

Sec. 12-574-E5. Occupational licenses

(a) **Generally.** No person may participate in this state in any activity permitted under Chapter 226 of the Connecticut General Statutes as an employee of an association, concessionaire, vendor, totalisator or affiliate licensee unless such person is licensed as a class I, class II or class III occupational licensee by the executive director. Greyhound owners and trainers must also obtain occupational licenses from the executive director.

An applicant's background will be investigated, and applicants will be required to supply information as to name, legal residence, address, social security number, date and place of birth, past employment, previous ourent involvement in the gambling industry, personal references, and any criminal record.

(b) **Class I: noncontrol persons.** Noncontrol persons will be required to certify on their applications their noncontrol status. Additionally, the licensed entity employing such persons shall submit a statement to the division certifying the noncontrol status of such employees.

(c) **Class II: control persons.** Whether located in or out of this state, no officer, director, partner, trustee or owner of a business organization licensed by either the board or the division may continue in such capacity unless such officer, director, partner, trustee or owner is licensed as an occupational licensee by the executive director.

An occupational license shall also be obtained by any shareholder, key executive, agent, or other person connected with any association, concessionaire, vendor, totalisator, or affiliate licensee, who in the judgment of the executive director will exercise control in or over any such licensee. Such person shall apply for a license not later than thirty days after the executive director requests him in writing to do so. The general manager, assistant general manager, and mutuel manager of an association as well as the player's manager of a jai alai fronton and the racing secretary of a racetrack shall be presumed to be control persons, and in this regard said positions will be determined by function and not necessarily solely by title.

An applicant's background will be investigated, and applicants will be required to supply:

(1) Applicant's name, legal residence, address, social security number, date and place of birth, past and present marital status.

(2) Names, addresses, dates of birth, and occupations of immediate family members.

(3) Past military history.

(4) A ten year employment history including salaries and other compensation and percentage of ownership both debt or equity in the employing business indicated.

(5) A statement indicating all business organizations of which the applicant is or has been an officer, director, partner, trustee, owner, principal stockholder, or other controlling person within the past ten years including salaries and other compensation and percentage of ownership both debt or equity in the business organization indicated. Information describing bankruptcies of any such business organizations must also be provided.

(6) If applicant now has or has ever had an interest in or connection with a legalized gambling entity, has ever applied for a license relating to legalized gambling, has had a license application denied, has ever held a license, or had a license suspended or revoked, whether within or without the state of Connecticut, a statement fully disclosing:

(A) The names and addresses of the involved persons or business organizations;

(B) The nature of the interest or connection including the dates of such;

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- (C) The name under which such legalized gambling activity was conducted;
- (D) A complete description of the legalized gambling activity and the licensing procedures; and
- (E) Any administrative findings of violation relating to gambling.
- (7) A statement disclosing and explaining licensure in any other regulated industry including but not limited to liquor, real estate, accountancy, law, medicine, pharmacy, securities, gambling or firearms.
- (8) A detailed statement of financial position indicating all assets and liabilities and net worth.
- (9) A detailed statement showing all assets pledged.
- (10) A detailed statement showing income from all sources.
- (11) Disclosure of bank accounts, securities accounts, and depositories.
- (12) Complete copies of the applicant's most recent federal, state and municipal tax returns.
- (13) A statement of compliance with the disclosure provisions of the act and these rules and regulations and an explanation of any noncompliance.
- (14) A statement explaining any bankruptcy within the past six years and currently material (more than \$100,000) outstanding litigation and disclosable contingent liabilities providing such details as dates, names of principal parties, basis, and potential impact on applicant's financial position in the event of an unfavorable decision.
- (15)
 - (A) If the applicant is related through control, or family, or business association to any individual or business organization doing business with any legalized gambling entity by providing or receiving goods or services, a statement giving the names and addresses of the related individuals and a full description of the goods or services rendered indicating the dollar value and, where known, the percentage of business such represents. If a fee or other consideration was or is to be paid or received for these transactions, the value and recipient of such must be indicated.
 - (B) If any of the officers, directors, or controlling equity positions of the gambling entity are related through control, family ownership, or business association to any individual or business organization which has provided to or received from the applicant any mortgages, loans, leases, realty, buildings, or equipment, a statement containing the names and addresses of the individuals or business organizations providing or receiving the aforementioned items, indicating the names and addresses of the related individuals, and fully describing the items provided or received including dollar value. If a fee or other consideration was or is to be paid or received for these transactions, the value and recipient of such must be indicated.
- (16) A statement explaining any outstanding tax delinquencies or unresolved disputes involving the applicant within the last five years.
- (17) Except where otherwise prohibited by law, an explanation of any conviction of a crime other than a minor traffic violation; of any questioning or testimony by or before a law enforcement agency, commission, or committee, a court, or grand jury in the investigation of a crime involving gambling violations or a felony; and of any felony conviction of a member of applicant's household or other person who has a beneficial

interest in applicant's interest in the legalized gambling venture. Testimony given as a witness in ordinary proceedings before an administrative agency regulating legalized gambling need not be disclosed under this subdivision.

(d) **Class III: nonmanagement related persons.** Notwithstanding the provisions of subsection (b), above, a partner, trustee, shareholder or owner (including beneficial owners) of a business organization licensed by either the board or the division who in the judgment of the executive director does not substantially participate in the operation, management, or policy making decisions of the licensed business organization may be licensed as a class III occupational licensee.

(1) The class III license applicant's background will be subject to an investigation which shall consist of:

(A) A Connecticut criminal history search through the Connecticut State Police Bureau of Identification;

(B) A federal criminal history search;

(C) A review and examination of disclosure information; and

(D) Such other investigation as may be deemed appropriate.

(2) The applicant shall file on such forms as may be required for licensure under subsection (b) above and shall supply all informational requests cited therein. The applicant shall provide an affidavit or statement made under penalty of perjury of nonsubstantial involvement in the licensed business organization. In addition, similar affidavits or statements made under penalty of perjury shall be required from the licensed business organization invested in by the applicant certifying as to the applicant's nonsubstantial involvement except as an investor with said licensed business organization.

(3) Any partner, trustee, shareholder or owner of a licensed business organization who applies for a class II occupational license may be issued a conditional class III occupational license to be valid only until such time as the comprehensive background investigation is completed.

(4) The class III occupational licensee may share in the distributions of the business organization, but shall not substantially participate in its operation, management or policy making decisions.

(e) **Conditions of licensure.**

(1) If a license is granted, the applicant agrees to abide by and comply with the provisions of the act and any rules and regulations as the division with the advice and consent of the board has adopted or may hereafter adopt.

(2) If a license is granted, it will become the duty of the applicant/licensee to file with the board and the division such reports and financial data as may be required by the act or by such rules and regulations as the division with the advice and consent of the board has adopted or may hereafter adopt and to make such payments as may be required by said act or rules and regulations. This duty shall continue for the entire duration of the license.

(3) All exhibits, statements, reports, papers, data, etc. submitted pursuant to an application for an occupational license shall be current, accurate, and complete. Applicant or licensee shall immediately provide the division with a full description of any significant operational change in any of the information submitted as part of its application.

(4) Any license which may be granted to an applicant is predicated upon the information

contained in its application which applicant verifies under oath. For any material false or misleading statement or answer in an application, said application may be denied, or if a license has already been granted, the licensee may be fined or such license may be suspended or revoked or any combination thereof.

(5) Fingerprints and photographs shall be required of all applicants for an occupational license.

(f) License denials. The division shall deny an application for an occupational license to any applicant who is disqualified on the basis of the following criteria:

(1) Failure of the applicant to provide information, documentation and assurances requested by the division, or the failure of the applicant to reveal any fact material to qualification, or the supplying of information which is untrue or misleading as to a material fact pertaining to the qualification criteria; provided, however, that these disqualification provisions may not apply if the applicant failed to reveal one misdemeanor conviction, if such conviction did not occur within the 10 year period immediately preceding application for licensure or the conviction was the subject of a judicial order of expungement or sealing.

(2) The conviction of the applicant, or of any person who is required to be licensed, of any offense in any jurisdiction which would be a felony including classes a, b, c, d and unclassified felonies, under the Connecticut General Statutes as amended.

(3) Any other offense under Connecticut, or other state or federal law which would be inimical to gaming operations; including, but not limited to the following:

- (A) assault in the third degree
- (B) assault of a victim sixty or older in the third degree
- (C) fraudulent use of automatic teller machines
- (D) bad checks
- (E) coercion
- (F) commercial bribery
- (G) computer crime in the fourth degree
- (H) credit card crimes
- (I) criminal Impersonation
- (J) criminal simulation
- (K) cruelty to persons
- (L) defrauding secured party
- (M) disclosure of a bid or proposal
- (N) diversion from state of benefit of labor of employees
- (O) failure to appear in the second degree
- (P) false statements
- (Q) falsely reporting an incident
- (R) forgery in the third degree
- (S) forgery of symbols of value
- (T) intimidation based on bigotry or bias
- (U) larceny in the fourth, fifth or sixth degree
- (V) manufacture or possession of burglar's tools
- (W) money laundering in the fourth degree
- (X) possession of controlled substance

- (Y) possession, sale, etc. of gambling devices or records
- (Z) professional gambling
- (AA) prostitution
- (BB) reckless endangerment in the first and second degree
- (CC) rigging of contests
- (DD) sexual assault in the fourth degree
- (EE) unlawful use of slugs in coin machines
- (FF) stalking in the second degree
- (GG) tampering with private communications
- (HH) threatening
- (II) transmission of gambling information
- (JJ) unlawful discharge of firearms and other firearm related misdemeanors
- (KK) unlawful entry of coin machines
- (LL) unlawful restraint in the second degree
- (MM) wiretapping

provided, however, that these disqualification provisions may not apply if conviction did not occur within the 10 year period immediately preceding application for licensure or any conviction has been the subject of a judicial order of expungement or sealing; and provided further that the requirements of section 46a-80 of the Connecticut General Statutes are first followed.

(4) The pursuit by the applicant or any person who is required to be licensed, of economic gain in an occupational manner or context which is in violation of the criminal or civil public policies of this state, if such pursuit creates a reasonable belief that the participation of such person in legalized gaming operations would be inimical to the policies of the division. Occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(5) The identification of the applicant or any person who is required to be licensed as a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates a reasonable belief that the association is of such a nature as to be inimical to the policy of the division and to gaming operations. For purposes of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal violations of the public policy of this state. A career offender cartel shall be defined as any group of persons who operate together as career offenders;

(6) Contumacious defiance by the applicant or any person who is required to be licensed of any legislative investigatory body or other official investigatory body of any state or of the United States when such body is engaged in the investigation of crimes relating to gaming, official corruption, or organized crime activity;

(7) Financial unsoundness of an applicant, including excessive debt, that may enhance the chances of unfair practices or activities, when such applicant's financial difficulties are considered in relation to the position being applied for and that position's responsibilities.

(g) **Deferment.** If an applicant for an occupational license has criminal charge(s) pending for any crime as described in subsection (f) (2) of this section, the division may defer

decision on the application until a reasonable time after final disposition.

(h) **Nontransferability.** No license shall be transferable or assignable in any manner or particular.

(i) **Duration of licensure and renewals.** Any license granted by the executive director shall be effective for not more than one year. Class I occupational licenses for noncontrol persons shall expire on the close of the 31st day of December of the year of the date of such license approval. Class II and class III occupational licenses shall expire on the close of the 31st day of August of each year. Each applicant for renewal shall provide currently updated application material but will not be required to resubmit historical data which is already available to the division.

(j) **Certification.** The license application shall be signed and attested to under oath before a notary public or Commissioner of the Superior Court by the applicant.

(Effective January 26, 1995)