

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of CSGOLotto, Inc., File No. 1623184

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing a consent order from CSGOLotto, Inc., Trevor Martin (“Martin”), and Thomas Cassell (“Cassell”) (collectively “respondents”).

The proposed consent order (“order”) has been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make the final the agreement’s order.

This matter involves respondents’ advertising for their website, www.csgolotto.com (“CSGO Lotto”), which offered consumers the opportunity to gamble using what is in effect a virtual currency. The complaint alleges that respondents violated Section 5(a) of the FTC Act by misrepresenting that videos of Martin, 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. According to the complaint, Martin is the President, Cassell is the Vice President, and both are owners of the company operating CSGO Lotto, and the other influencers were paid to promote CSGO Lotto and were prohibited from impairing its reputation. The complaint further alleges that respondents deceptively failed to disclose that Martin and Cassell were owners and officers of the company operating CSGO Lotto and that other influencers received compensation, including monetary payment, to promote CSGO Lotto.

The order includes injunctive relief to address these alleged violations and fences in similar and related violations.

Provision I prohibits respondents, in connection with the sale of any product or service, from misrepresenting that any endorser of such product or service is an independent user or ordinary consumer of the product or service.

Provision II prohibits respondents from making any representation about any consumer or other endorser of a product or service without disclosing, clearly and conspicuously, and in close proximity to that representation, any unexpected material connection between the consumer or endorser and (1) any respondent, (2) any other individual or entity affiliated with the product or service, or (3) the product or service (“relevant material connections”). The order defines “clearly and conspicuously” as the term applies to the required disclosures.

Provision III sets out certain monitoring and compliance obligations to ensure that when respondents advertise or promote any product or service through endorsers with relevant material connections, the endorsers comply with Provisions I and II of the order. These obligations include: obtaining signed acknowledgements from such endorsers that they will disclose their relevant material connections; monitoring the endorsers’ representations and disclosures; maintaining records of monitoring efforts; and, under certain circumstances, terminating and ceasing payment to endorsers who misrepresent their independence or fail to properly disclose a relevant material connection.

Provision IV mandates that respondents acknowledge receipt of the order, distribute the order to principals, officers, and certain employees and agents, and obtain signed acknowledgments from them. **Provision V** requires that respondents submit compliance reports to the FTC one year after the order's issuance and submit notifications when certain events occur. **Provision VI** requires that for ten years respondents must create and retain certain records. **Provision VII** provides for the FTC's continued compliance monitoring of respondent's activity during the order's effective dates. **Provision VIII** provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

The purpose of this analysis is to facilitate public comment on the order, and it is not intended to constitute an official interpretation of the complaint or order, or to modify the order's terms in any way.