## RANDY VULAKOVICH, MEMBER 30<sup>TH</sup> LEGISLATIVE DISTRICT

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House of Representatives
Commonwealth of Pennsylvania

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TO:

All House Members

FROM:

Representatives Randy Vulakovich and Tina M. Davis

DATE:

**September 30, 2011** 

**SUBJECT:** 

Co-sponsorship – Internet Sweepstakes Cafes

In the near future, we will be introducing legislation to prohibit Internet sweepstakes cases and close a loophole that allows unregulated gaming in Pennsylvania.

Although sweepstakes promotions have been in existence for over 100 years and help businesses market their services, a new wave of Internet sweepstakes cafes have brought attention to a manipulation in state law to allow for casino-style gaming in communities across the Commonwealth.

These cafes offer online "sweepstakes" with the purchase of Internet time on a computer or, in some cases, long-distance phone cards. When the customer makes a purchase, they are given free entries to play a sweepstakes game. The entrant plays the game and earns points that are redeemable for cash.

Currently, we are aware of several of these businesses operation which are actively promoting "Las Vegas style" games. These sweepstakes games are designed to look and feel like casino gambling while technically calling them "sweepstakes."

Because a sweepstakes is said to be predetermined, not a game of chance, these business owners have found a loophole that allow them to fall outside of state gambling laws. This is troubling because these businesses are unregulated and unchecked, which undermines the efforts of the General Assembly in protecting the public from problems associated with gambling.

These businesses could hinder the revenue generated by the State Lottery and the organizations that utilize small games of chance, not to mention the billions of dollars that have been collected for property and wage tax relief through legal, regulated casino gaming.

If you would like to join us in co-sponsoring this legislation, please contact Pat Geiger in Rep. Vulakovich's office at <a href="mailto:pgeiger@pahousegop.com">pgeiger@pahousegop.com</a> or 260-6407.

Thank you for your kind consideration of this measure.

RV/pg