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DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
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July 2, 2025
OPINION 25-0083

Honorable Rick Edmonds
State Senator, District 7
13440 Magnolia Square, Suite D
Baton Rouge, LA 70818

Dear Senator Edmonds:

48 – GAMBLING Lotteries, Bingo, Chance, Promotional
Schemes

La. R.S. 14:90
La. R.S. 51:1721, *et seq.*

La. R.S. 14:90.3

Online businesses offering casino style games utilizing dual-currency systems and purporting to be sweepstakes and/or social gaming constitute illegal gambling businesses and illegal gambling by computer.

This office is in receipt of your letter dated June 18, 2025, requesting an Attorney General Opinion as to the legality of “online sweepstakes casino businesses” currently being offered to Louisiana residents and whether such activity is permissible under existing Louisiana law. The alleged sweepstakes casinos you reference are those offering traditional casino games such as slots, roulette, blackjack poker, and others that utilize a dual-currency system for gameplay and real money or prize redemption.

Your letter also references Senate Bill 181 (“SB181”) from the 2025 Regular Session of the Louisiana Legislature, which received unanimous support from the House of Representatives and the Senate, as well as from anti-gaming advocates and Louisiana gaming licensees, but was vetoed by the Governor on June 12, 2025.

Additionally, you have asked this office to “...opine on the enforcement authority of Louisiana Department of Justice, the Louisiana Gaming Control Board, and the Louisiana State Police in combatting the illegal activity...and holding illegal operators accountable.”

Question: Does Louisiana law permit online businesses to operate casino-style gaming activities? Specifically, is it lawful for such businesses to operate gaming platforms that purport to be sweepstakes or social gaming?

Conclusion: Following a review of applicable Louisiana statutes and legal precedent, it is the opinion of this office that online businesses offering casino-style games—purporting to be sweepstakes or social gaming platforms—are operating in violation of Louisiana law. These activities constitute illegal gambling and illegal gambling by computer under multiple provisions, including but not limited to La. R.S. 14:90, La. R.S. 14:90.3, and La. R.S. 51:1721 *et seq.*

In Louisiana, “[g]ambling shall be defined and suppressed by the legislature.”¹ According to La. Const. art. XII, § 6(C), no form of gaming, gambling, or wagering shall be conducted “...unless a referendum election on a proposition to allow such gaming, gambling, or wagering is held in the parish and the proposition is approved by a majority of those voting thereon.” Internet gaming or iGaming or the offering of casino-style games online is not a legal form of gaming in Louisiana, as no law authorizing it has been passed nor any election for such has been conducted. Such activities are further prohibited by La. R.S. 14:90.3.

As noted in your request, online “sweepstakes casinos” allege that they are not conducting internet gaming or gambling; yet, they offer games such as poker, slot machines, blackjack, roulette, bingo, raffles, and other casino-style games using a dual-currency system involving, what at least one company calls, “Gold Coins” and “Sweep Coins.” While the operators claim these games are promotional in nature, users may purchase “Gold Coins” and receive “Sweep Coins” “as a bonus,” typically in the same dollar amount as the purchase, which can then be used to play games and be redeemed for cash or valuable prizes.

These operations are promoted year-round, are not in promotion of some legitimate business operation, feature jackpots and wagering elements, pay tables, and profit from user participation by selling tokens or credits. They are not licensed or regulated in Louisiana, do not adequately verify age, do not geolocate the players, do not perform proper “know your customer” steps, and are not permissible under Louisiana gaming statutes and regulations.²

Several courts have ruled on online sweepstakes casinos by outlining elements that suggest the online sites’ true purpose is gambling. See *Telesweeps of Butler Valley v. Kelley*, 2012 WL 4839010, (M.D. Pa. 2012); *Ysleta Del Sur Pueblo v. Texas*, 596 U.S. 685 (2022); *Barber v. Jefferson County Racing Association, Inc.*, 960 So.2d 599 (Al. 12/1/06); *Midwestern Enterprises, Inc. v. Stenehjem*, 625 NW.2d 234 (N.D. 4/12/01). These indicators include a casino-like environment, the perpetual duration of the games, the high payout percentages of online casinos, the restrictions on the consumers’ ability to redeem prizes, and customers valuing “sweepstakes entries” more than the product, usually by immediately replenishing sweeps coin balances to continuing playing games after running out through unsuccessful play.

Louisiana Revised Statute 14:90(A)(1)(a) defines gambling as:

The intentional conducting, or directly assisting in the conducting, as a business, of any game, contest, lottery, or

¹ La. Const. art. XII, § 6(B).

² At least one of these operators is even licensed in Malta as a gambling operator/casino. See <https://www.forbes.com/sites/danielwallach/2025/02/24/legality-in-doubt-sweepstakes-casinos-could-be-targeted-by-state-attorneys-general/>

contrivance whereby a person risks the loss of anything of value in order to realize a profit.

Louisiana law does not distinguish games of skill versus games of chance. Regardless of the game, La. R.S. 14:90 is violated if someone other than the participant receives a benefit.³ An attempt to alter or disguise consideration does not circumvent illegality. In the case of online "sweepstakes" casinos, players purchase virtual currency and receive bonus credits, which are then used to play games for the chance to win cash or prizes. The sale of these coins along with the chance to win money and the ongoing operation of these platforms amounts to illegal gambling as a business. Additionally, when entry fees are charged and the operator retains a portion of those funds while awarding prizes to players, the activity constitutes illegal gambling under Louisiana law.⁴

Louisiana Revised Statute 14:90.3(B) states:

Gambling by computer is the intentional conducting, or directly assisting in the conducting as a business of any game, contest, lottery, or contrivance whereby a person risks the loss of anything of value in order to realize a profit when accessing the Internet, World Wide Web, or any part thereof by way of any computer, computer system, computer network, computer software, or any server.

By providing and maintaining computer systems and offering these games through the Internet, these operators clearly violate Louisiana law. Businesses that assist in the conducting of such games may also be subject to enforcement. The use of online platforms, mobile applications, and affiliated web pages offering "sweepstakes" casino games constitute "gambling by computer" regardless of the argument that the user receives promotional "free" credits. A dual currency system whereby a person uses virtual coins to play slot machine or other gambling types of games in order to win money or prizes is illegal under La. R.S. 14:90.3.

These current-day online operators are utilizing the same concept that was used by "Internet sweepstakes cafes," which were also determined to be illegal gambling operations. In those businesses, a person would "pay for Internet access time," play casino style games, and receive "sweepstakes points," which could be redeemed for cash or other prizes. In 2014, in response to those Internet sweepstakes cafes and to further memorialize their illegality, the Louisiana Legislature unanimously passed La. R.S. 14:90.7, which criminalizes the operation and promotion of games, contests, or lotteries where participants risk something of value to win a prize through electronic gaming devices or simulated gambling displays. Louisiana Revised Statute 14:90.7(B) defines gambling by electronic sweepstakes device as:

³ *Gandolfo v. Louisiana State Racing Commission*, 78 So.2d 504 (La. 1955); La. Atty. Gen. Op. No. 10-0027.

⁴ La. Atty. Gen. Op. No. 00-0478.

“the intentional conducting of or directly assisting in the conducting of, as a business any game, contest, lottery, or contrivance whereby a person risks the loss of anything of value in order to realize a profit, through the operation of an electronic gaming machine or device that does or purports to do either of the following: (1) Conduct a sweepstakes through the use of a simulated gambling device, including the entry process or the revealing of a prize. (2) Promote a sweepstakes that is conducted through the use of a simulated gambling device, including the entry process or the revealing of a prize.”

The law defines such devices broadly, including computers and apps that simulate gambling and use predetermined outcomes, software-driven prize allocation, or incremental prize reveals.

In *Telesweeps of Butler Valley, Inc. v. Kelly*, the court stated, in part, “[p]urchasing a product that comes with a commensurate number of ‘free’ entries is ‘indirect consideration’ Plaintiff’s attempt to separate the consideration from the chance to win by inserting a step between the two elements is clever, but it merely elevates form over substance. At bottom, what Telesweeps is doing constitutes gambling.” *Id.*, 2012 WL 4839010, at *9 (M.D. Pa. 2012). These online operators are attempting to artificially separate the consideration from the chance to win real money. However, disguised and/or indirect consideration is still consideration and constitutes illegal gambling. In *Cleveland v. Thorne*, in reference to alleged sweepstakes operations, the appellate court stated, in part, “[t]he state of Ohio and municipalities have long-standing prohibitions that sharply prohibit gambling, and there is no justification for ignoring the nature of the transaction here simply because the system is designed in such a way as to artificially isolate one part of the illegal transaction from another. The justice system is not so blinded by chicanery.” *Id.*, 987 N.E.2d 731, 744 (Ohio App. 8 Dist., 2013).

As these online businesses claim to be operating as legal sweepstakes, an analysis of Louisiana sweepstakes laws is also relevant. Promotional contests are addressed in Chapter 19-A of Title 51 (Trade and Commerce) of the Revised Statutes.⁵ Under La. R.S. 51:1721, businesses must notify a consumer of the terms, conditions, and prizes of the promotional prize offered subsequent to a sales presentation or promotional program. Sweepstakes promotions are addressed in La. R.S. 51:1726, which defines “sweepstakes promotion” as any game, contest, or other offering where entry into the game, contest, or other offering, whether allowed gratuitously or through a bargained-for exchange is offered in connection with the promoting or advertising of any one of the following: a business or an extension thereof, a product, an investment opportunity, a charitable contribution, or a service.⁶ The winners of any sweepstakes promotion must be revealed through one the following: (1) posting on a printed list, (2) use of scratch-off tickets or cards, (3) through the use of pull-tab tickets or cards, and (4) by contacting the winner in writing or through telephone communication,⁷ in addition to the use of computers or

⁵ La. R.S. 51:1721 *et seq.*

⁶ La. R.S. 51:1726(B)(5).

⁷ La. R.S. 51:1726(A).

computer systems as outlined in La. R.S. 51:1727.⁸ Clearly, paying for virtual coins and playing casino style games, such as slots, poker, and bingo, and winning money or prizes for such does not comply with Title 51 and, therefore, are not legal sweepstakes. Louisiana Revised Statutes 51:1726 and 1727 provide that the attorney general regulates sweepstakes. Louisiana Revised Statute 51:1726 prohibits deceptive practices involving sweepstakes and requires full disclosure of odds, no consideration to enter, and non-continuous promotional use. Legitimate sweepstakes and rewards programs—like those run by e.g. McDonald's or Starbucks—operate with clear rules, offer entries without purchase, and offer non-monetary or time-limited promotions designed to market a good or service. Illegal “sweepstakes casinos,” on the other hand, are not offered in furtherance of a legitimate business of goods, operate persistently, target vulnerable populations, require purchase to engage, and allow conversion of winnings into cash. These distinctions are critical under Louisiana Revised Statutes Titles 14 and 51.

Violations of Chapter 19-A of Title 51 of the Revised Statutes are considered an unfair practice under the Unfair Trade Practices and Consumer Protection Law in La. R.S. 51:1405(A).⁹ Therefore, these activities may violate the Louisiana Unfair Trade Practices Act, La. R.S. 51:1401 *et seq.*, for misleading consumers into believing the services offered are lawful and risk-free, when in fact they are neither. In fact, there are lawsuits in other states against these operators and their promoters for exactly that.

Federally, sweepstakes promotions are generally regulated by the Federal Trade Commission, Federal Communications Commission, United States Postal Service, and the United States Department of Justice.

Even though SB181 was vetoed by Governor Jeff Landry, it is important to note that, in his veto message, he acknowledges the current illegality of these business and websites by stating, in part:

[The]...gambling activities on the internet...are already prohibited in Louisiana. The Board is already taking active steps to combat illegal gambling in Louisiana, especially against illegal offshore wagering and illegal online sweepstakes companies operating in Louisiana...The Board, the Louisiana Attorney General's Office, and the LSP Gaming Division...will continue to issue additional cease-and-desist letters to similar illegal offshore wagering and illegal online sweepstakes companies that intentionally design their business models to circumvent Louisiana gaming laws and regulations.”

⁸ La. R.S. 51:1727.

⁹ La. R.S. 51:1722. For greater detail on the Unfair Trade Practices and Consumer Protection Law, see the “Non-Gaming Business Loyalty Programs” section later in this memorandum.

While SB181 would have been a valuable tool in memorializing the illegality, strengthening enforcement actions, and holding entities accountable, illegal online casino operations are already subject to a range of enforcement mechanisms under current Louisiana law. The Attorney General's office has vast civil enforcement powers with remedies including, but not limited to, injunctive relief, restitution, disgorgement of profits, sequestration of assets, and civil penalties. Additionally, it can pursue action against other actors who materially assist, aid, abet, or promote illegal gambling operations.

Criminal penalties for illegal gambling operations, gambling by computer, and gambling by electronic sweepstakes device include up to 5 years imprisonment and a fine of up to \$20,000 or both.

Under the Unfair Trade Practices and Consumer Protection Law, the Attorney General is given the power to investigate and conduct hearings about, and institute legal proceedings against, certain commercial and trade practices in the distribution, financing, and furnishing of goods and services to consumers.¹⁰ The Law provides that the Attorney General may seek restraining orders and injunctions to restrain and enjoin violations, as well civil penalties of up to \$5,000 per occurrence, with additional penalties for violations committed against the elderly or individuals with a disability.¹¹ The court may also issue additional orders such as revoking licenses and charters or dissolving corporations.¹² The Law does not prevent individuals from bringing individual private actions against delinquent parties.¹³

Where multiple actors and revenue streams are involved in conducting or financing an illegal gambling business, the Attorney General's Office may explore potential racketeering liability under Louisiana's Racketeering Act¹⁴ and pursue injunctive relief and asset forfeiture.

Furthermore, as these businesses have been operating in and profiting from their operations in Louisiana, albeit illegally, they are still subject to Federal and State tax laws and liabilities. Therefore, they may be subject to litigation and enforcement of tax liabilities by the Internal Revenue Service and the Louisiana Department of Revenue, as well as other agencies or actions.

The Attorney General's Office, the Louisiana Gaming Control Board, and the Louisiana State Police collectively have the power to investigate, issue cease and desist orders, refer cases for prosecution, and initiate both criminal and civil actions. The Louisiana Gaming Control Board has already ordered these businesses to immediately terminate

¹⁰ La. R.S. 51:1404(A)(1)(a) and (B). Other powers include advising the Governor and Legislature on matters affecting consumer interests and promoting consumer education.

¹¹ La. R.S. 51:1407.

¹² La. R.S. 51:1408.

¹³ La. R.S. 51:1409.

¹⁴ La. R.S. 15:1351-1356.

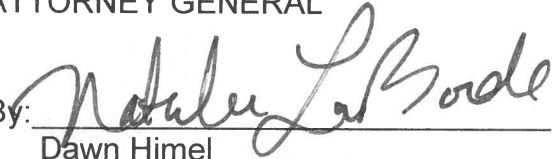
operations Louisiana. More information on the Board's cease and desist letters can be found here: <https://lgcb.dps.louisiana.gov/illegal-operators/>.

In summary, it is the opinion of this office that online alleged sweepstakes casinos, such as those offering slot-style games, poker, raffles, bingo, and virtual or dual currencies redeemable for cash and prizes, are operating as illegal gambling businesses under Louisiana law. These entities violate La. R.S. 14:90 and 14:90.3 and provisions under Title 51. They are not legal sweepstakes within the meaning of the law and are not authorized gaming operations.

Accordingly, the Department of Justice, in coordination with the Louisiana Gaming Control Board and Louisiana State Police, is empowered to pursue both criminal and civil enforcement actions to shut down such operations and protect Louisiana consumers from unlawful gambling.

Please do not hesitate to contact this office if further clarification is needed.

Respectfully submitted,
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By: 
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