

April 4, 2025

Governor Tim Walz
130 State Capitol
75 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, Minnesota. 55155

Attorney General Keith Ellison
Office of Attorney General
445 Minnesota Street, Suite 600
St. Paul, Minnesota 55101

Dear Governor Walz and Attorney General Ellison:

We the undersigned represent and write on behalf of our respective federally recognized tribal governments.

We respectfully request you take immediate and aggressive steps to bring an end to illegal gambling activity in Minnesota known as sweepstakes casinos or sweepstakes games. Sweepstakes games, which mimic casino-style games, are being offered on-line and are available on mobile phones and all forms of personal electronic devices.

Our concerns also include the growing availability of other on-line wagering sites such as prediction markets or event contracts.

We see the state administration, in particular the Department of Public Safety, and the Attorney General's Office both maintaining the necessary authority to assert state criminal and civil authority to stop the operation of this illegal gambling activity in Minnesota.

For several public policy reasons, the State of Minnesota has a duty to exercise its authority to stop this activity: it is unregulated, it is unaudited, there are no consumer protections in place, the state derives no tax revenue from the enormous sums of revenue being transacted, and it negatively impacts the current markets and operators of lawful and regulated gaming.

A number of state Attorneys General and state gambling regulatory agencies have proactively exercised their authority to stop the operation of illegal sweepstakes gaming in their respective jurisdictions. Other on-line wagering activities such as prediction markets or event contracts are the subject of current litigation where the legality of such activities are being considered.

One potential effective tool to stop illegal gaming has been for state officials to simply send a cease-and-desist letter to the operators of these sites describing how the activity is prohibited by

state law. We ask that you send a cease-and-desist letter to as many operators of illegal games in Minnesota that can be identified. This would be an essential first step.

Our analysis supports the argument that sweepstakes games, as offered and available in Minnesota today, are illegal lotteries under Minn. Stat. §609.75. As you know, the unauthorized operation of is a misdemeanor under Minn. Stat. §609.755 and a gross misdemeanor under Minn. Stat. §609.76.

Further, sweepstakes gaming is not an authorized gambling activity, Minn. Stat. §609.75(11) and is not a permitted activity under Minn. Stat. §609.761.

Sweepstakes casinos use a two-tiered system of providing virtual coins to the player. Typically, one virtual coin, which is often purchased with real money, is used for entertainment social gaming activity where no real money can be won. However, with the purchase of the first virtual coin, the player will receive a second virtual coin, often called the “sweeps coin.” The “sweeps coin” is purportedly received for free yet can be used with real money value to pay for a chance to win real money prizes or jackpots.

When analyzed fairly, the two-coin system is clearly a subterfuge to hide what is a straightforward gambling transaction meeting the definition of a lottery under Minnesota law. Sweepstakes casinos, at their core, offer the opportunity to use real money consideration to purchase a chance to win a real money prize or jackpot as determined by an unregulated computer program. The existence of a free method for player entry does not negate the existence of a transaction of real money consideration for a chance to win a real money prize.

Sweepstakes gaming should also be analyzed under consumer protection laws as potentially violating prohibitions against fraud, misrepresentation, deceptive or unfair practices. See, Minn. Stat. §325F.69.

We further encourage your offices to research more fully all potential state laws that may apply to and prohibit sweepstakes gaming and other on-line wagering activities in Minnesota.

As you know, tribal government gaming is heavily regulated at the tribal, federal, and state levels of government. You are also aware of our collective efforts to protect the integrity of gaming activities in Minnesota. Any success on your part to stop unregulated gaming such as sweepstakes casinos will benefit not just our tribal governments, but also the other entertainment gaming interests in the state such as the lottery, the charities, and the horse racetracks.

We look forward to learning what steps you will take to confront this illegal activity.

Sincerely,

Governor Tim Walz and Attorney General Keith Ellison
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Cole W. Miller
Chairman
Shakopee Mdewakanton Sioux Community



Virgil Wlod
Chief Executive
Mille Lacs Band of Ojibwe