



The Office of
Minnesota Attorney General Keith Ellison
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November 5, 2025

[Business name]

[Address]

[Address]

Re: Illegal Social Sweepstakes Casino Websites in Minnesota

To Whom it May Concern:

The Office of the Minnesota Attorney General is aware that companies are operating websites that offer social sweepstakes casinos in Minnesota. This letter serves as a notice to immediately stop offering such sites to Minnesota residents.

[Business] was notified by the Alcohol and Gambling Enforcement (AGE) division of the Minnesota Department of Public Safety in June 2025 that a sweepstakes-based model of gambling is illegal in Minnesota. At that time, AGE provided an opportunity for [business] to stop its operations or change its business practices to comply with Minnesota wagering laws.

We write to advise you that, in addition to potential criminal violations, operating an online social sweepstakes casino in Minnesota may also violate State laws prohibiting fraud, unfair or unconscionable practice[s], false pretense, false promise, misrepresentation, misleading statement or deceptive practice. *See* Minn. Stat. § 325F.69, subd. 1. An “unfair or unconscionable act or practice” is defined as, “is any method of competition, act, or practice that: (1) offends public policy as established by the statutes, rules, or common law of Minnesota; (2) is unethical, oppressive, or unscrupulous; or (3) is substantially injurious to consumers.” *Id.* at § 325F.69, subd. 8. The Minnesota Attorney General has authority to enforce these laws by filing a lawsuit seeking injunctive relief, restitution and/or disgorgement of money received related to the operation of illegal gambling websites, civil penalties of up to \$25,000 per violation, and recovery of attorney fees and costs. *See* Minn. Stat. § 8.31, subd. 3 and 3a.

Social sweepstakes casino websites offer casino-style games such as slots, poker, and roulette, and use a two-coin system of virtual currency. Consumers can buy virtual currency in packages that include coins that can be used for free game play (sometimes called “gold coins”) and coins that can be redeemed for cash or prizes, such as gift cards (sometimes called “sweeps coins”). A consumer typically receives the same amount of sweeps coins as the dollar value of the purchase; for example, a \$10 purchase of virtual currency includes some number of gold coins and \$10 in sweeps coins.

Minnesota law defines a lottery as “a plan which provides for the distribution of money, property, or other reward or benefit to persons selected by chance from among participants some of all of whom have given a consideration for the chance of being selected.” Minn. Stat. § 609.75,

subd. 1(a). A lottery under Minnesota law has three elements: (1) a prize; (2) the prize must go to a winner by chance, and (3) consideration. *See Albert Lea Amusement Corp. v. Hanson*, 43 N.W.2d 249, 255 (Minn. 1950); *State v. Schubert Theatre Players Co.*, 281 N.W. 369, 370-71 (Minn. 1938). On [website] where consumers can buy virtual currency for the chance to win cash or a prize, these elements are satisfied.

Operators of social sweepstakes casinos may contend that there is no “consideration” to play their games because the sweeps coins cannot be purchased on their own and are available as a “bonus” to a purchase of gold coins. In reality, because consumers can and do purchase packages of virtual coins that include redeemable sweeps coins, they are giving consideration for a chance to win a prize. Other factors that indicate that the true purpose of social sweepstakes casinos is gambling, rather than merely entertainment includes the casino-like atmosphere of the sites; the perpetual duration of the sweepstakes; the high payout percentage; restrictions on consumers redeeming prizes; and consumers valuing the sweepstakes entries more highly than the free social casino games.

Minnesota has a well-established system of gambling regulation, which permits limited forms of gambling as enumerated by statute. *See e.g.* Minn. Stat. §§ 349.11 *et seq.* and 609.75-763. Social sweepstakes casino websites that operate outside of this system contravene the State’s strong and longstanding public policy against unregulated gambling.

Social sweepstakes casinos also mislead the public. Although they prominently advertise that consumers can “play for free,” these games are designed to draw players into buying virtual currency for a chance to win cash prizes or other rewards. The use of two types of currency is a thinly veiled attempt to disguise the games as free-to-play entertainment: consumers ostensibly buying gold coins that have no worth outside the game are, in actuality, buying sweeps coins that have actual value. Further, these sites’ prominent invitations to “play for free” may mislead consumers into believing that they are legal under State law.

Finally, these sites are injurious to Minnesota residents because they enable unregulated online gambling while lacking any consumer protections or accountability to ensure players receive the cash or prize they may win. For example, these sites lack robust age verification measures or tools to allow self-exclusion. Sites often have high “playthrough” requirements and redemption thresholds, meaning consumers must wager and win high amounts of money in order to redeem their winnings.

I ask that you confirm in writing that you will refrain from operating an illegal gambling website in Minnesota and otherwise comply with the above-referenced laws by **December 1, 2025**. I ask that you send a written response to [REDACTED] within ten (10) days of receiving this letter.

██████████
Minnesota Attorney General's Office
445 Minnesota Street, Suite 600
St. Paul, MN 55101-2131
Fax: (651) 282-2155
██████████

Sincerely,

A handwritten signature in blue ink, reading "Keith Ellison". The signature is fluid and cursive, with the first name "Keith" and last name "Ellison" clearly distinguishable.

KEITH ELLISON
Attorney General