hold a hearing to adopt the fee modernization regulations via the regular rulemaking process on [July 8](#), and will submit them to Department and Finance and OAL thereafter.

### **Advertising**

The Commission anticipates holding a hearing in the coming months to consider the adoption of the [Advertising regulations](#). The proposed regulations would establish new definitions for gambling-related advertisements, a regulatory framework for the Bureau to evaluate advertisements, and an enforcement mechanism for non-compliance.

### **Transactions**

The Commission is finalizing draft regulations on Transactions and anticipates holding a workshop on those regulations later this year. Please visit the Commission's [Regulations](#) page for updates.