

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Maureen K. Ohlhausen, Acting Chairman
Terrell McSweeney**

In the Matter of
CSGOLOTTO, INC., a corporation,
TREVOR MARTIN, a/k/a TmarTn,
individually and as an
officer of CSGOLOTTO, INC., and
THOMAS CASSELL, a/k/a
TheSyndicateProject, Tom Syndicate, and
Syndicate, individually and as an officer of
CSGOLOTTO, INC.

Docket No. C-4632

COMPLAINT

The Federal Trade Commission, having reason to believe that CSGOLotto, Inc., a corporation, and Trevor Martin and Thomas Cassell, individually and as officers of CSGOLotto, Inc. (collectively, “Respondents”), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent, CSGOLotto, Inc., is a Florida corporation with its principal office or place of business at 6511 Vineland Road, Orlando, FL 32819. It was incorporated in December 2015.
2. Respondent, Trevor Martin, also known as TmarTn, is the President and a 42.5% owner of CSGOLotto, Inc. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and practices of CSGOLotto, Inc., including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of CSGOLotto, Inc.
3. Respondent, Thomas Cassell, also known as TheSyndicateProject, Tom Syndicate, and Syndicate, is the Vice President and a 42.5% owner CSGOLotto, Inc. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and practices of CSGOLotto, Inc., including the acts and practices alleged in this complaint. When the acts and practices alleged in this complaint occurred, he resided in Los Angeles, California.

4. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

5. Respondents Martin and Cassell are both online influencers who operate YouTube channels focused primarily on online gaming. Respondent Martin’s YouTube channels include “TmarTn2.” Respondent Cassell’s YouTube channels include “TheSyndicateProject.” Each of these channels has millions of subscribers.

6. Counter-Strike: Global Offensive, also known as CS: GO, is an online, multiplayer, first-person shooter game, marketed by Valve Corp. Among other things, it uses collectible items called “skins,” which cover weapons in distinctive patterns. Skins can be bought, sold, and traded for real-world money.

7. Beginning in October or November 2015, Respondents operated and advertised a website, www.csgolotto.com, that offered consumers the opportunity to gamble using skins as virtual currency (“CSGO Lotto”). Respondents earned revenue from their CSGO Lotto skin-betting service by charging an eight percent service fee on skin-betting pools.

8. Respondent CSGOLotto, Inc. provided Respondents Martin and Cassell with free skins with which to gamble on CSGO Lotto.

9. In a video posted in early-November 2015, Martin said,

I’ve been starting to bet a little bit more. ... [W]e found this new site called CSGO Lotto, so I’ll link it down in the description if you guys want to check it out. But we were betting on it today and I won a pot of like \$69 or something like that so it was a pretty small pot but it was like the coolest feeling ever. And I ended up like following them on Twitter and stuff and they hit me up. And they’re like talking to me about potentially doing like a skins sponsorship like they’ll give me skins to be able to bet on the site and stuff. And I’ve been like considering doing it.

10. Between mid-November 2015 and June 2016, Respondents Martin and Cassell posted videos to their respective YouTube channels showing themselves gambling on CSGO Lotto. These videos promoted CSGO Lotto and encouraged viewers to use the gambling service.

11. Between mid-November 2015 and June 2016, Respondent Martin posted at least 13 promotional videos to his “TmarTn2” YouTube channel showing himself gambling on CSGO Lotto, including ones with titles such as, “HOW TO WIN \$13,000 IN 5 MINUTES (CS-GO Betting),” “\$24,000 COIN FLIP (HUGE CSGO BETTING!) + Giveaway,” “HUGE WINS (And Losses) - CounterStrike Betting Challenge #2 (CSGO Skins),” and “CS-GO Betting - Part 3 - HUGE \$1000+ COIN FLIP BET! (Duel Arena Skin Gambling).” (*See, e.g., Exhibits A – D*).

12. Nowhere in his videos promoting CSGO Lotto or in the videos’ descriptions did Respondent Martin disclose that he was an officer and owner of the company operating CSGO Lotto or that he was gambling with free skins provided by that company. In the promotional videos showing

him gambling on CSGO Lotto, Martin did not mention any connection between himself and CGSO Lotto and when he posted the videos he made no disclosures in the videos' descriptions.

13. Respondent Martin disseminated tweets that promoted CSGO Lotto and linked to his promotional videos. One such tweet read, "Made \$13k in about 5 minutes on CSGO betting. Absolutely insane. Reactions here 🤔: [YouTube link]." (March 6, 2016 tweet by @TmarTn). (Exhibit E). An Instagram post by Martin showed screen shots of TmarTn winning two betting pools on CSGO Lotto with the caption, "Unreal!! Won two back to back CSGOLotto games today on stream – \$13,000 in total winnings 🤔🤔🤔" (March 3, 2016 Instagram post by tmartn). (Exhibit F). Nowhere in his social media posts promoting CSGO Lotto did Martin disclose any connection between himself and CGSO Lotto.

14. Between January and June 2016, Cassell posted at least seven promotional videos showing himself gambling on CSGO Lotto, including ones with titles such as, "INSANE KNIFE BETS! (CS:GO Betting)," "CRAZY 6 KNIFE WIN!!! (CS:GO Betting)," and "ALL OR NOTHING! (CS:GO Betting)." (See, e.g., Exhibits G – I). Cassell's videos promoting CSGO Lotto garnered more than 5.7 million views.

15. Nowhere in his videos promoting CSGO Lotto or in the videos' descriptions did Respondent Cassell disclose that he was an officer and owner of the company operating CSGO Lotto. In at least five of his videos promoting CSGO Lotto, Cassell did not mention any connection between himself and CSGO Lotto. Each of these videos' description boxes included the statement "This video is sponsored by CSGO Lotto!" The disclosure appeared in the description boxes "below the fold" where it would not be visible without consumers having to click on a link and perhaps scroll down.

16. Respondent Cassell disseminated tweets that promoted CSGO Lotto and did not disclose any connection between himself and CGSO Lotto. These tweets contained statements such as:

- a. "CRAZY 6 KNIFE WIN!!! (CS:GO BETTING): [YouTube link] ... OUR LUCK HAS CHANGED!!! 2016 IS THE YEAR OF THE KNIFZ! Site Used ► CSGO LOTTO: <https://csgolotto.com> Big thanks to Flux Pavilion for letting me use his music ..." (January 2, 2016 tweet by @ProSyndicate) (Exhibit J);
- b. "Bruh.. i've won like \$8,000 worth of CS:GO Skins today on @CSGOLotto I cannot even believe it!" (March 30, 2016 tweet by @ProSyndicate) (Exhibit K);
- c. "Not a bad way to start the day!" [*screen shot of Syndicate winning a betting pool worth over \$2,100 on CSGO Lotto*] (March 31, 2016 tweet by @ProSyndicate) (Exhibit L)
- d. "<3 @CSGOLotto" [*screen shot of Syndicate winning a betting pool worth over \$1,100 on CSGO Lotto*] (April 20, 2016 tweet by @ProSyndicate) (Exhibit M); and
- e. "I lied... I didn't turn \$200 into \$4,000 on @CSGOLotto...I turned it into \$6,000!!!! csgolotto.com/duel-arena" [*screen shot of Syndicate winning a betting pool worth over \$4,400 on CSGO Lotto*] (April 20, 2016 tweet by @ProSyndicate) (Exhibit N).

17. As described in Paragraphs 9 through 16, consumers who saw promotions of CSGO Lotto by Respondents Martin or Cassell were unlikely to learn of the connection between Martin or Cassell and CSGO Lotto. Even those who did learn of a sponsorship relationship with CSGO Lotto would not have learned that Martin and Cassell were officers and owners of the company operating CSGO Lotto and thus had a vested interest in the success of the service or that they were gambling with skins that were provided by that company.

18. Respondents used an “Influencer Program” to encourage certain online influencers “to post in their social media circles about their experiences in using” CSGO Lotto. Respondents contractually prohibited the influencers from making “statements, claims or representations ... that would impair the name, reputation and goodwill of” CSGO Lotto.

19. Payments to influencers were in United States dollars, skins credits, or a combination of both and ranged from \$2,500 to \$55,000.

20. Participants in Respondents’ influencer program included, among others: Albi Bytyqi, who operates the “SideArms4Reason” YouTube channel; Brennon O’Neil, who operates the “GoldGloveTV” YouTube channel; Joseph Rylott, who operates the “jahovaswitniss” YouTube channel; Lucas Watson, who operates the “KYRSP33DY” YouTube channel; Alan Widmann, who operates the “Hotted89” YouTube channel; Nathan “NBK” Schmitt, who operates a Twitch channel; and Edwin Castro, who operates a Twitch channel.

21. The influencers Respondents hired promoted CSGO Lotto on YouTube, Twitch, Twitter, and Facebook.

22. Numerous resulting YouTube videos of influencers gambling on CSGO Lotto did not include any sponsorship disclosure in the videos themselves and if they included sponsorship disclosures in the description boxes below the videos, they only did so “below the fold.”

23. Numerous resulting social media posts by influencers promoting CSGO Lotto did not include any sponsorship disclosures. These include:

- a. “LET’S GOOOO @CSGOLotto” [*screen shot of Hotted winning a betting pool worth over \$4,100 on CSGO Lotto*] (April 13, 2016 tweet by @hotted89) (Exhibit O);
- b. “25,000.00 @CSGOLotto COINFLIP!!! BIGGEST COINFLIP OF MY LIFE!! RT’s appreciated ;) [*YouTube link*] [*CSGO Lotto screen shot with “\$24000 COINFLIP ON CSGOLOTTO” superimposed*] (April 27, 2016 tweet by @hotted89) (Exhibit P);
- c. “<3 @CSGOLotto” [*screen shot of jahova winning a betting pool worth over \$500 on CSGO Lotto*] (April 22, 2016 tweet by @JahovasWitness) (Exhibit Q);
- d. “YES OMG @CSGOLotto” [*screen shot of SideArms winning a betting pool worth over \$2,700 on CSGO Lotto*] (May 7, 2016 tweet by @Albi_SideArms) (Exhibit R);

- e. “EZ \$\$\$\$\$\$ bets \$1,021.....WINS! @CSGOLotto [@twitch](http://twitch.tv.castro_1021)” [*screen shot of Castro1021 winning a betting pool worth over \$2,000 on CSGO Lotto*] (May 9, 2016 tweet by @Castro1021) (Exhibit S);
- f. “3 in a row :O @CSGOLotto <3” [*screen shot of jahova winning three consecutive CSGO Lotto betting pools*] (May 25, 2016 tweet by @JahovasWitniss) (Exhibit T);
- g. “The 3% has happened! @CSGOLotto” [*screen shot of nickbunyun betting \$158.91 and winning a betting pool worth over \$4,800 on CSGO Lotto*] (May 29, 2016 tweet by @nickbunyun) (Exhibit U); and
- h. “Stream is live at <http://www.twitch.tv/nbk> ! Ready to play FPL and fight you on @CSGOLotto 😎” (May 31, 2016 tweet by @G2NBK) (Exhibit V).

24. In late-June 2016, it became publicly known that Respondents Martin and Cassell ran the company operating CSGO Lotto. Shortly after that public revelation and the resulting public reaction, in July 2016 CSGO Lotto ceased operations.

Count I False Claim of Independent Reviews

25. Through the means described in Paragraphs 9 through 23, Respondents have represented, directly or indirectly, expressly or by implication, that videos of Trevor Martin, Thomas Cassell, and other influencers gambling on CSGO Lotto and their social media posts about CSGO Lotto reflected the independent opinions or experiences of impartial users of the service.

26. In truth and in fact, the videos of Trevor Martin, Thomas Cassell, and other influencers gambling on CSGO Lotto and the social media posts about CSGO Lotto did not reflect the independent opinions or experiences of impartial users of the service. Trevor Martin is the President and an owner of the company operating CSGO Lotto. Thomas Cassell is the Vice President and an owner of the company operating CSGO Lotto. The other influencers were paid to promote CSGO Lotto and were prohibited from impairing its reputation. Therefore, the representation set forth in Paragraph 25 was, and is, false and misleading.

Count II Deceptive Failure to Disclose Endorsers Were Owners and Officers

27. Through the means described in Paragraphs 9 through 17, Respondents have represented, directly or indirectly, expressly or by implication, that videos of Trevor Martin and Thomas Cassell gambling on CSGO Lotto and their social media posts about CSGO Lotto reflected the opinions or experiences of individuals who had used the service. In numerous instances, Respondents failed to disclose or failed to disclose adequately that Trevor Martin and Thomas Cassell are owners and officers of the company operating CSGO Lotto. These facts would be material to consumers in their decisions regarding using CSGO Lotto. Respondents’ failure to disclose or disclose adequately these facts, in light of the representation made, was, and is, a deceptive act or practice.

Count III
Deceptive Failure to Disclose Endorsers Were Paid

28. Through the means described in Paragraphs 18 through 23, Respondents have represented, directly or indirectly, expressly or by implication, that videos of influencers gambling on CSGO Lotto and the influencers' social media posts about CSGO Lotto reflect the opinions or experiences of individuals who had used the service. In numerous instances, Respondents have failed to disclose or failed to disclose adequately that the influencers received compensation, including monetary payment, to promote CSGO Lotto. These facts would be material to consumers in their decisions regarding using CSGO Lotto. Respondents' failure to disclose or disclose adequately these facts, in light of the representation made, was, and is, a deceptive act or practice.

Violations of Section 5

29. The acts and practices of Respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this twenty-eighth day of November, 2017, has issued this Complaint against Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: