



Advanced Sweepstakes and Promotions

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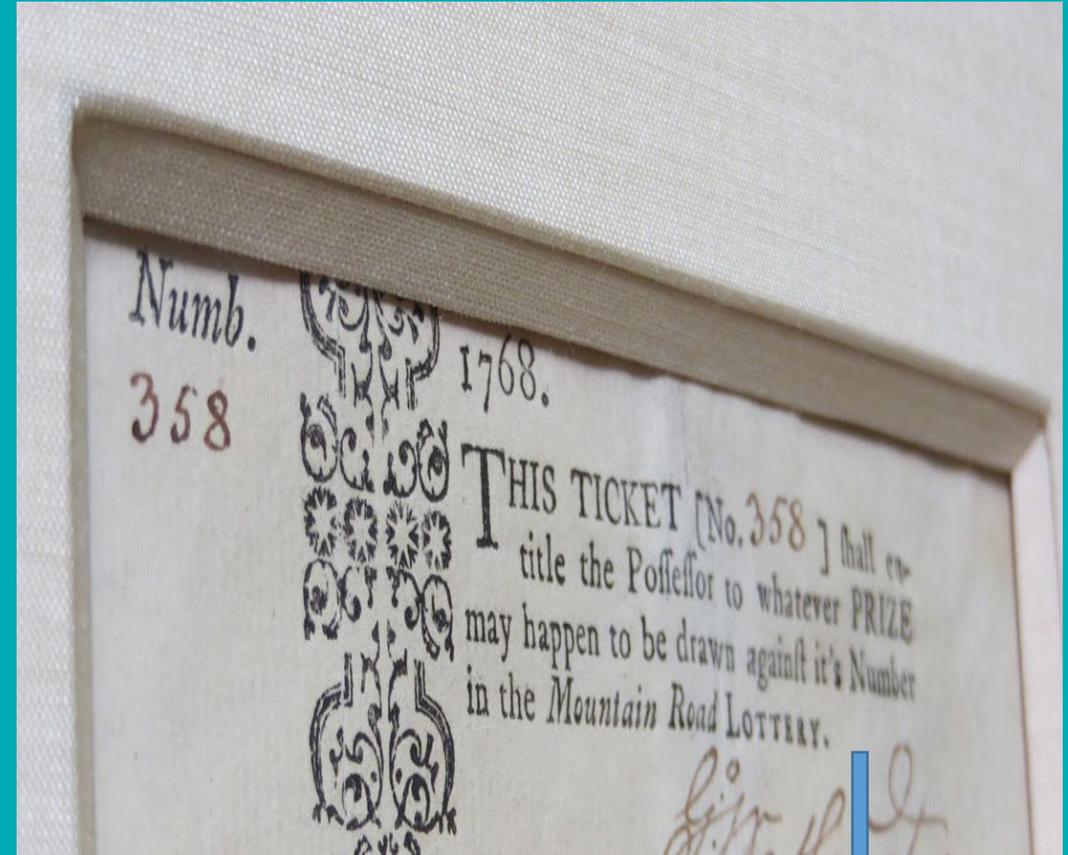
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Some context:

- In the US, the lottery has been around since George Washington used it to finance roads and schools. Power to run them was originally reserved to the government, but promotional sweepstakes became more popular in 19th c.
- Lotteries/prize promotions are prohibited under state and federal law unless they are expressly permitted, e.g.:
 - (1) regulated/licensed gambling;
 - (2) state run lottos;
 - (3) promotional (occasional) sweepstakes; and/or
 - (4) charitable raffles.
- Different types of laws/regulations:
 - Laws specific to sweepstakes and contests (state, FCC, Postal, etc.)
 - Gambling and criminal laws (e.g., Unlawful Internet Gambling Enforcement Act, RICO, etc.)
 - UDAP and other laws.



Prize Promotions Continue to Be Heavily Regulated

- ***FTC Sweepstakes Settlement (2023)***: FTC complaint alleged that defendant violated Sections 13(b) and 19 of the FTC Act, and the CAN-SPAM Act, and employed “dark patterns throughout the consumer’s experience” to encourage prospective entrants to purchase. Defendant agreed to a proposed court order requiring it to **pay \$18.5 million to consumers and to enact changes in how it conducts business online.**
- ***FCC Notice of Apparent Liability for Forfeiture against IHM Licenses***, File No. EB-IHD-19-00029572 (March 2022): FCC found licensee apparently liable for a forfeiture of \$20,000, stating, “Licensee failed to conduct its contest ‘fairly and substantially as represented to the public’” by excluding an entrant because a station employee determined the entrant wasn’t eligible, it was inconsistent with the eligibility defined in the rules, and it failed to keep rules posted on the website for at least 30 days beyond the end date of the program. The Notice emphasized that **“ambiguous rules are to be construed against the interests of the promoter,”** and **“[a] complaining party does not need to be a qualified contestant in order to have standing to complain.”**
- ***Next-Gen, Inc.***, 4:18-CV-0128 (W.D. Mo., March 2019): FTC and Missouri AG settled with Next-Gen, Inc. and related defendants, which sent mailers informing consumers they had “won” but would need to pay to collect a prize. Other mailers were disguised as newsletter subscriptions or games of skill that involved a fee and an unsolvable puzzle. Settlement included **\$21 million** in cash plus personal property and liquidation; the full amount of **\$114.7 million** was suspended.

How Do We Review Prize Promotions?

- **The first step** in evaluating any promotion is ensuring that it is not illegal gambling or a **lottery** (which is a criminal violation).
- **Lottery** = three elements:
 - A **prize** is awarded.
 - Winners are determined on basis of **chance**.
 - Participants must submit **consideration** to enter.
 - **Consideration** (something of value that must be given to participate)
 - **Monetary** (i.e., a payment or purchase)
 - **Non-monetary** (e.g., an expenditure of substantial time and/or effort)
- **Gambling:** Is there a **wager** or something staked upon the outcome of the game?



Consumer Protection, UDAP and Unfairness Liability

- Some states have sweepstakes/contest laws with specific requirements for disclosures for rules/advertising, posting rules, registration and bonding, etc.—form of consumer protection law.
- Even if there is no specific state sweepstakes/contest law in a given state, Unfair and Deceptive Acts and Practices (UDAP) laws give regulators and/or consumers the ability to pursue actions against brands that create confusion by failing to provide consumers with adequate information/disclosures about a prize or gift enterprise.
- FTC has brought numerous Section 5 actions against sweepstakes promoters and most state/class actions will include UDAP (or equivalent) claims.
 - Unfair promotional tactics may lead to consumer complaints, which may then turn into UDAP investigations, class actions and even legislation on the basis of UDAP principles.
 - The use of graphic or other interactive mechanisms that lead consumers to take actions that result in unknown or generally undesirable outcomes (i.e., giving up information, money, or time) is increasingly a source of UDAP enforcement.
 - FTC is now using “dark patterns” as a broad tool for enforcement, in sweepstakes cases and otherwise.
- The more a consumer stands to lose by virtue of a promotion in terms of money, time, property, rights, or anything else of value, the more care should be taken.

What Is Permissible Consideration?

Consideration = something of value that must be given to participate. May be **monetary** or **non-monetary** (e.g., an expenditure of substantial time and/or effort).

- **Monetary consideration:** In most states, a requirement that a person purchase a product or service (even if not the sponsor's, but a third-party product) will constitute consideration in a promotional context.
- **Non-monetary consideration:** May render a promotion illegal in certain states – but it's not always clear what that means.
 - States where the law expressly specifies that non-monetary consideration is illegal are: Delaware, Florida, Georgia, Iowa, Kansas, Michigan, New Jersey, Ohio, Rhode Island, South Carolina, Texas, and Wisconsin.
 - **High-Risk Entry Requirements:** clear examples are required download of a paid app; offering entry only to paid conference attendees; requiring response to a lengthy survey; multiple visits to a location/scavenger hunt; opening an account that requires funding; required donations to third parties;
 - **Low-Risk Entry Requirements:** short survey questions; requiring an app download when the app is free and available to all; requiring registration with a free loyalty program or establishment of a free digital wallet; requiring a social post or comment on a free platform; watching a TV program or listening to a radio program; return postage
 - **Gray Zone:** Requirement to be “present to win”; refer-a-friend marketing campaigns; photo download; require opt-in to receive marketing emails/texts.
- Regardless, make sure requirements are clearly and conspicuously disclosed.

Is “Post-Consideration” OK?

- What is it is necessary for a prize winner to spend additional money to redeem prize? Is that illegal consideration?
- At the time of entry, is it clear to the entrant that additional money/consideration will be required to make use of the prize?
 - *Example:* Is it disclosed that winner will be required to travel to the location of the concert for which they have won tickets?
- “Prize/gift notification” statutes deal with express or implied representations about prizes or gifts offered in connection with a required purchase or other valuable consideration.
- Connecticut prohibits advertising a sweepstakes if there is any condition or restriction attached to the receipt of any prize a person wins in the sweepstakes, unless the condition or restriction to claim the prize is through any method that does not require any purchase, payment of a fee, or any other consideration.
- Some states prohibit sweepstakes where attendance at a sales pitch is required to participate and/or pick up a prize. *See Ohio, Bank Night cases.*

Free Alternative Method of Entry

- **Offering a free alternative method of entry (mail-in, email, etc.) has traditionally negated consideration—but will it always work?**
 - Yes, in a U.S. *promotional* sweepstakes. Largely irrelevant outside the U.S.
- **In some contexts—particularly where the game is not promotional--the AMOE may be viewed as subterfuge and therefore ineffective.**
 - *E.g., F.A.C.E. Trading and Lucky Shamrock* cases, video lottery terminal bans.
- **“Promotional” = Promoting the sale of sponsor’s good/service in ordinary course of business—“limited and occasional” vs. all the time.**
 - *E.g., Texas v. Ysleta Del Sur Pueblo* (2016) (“donation” method of entry was not “promotional” in nature and led to a finding that the sweepstakes was unlawful) *but see Couch v. Telescope, Inc.* (2007) (AMOE did not change the fact that a pay-per-text method of entry paid only “for the privilege of entering the Game”).
- **In promotional context, AMOE must be clearly and conspicuously disclosed and offered to all participants.**
 - AMOE must be given “equal dignity”—free entrants must have the same opportunity to enter and win; be given the same number of entries and same odds.
 - Do not impose material disadvantages on those who want to enter via the AMOE. Small inconveniences (e.g., mail-in requirement, postage stamp) may be ok.

Prizes and Prize Value

Are you even giving away a “prize” with any value?

- How do I accurately present the value of a prize that does not have a clearly ascertainable value, like, for example, a newly minted NFT?
 - Assess the fair market value of the prize/experience.
 - Establish a reasonable basis regarding the value to avoid a claim that there is a misrepresentation as to the value of the prize, *e.g.*, is there an objective outside standard such as a specified secondary marketplace as of a particular date?
- Are there situations where a prize has no “value”? Perhaps reposting content? Newly minted NFTs?
 - Remember, though, that the definition is very broad—even right to additional gameplay may be of value in some states (though that may depend in part on existence of secondary market). *See Kater v. Churchill Downs Inc.* (9th Cir. 2018). *Soto v. Sky Union* (N.D. Ill. 2016).
 - Variation in value between different prizes to be won injects chance into what might otherwise be a free gift giveaway.

Entry Pool: Special Considerations

Your target audience may have important legal implications.

- **Can I limit my entry pool just to my customers?**
- **Trade/employee promotions:** Some states don't regulate trade or employee promotions, but other issues may be triggered.
 - **Trade promotions:** Consider the commercial bribery laws and obtain employer consent, exclude government employees.
 - **Employee promotions:** Tax/compensation issues; issues with hourly employees; potential work-for-hire issues when soliciting user-generated content (UGC).
 - Why do we exclude employees from sweepstakes anyway?
 - Does limiting eligibility help avoid fraud?
- **Promotions targeting children:**
 - Children's Advertising Review Unit (CARU) of BBB requires plain language disclosures and has cases on use of social platforms for kids' promotions.
 - Children's Online Privacy Protection Act requires parental notification and consent, with a few narrow exceptions. Can affect "mixed audience" promotions, too.
 - California Consumer Privacy Act/GDPR: regulates promotions targeting teens, too.

Discrimination, Civil Rights, and Promotions Law

- State public accommodations and civil rights laws prohibiting discrimination may reach to discrimination in sweepstakes and promotions on the grounds of race, gender, ancestry and religion, marital status, sexual orientation, gender identity, and/or age-based discrimination.
- Interpretation of these statutes varies and has resulted in a split—some courts find discrimination in promotions violates the law on its face, while others balance harm with the rights protected.
- *E.g.*, **California’s Unruh Act** states that “all persons within the jurisdiction of this state are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.”
 - In 1985, the CA Supreme Court found a car wash “Ladies’ Day” discount was prohibited. More recently, the CA Superior Court found that a 2005 “Mother’s Day” tote bag giveaway at an Angels’ game was simply a gift and not a de facto discount, and therefore did not violate the Unruh Act.

Modification and Termination Clauses: When Can You Use Them?

- ***A sweepstakes is a contract with a consumer protection overlay***—several states (e.g., CA, FL) require that all advertised prizes be awarded; fairness and other consumer protection principles must always be kept in mind.
- **Modification/Cancellation Clause**
 - Typically provides substantial latitude for sponsors to make decisions “in [their] sole discretion.”
 - A well-drafted modification and cancellation clause should leave room to craft a remedy if there is a delay.
 - That said, under sweepstakes and UDAP laws, modification is viewed as a remedy of last resort, to be used only in situations, for example, where there has been force majeure or fraud or there is impossibility.
 - In modifying , keep in mind contract law requirements.
- **Force Majeure Clause**
 - Force majeure is supposed to free both parties from liability upon an unanticipated (unforeseeable) supervening event or circumstance beyond the control of the parties. It comes up frequently with COVID-19.
 - *See also* doctrines of impracticability and frustration of purpose.
 - Best Practice: Include specific language concerning a pandemic or epidemic, or at least a health event, in a force majeure clause.

Dispute Resolution Clauses

- Official Rules = Consumer Contract
 - Construed against the drafter/concerns about contract of adhesion
 - Protect sponsor
 - Reduce likelihood of mistake/minimize confusion
- The use of arbitration clauses has become increasingly common in sweepstakes and contests.
 - *Root v. Robinson* (2021): Enforceability requires that the official rules be clear, understandable, and accessible; entrant must see and accept the rules for arbitration clause to be binding
 - *Suski v. Coinbase* (2023): Dispute over whether dispute resolution clause in sweepstakes rules or terms of use clause applies
- Include clauses in rules intended to address addressing disputes, such as:
 - Administrative disputes—“judges’ decisions are final”
 - Disputes caused by third parties that are no fault of sponsor or entrant, *e.g.*, multiple entrants using same email address)
 - An occurrence that raises an issue as to the promotion’s integrity (UDAP risk), *e.g.*, modification/termination and random drawing among entries received

Skill Contests and UGC Promotions

While skill contest and UGC promotions have many of the same issues as traditional sweepstakes, they present unique issues as well:

- Absence of chance means that consideration may be required, EXCEPT that some states (*e.g.*, AZ, MD, CO, ND) prohibit a purchase or payment requirement even in skill contests
 - How to address, particularly when contest asks for “best results” or product reviews?
 - Arizona may require registration for “amusement gambling contests” (where purchase is required)
- Need for entry/content guidelines and moderation
- Winner selection: Judging and voting present special concerns
 - Need for judging expertise/independence
 - Clear voting and/or winner selection guidelines
 - Possibility of voter fraud and leaderboard concerns
- FTC Endorsements and Testimonials Guides
- Compliance with third-party platform rules
- Intellectual property considerations



Voting in Contests

- Voting contests present special challenges:
 - Need for clear guidelines and voter rules
 - Possibility of voter fraud
 - Is a voting contest even a skill contest? (Or the merits of a two-step winner selection process).
- ***Ward v. Crow Vote LLC et al. (2021)***: Class action alleging favorite-chef contest was a “cleverly designed lottery” whereby the winner was the person who had the most money spent on their behalf. Plaintiffs sued company founder and chef under RICO and California law, alleging that because the contest offered the option for voters to pay money to cast extra “hero votes” for their favorite participant, it was “not an objective or even subjective test of cooking skills.”
 - Contest encouraged people to vote/donate for their favorite chef, and 25% of each donation went to the Feeding America charity. A total of \$1,469,520.54 went to the charity.
 - Court found Crow Vote was entitled to judgment as a matter of law and that the plaintiffs had failed to set forth specific facts showing any genuine issue to move to trial, and no economic injury to the plaintiffs.
 - Separately denied two additional motions filed by the plaintiffs — a Motion for Class Certification and a Motion to Amend Complaint.

Third-Party Rights and UGC

The problem: Users own any original content they post on social media—no right for sponsors to report user or third-party content.

- Platform rules typically make content available to advertisers to use in apps, on websites, etc. (including text, photos, other materials posted by platform users).
- BUT it's questionable whether advertisers can reuse for commercial purposes without first getting the consent of the owner, due to intellectual property protections/third-party rights:
 - **Copyright:** Videos and images, such as drawings and photographs, are protected by copyright law; so is music.
 - **Trademark:** Many company names and most company logos and slogans are protected by trademark law. Also need to be aware of “False Association or Sponsorship” claims.
 - **Right of Publicity:** A person's name, voice, likeness, and image are generally protected by that person's right of publicity.
- Ideally, have entrants submit UGC through a website or app and obtain “click wrap” licenses/agreement to rules. There is still the problem of third-party content, though.

UGC Best Practices

- **Terms and conditions/official rules**

- Participants should view and “accept” terms (particularly if you may want to reuse content);
- Incorporate clear guidelines for submissions—technical and content;
 - Will you permit music, third parties (persons, content/logos and marks, copyrighted materials)?
- Moderate/screen entries;
- Need a clear delineation of IP rights. IP reps and IP licenses, grant of publicity rights;
 - Preferably, you should not rely on participant reps/warranties about third party content;
- Reference the requirement for signing winner agreement in the rules;
- Prizes or gifts given are subject to all applicable laws.

- **Use winner agreement to obtain full rights to submission.**

- **Consider a background check for winners.**

Getting Consent on Social Media

How do I get consent to reuse UGC?

- Remember, social platform terms do not grant consent to commercial reuse. If you plan to reuse social posts (especially on a different platform/medium), you need clear consent.
- Simply having someone respond “yes” to a statement like “Fantastic photo! Do you approve of us featuring it?” is too broad and too fraught with possibilities for misunderstandings to use. Instead, make a specific request attaching/linking to release and asking for clear signifier of consent.
 1. Make a specific request and instruct participants to use a hashtag, or even two, that is/are so unique that there is very little chance you could inadvertently capture photos.
 - May also comply with FTC’s Endorsements Rule at the same time!
 2. Hyperlink terms and conditions that are posted on either your profile or in some linked area (website, profile) that explain what is and is not acceptable content (e.g., no obscene or inappropriate content, no third parties, no trademarks or logos, etc., which could also include a link to privacy policy).
 3. Moderate the feed to ensure that the photos submitted comply with (1) and (2).

The Metaverse and Other Fun

Recent reports to the contrary, the metaverse doesn't appear to be dead yet ...

- **According to Ad Age**, Fortnite has 400+ million users, with 80+ million active at any time
- There are still opportunities in the world of interconnected digital platforms (AR, VR, Web3, AI; Crypto and NFTs are being used in tokenized formats)
 - Gaming platforms like Fortnite, Roblox and AxieInfinity are going strong.
 - Sports: Card exchanges, VR activities, tokenizes achievements (e.g., PlayersOnly)
 - Metaverse meets AI: MeetKai, the Los Angeles-based metaverse and AI company, popped up at CES with a virtual reality installation called “The Brotherhood Deli.” MeetKai specializes in metaverse commerce and says it uses generative AI to build its digital stores.
 - “The Brotherhood Deli” resembles a bodega and showcases digital twins of real-world merch for the NBAPA, the NBA players’ union.
 - Apple Vision Pro and AR/VR experiences.

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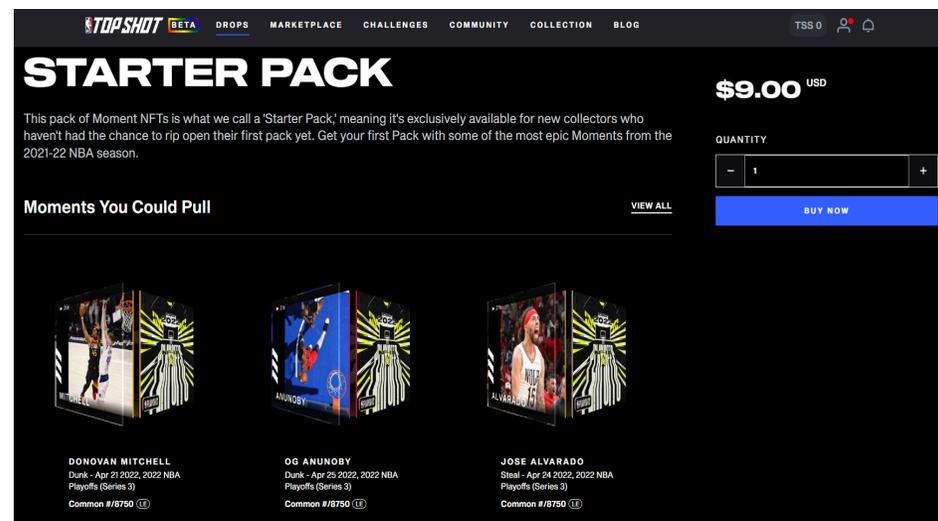


Gambling, Trading Cards, and NFTs

- **NFTs have frequently been used as prizes in last few years—triggering unique issue.**

Are NFTs securities? SEC says yes; courts say it is a fact-based determination.

- ***Dapper Labs v. Friel (2023):*** NBA Top Shot: Unique NFT Collectible “Trading Cards” sold on exchange.
 - Ownership could be tracked
 - Verifiable product origin information, supply/production
 - Design: game and player stats, action description, short video clip
 - Sales on secondary market permitted
 - Often offered in packs where it is not clear what is inside
- ***Ripple Labs (2023):*** Tokenized NFTs were not securities institutional NFTs were.



Non-Fungible Tokens (NFTs) and Cryptocurrency as Prizes

We're seeing increasing use of NFTs and cryptocurrency as prizes in sweepstakes. These may trigger additional issues—starting with the need for a clear definition of terms—as well as:

- **Consideration:** Any requirement to purchase an NFT or cryptocurrency is consideration that may trigger lottery laws.
 - May be additional hidden fees (*e.g.*, in opening wallet) as well.
 - May provide free AMOE, but must clearly and conspicuously disclose it. *See Suski v. Coinbase Global, Inc.*
- **Intellectual property:** NFTs are unique, one-of-a-kind digital files, which may trigger IP considerations regarding copyright and reproduction rights.
- **Prize value:** Cryptocurrency may rise and fall in value over the course of a sweepstakes, and NFTs may have no value at all, except as determined by the secondary market—so how does one state “ARV” as required under state law?

Esports Gaming Contests and Sponsorships

- Esports are a type of competition or contest that is growing exponentially in popularity and have some specialized issues. They are played at the professional and amateur levels, and often have entry fees, sponsorships, and even betting.
 - An esports competition that involves an entry fee may be considered an illegal lottery in some jurisdictions. Drafting the competition as a skill-based competition, *i.e.*, a contest, would help to avoid issues with most state regulations.
 - Use caution to ensure that any entry fees are not converted into an illegal bet, stake, or wager, which may trigger state and federal anti-gambling statutes.
- Esports and NFTs
 - In some cases, NFTs for both esports and traditional sports players are being turned into “trading cards” that are sold on exchanges.
 - Beware of licensing and copyright issues with esports NFTs (rights may need to be obtained from the original entities, game publishers, sporting teams, leagues, and so on), and further issues that could inadvertently be inserted if random autographed files, etc. are introduced into sales.
- Be mindful of FTC Endorsement Guides regarding esports sponsorships and promotions. Per the FTC, be sure to clearly and conspicuously disclose material connections that exist between endorsers, individuals, and entities that are affiliated with the gaming service, platform, contest, program, and so on. ***FTC v. CSGOLotto*** (2017).

Loot Boxes

- Loot boxes and the use of the loot box mechanic in gaming have drawn scrutiny from regulators and created class action risk.
 - Some countries have prohibited loot boxes altogether, or else require a license or regulate (*e.g.*, Belgium, Netherlands, Slovakia).
 - Highest level of scrutiny in loot box cases occurs where:
 - Children may purchase or earn items;
 - Loot box items may be ***sold for cash/value***.
- *FTC Staff Report (2020)*: issued after 2019 hearing, calls for meaningful disclosures that allow players to make informed choices, consumer education, and improved industry self-regulation.
- Litigation—considerable litigation has been filed, although many cases have been dismissed on various grounds. *See, e.g.*:
 - *Tran v. Aniplex of America* (2023)
 - *Mai v. SuperCell Oy* (2023)
 - *Galway v. Valve* (2023)
 - *Taylor v. Apple* (2021)

Focus on:

- **Clear disclosures of odds and any purchase requirements.**
- **Compliance with laws regarding advertising to children (or better yet, exclude kids).**
- **Limit redemption of items for cash/sake on secondary market.**

AI and Promotions

- **FTC and AI:** The FTC is actively monitoring AI and expects companies to design in anticipation of potential issues, e.g., fraud, deception, infringements on privacy, and other unfair practices. Hearing held last month; has also announced intent to adopt rules on impersonation.
- **General compliance:** Companies should be thinking about:
 - Adopting an internal compliance policy
 - Vetting partners
 - Considering what individual consumers/audiences may require in terms of disclosures regarding how AI is being used/trained and how their information is being used..
- **Promotions:**
 - Consider the intellectual property rights stemming from using AI applications in connection with promotions, including use of AI by consumers in generating entries.
 - Can an AI application can be used to judge entries? How can you test that?
 - Determine what criteria the AI application will use to evaluate entries, investigate code.
 - Is sufficient context or intent coded into the application to inform how entries will be evaluated?
 - Is it even possible for AI to judge in some contexts, e.g., where empathy is required?
 - Can AI be used to “train” players in skill contests/competitions, and how can you take that into account?

Charitable Sweepstakes and Auctions

- Sweepstakes run by nonprofits (with or without commercial partners) have become increasingly popular.
 - How are these similar to raffles? Sweepstakes? Commercial coventures? How are the risks similar or different? What laws apply?
 - Fla. Rev. Stat. Sec. 849.0935—nonprofits may run sweepstakes.
 - Missouri Constitution provides that federally recognized charities and religious organizations may sponsor raffles and sweepstakes where a person risks something of value for a prize; leaves it to the legislature to pass laws regulating those sweepstakes (which it has not done).
 - See California attorney general settlements with Prizeo et al. and related class actions.
 - *But see ‘Michigan AG shuts down Golden Hearts Games’* (Sept. 2023)
 - Professional fundraiser laws: California AB 488, which went into effect January 1, 2023, regulates charitable fundraising platforms, platform charities, and beneficiary charitable organizations
 - A charitable fundraising platform is, generally, any entity that uses the internet to provide a website, service, or other platform to persons in this state, and performs, permits, or otherwise enables acts of solicitation to occur
 - Types of activities include: commercial, peer-to-peer, marketing, consulting, and co-venturing-style fundraising efforts and activities
 - For charitable auctions, state auctioneer laws may apply, though some such laws have an express exception for online auctions.

International Considerations

How do we address compliance and risk in multi-jurisdictional promotions?

- Online gaming and sweepstakes law can vary drastically across countries--may be necessary/desirable (for cost/timing reasons) to narrow scope of promotion to most important “targeted” countries.
- Important to check with counsel if sweepstakes or game will occur outside the U.S.
 - Some countries prohibit all games of chance (Canada, Sweden);
 - Some prohibit cash awards (*e.g.*, Brazil);
 - Others require rules translation/disclosures in particular languages (*e.g.*, Mexico, Canada, France);
 - Several require registration (*e.g.*, Brazil (both sweepstakes and contests), Mexico, Quebec, Canada, Australia (certain provinces));
 - Some countries require separate prize drawings for residents, limit the intellectual property rights waivers that may be required, etc.



What's the worst that could happen, anyway?



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Federal, State, County and Municipality Concurrent Investigations and Prosecutions

Who investigates these cases?

- Criminal: Local law enforcement, state police or federal agents using the same techniques and strategies by which they prosecute murder, fraud, human trafficking
- UDAP/Consumer Protection: Federal Trade Commission, State Attorneys General and other agencies (e.g., Florida Department of Agriculture and Consumer Services)
- Also: other federal regulatory enforcement (FCC, Postal Service)
- Often follow-on class actions as well

- Who prosecutes these cases?
 - Federal or State prosecutors, usually with no specialized training or experience

- What are the penalties?
 - Millions in disgorgement and redress
 - Civil and criminal penalties
 - Individual liability and prison

When it walks like a duck, quacks like a duck, but it's actually a legal sweepstakes.

- Law enforcement and prosecutors use money laundering, illegal gambling, wire fraud statutes to prosecute legitimate sweepstakes.
- Why?
 - Many of laws are very old but still in effect
 - Law enforcement does not always know what they are seeing
 - Misunderstanding of distinction between legal sweepstakes and illegal gambling
- What motivates law enforcement to come after otherwise legitimate businesses?
 - Unhappy would-be “competition”
 - General dislike or disfavor toward gambling/gaming
 - Supposed social and moral ills associated with gambling
 - Motivated to protect state monopoly

Questions?



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