



Office of Acting Chairwoman
Rebecca Kelly Slaughter

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

**CONCURRING STATEMENT OF
ACTING CHAIRWOMAN REBECCA KELLY SLAUGHTER**

*In the Matters of Just In Time Tickets; Cartisim Corp.; and Concert Specials
Commission File Nos. 1823115; 1923195; and 1923196
January 22, 2021*

As the COVID-19 pandemic continues to imperil so many lives and livelihoods, millions of Americans yearn for the chance to see live music, sports, and theater again once it is safe to do so. Reminiscing about our favorite live experiences, we might be forgiven for forgetting the hassles we endured to secure the tickets in the first place. But the many problems that plague the live-event ticketing market are certain to return as soon as the events do. Happily, new tools that Congress gave the Federal Trade Commission and the strong first step the Commission is taking with three significant settlements give fans real hope that better days are ahead.

In response to myriad consumer complaints, Congress adopted the Better Online Ticket Sales Act, or BOTS Act,¹ in 2016 with the hope that the Federal Trade Commission would use its new authority to bring to heel the high-tech scoundrels who bedevil fans seeking tickets to live events. The Act's bipartisan sponsors sought to crack down on the abuses that unscrupulous actors inflict on consumers whose typing fingers were no match for algorithms in attempting to secure tickets online. To ensure robust enforcement, the legislation endowed the Commission with the ability to seek monetary penalties sufficient to deter those who would consider getting in on the lucrative scheme. I have a longstanding interest in the tickets market,² and I am thrilled that the Commission's staff thoroughly investigated and uncovered the violations of the BOTS Act alleged in these complaints against ticket resellers Just in Time Tickets, Inc., Cartisim Corp., and Concert Specials, Inc. and their principals, Evan Kohanian, Simon Ebrani, and Steven

¹ Pub. L. No. 114-274, § 2, Dec. 14, 2016, 130 Stat. 1401 (codified at 15 U.S.C. § 45c).

² I should disclose that I have a professional connection to this law. Before I joined the Commission, I spent a decade as counsel to Senator Charles Schumer, and, in that capacity, I worked on multiple versions of the BOTS Act. As a Commissioner, I provided opening remarks at an excellent workshop and resulting report our staff put together on problems in the tickets market. *See* Fed. Trade Comm'n, Opening Remarks of Comm'r Rebecca Kelly Slaughter, "That's the Ticket" Workshop (June 11, 2019), https://www.ftc.gov/system/files/documents/public_statements/1527238/slaughter_-_prepared_remarks_ftc_tickets_workshop_6-11-19.pdf; *see also* Fed. Trade Comm'n, Staff Perspective: "That's the Ticket" Workshop (May 7, 2020), https://www.ftc.gov/system/files/documents/reports/thats-ticket-workshop-staff-perspective/staffperspective_tickets_final-508.pdf.

Ebrani, respectively. I strongly support the complaints against them—the first that we have brought using our new authority—and I hope that they are the first of many.

The settlements our staff negotiated with these alleged BOTS Act violators make clear that serious consequences will befall those who cheat fans out of a fair shot to secure tickets to live events. The civil penalty amounts in these settlements are much higher than the revenues that the defendants raked in through the conduct charged in the complaints.³ When live events return, so too no doubt will the bad actors who use advanced technology to game the system for profit—but now they will have to consider the risk that, if they get caught, they will not only have to disgorge the profits they made from cheating but also pay a penalty that may be many multiples thereof. I extend my hearty congratulations to the staff of the Division of Marketing Practices for securing these settlements that send a strong message of general deterrence. These first three BOTS Act enforcement actions are only a first step in fixing the broken market for tickets to live events, but they chart a course for continued improvement through enforcement, rulemaking,⁴ and legislating. And they reassure the bipartisan coalition in Congress that worked hard to pass the BOTS Act that when the Federal Trade Commission is given new powers we will responsibly put them to good use for the benefit of American consumers.

³ See *Just in Time Tickets Compl.* ¶ 2; *Caritism Corp. Compl.* ¶ 2; *Concert Specials, Inc. Compl.* ¶ 2. The defendants will ultimately pay less than the civil penalty judgments, which are partially suspended, based on the defendants' inability to pay, as documented by sworn financial statements.

⁴ In my opening remarks at the Commission's workshop on online ticket sales, I exhorted the tickets industry to end the deceptive "drip pricing" practice in which consumers are unable to see the true price of tickets—including mandatory fees—until late in the shopping process, and I called for rulemaking under section 18 of the Federal Trade Commission Act to get the job done if industry will not. See *Opening Remarks of Comm'r Slaughter*, at 4 ("I believe that the government must explore a . . . regulatory solution.").