

**Senate Appropriations Committee**

1020 N Street, Room 412

Sacramento, CA 95814

August 27, 2025

Dear Chair Caballero and Committee Members:

PCH Digital, LLC d/b/a Publishers Clearing House (“PCH”) respectfully submits this letter to express our strong opposition to Assembly Bill 831 (AB 831). This bill seeks to criminalize legitimate online social games and sweepstakes promotions—marketing tools used by mainstream American brands like McDonald’s, Pepsi and PCH to engage millions of consumers, including over 1.5 million Californians.

Sweepstakes promotions are lawful marketing mechanisms that encourage optional in-game purchases of virtual tokens to enhance gameplay on online platforms. These tokens have no cash value, cannot be redeemed, transferred, or traded, clearly distinguishing the social gaming model from real-money gambling. Online social gaming is an entertainment alternative that allows people to play online social casino-style games in a fun, low pressure setting without the risk of losing money. Players can always play for free with ongoing access to free gold coins and robust alternative methods of entry (AMOE), ensuring no purchase is ever required.

PCH opposes AB 831 because it lacks thorough stakeholder input, economic analysis, or evidence of harm. Rather, this bill was generated by anti-competitive motives from brick-and-mortar casino operators, who seek to prohibit companies from marketing to Californians using decades-old, lawful, tools—sweepstakes promotions—modified for the 21st century. Contrary to claims that this industry is unregulated or operates in the shadows, PCH operates transparently under established consumer protection laws, not gaming laws. We support reasonable regulation and urge a collaborative approach to develop a framework that protects consumers, preserves entertainment choices, and unlocks significant economic opportunities for California.

About Publishers Clearing House

Publishers Clearing House is a leading direct-to-consumer company and trusted entertainment brand with over 70 years of rich history. With over \$492 million in prizes awarded to date, PCH is widely known for our sweepstakes and Prize Patrol who surprised winners on their doorsteps with oversized checks while cameras are rolling. While PCH was founded in 1953, it brought its presence online, launching its flagship site, www.pch.com, in 1999. Today, hundreds of thousands of users come to PCH every day to enjoy our unique blend of free-to-play, chance-to-win digital experiences across a dynamic network of web and app-based entertainment properties. As of July 2025, PCH is under new ownership – ARB Interactive, Inc., which is the largest American-owned and operated social casino company, proudly operating Modo Casino. Today, PCH is 100% focused on being a truly dynamic platform where players come to enjoy our free-to-play, chance-to-win games and experiences across a network of web and app-based entertainment properties. As a U.S.-based company, PCH pays taxes in California and nationwide and provides a safe, fun, and fair entertainment for our customers.

Economic Contributions at Risk

PCH supports American jobs, infrastructure, and investment, contributing hundreds of millions of dollars annually to California’s economy through marketing, advertising, and technology sectors. Industry projections estimate that a regulated social gaming and sweepstakes sector could generate up to \$149 million annually in sales tax revenue—a revenue stream currently untapped due to legal ambiguity and anti-competitive measures like AB 831.

AB 831’s criminalization—not regulation—of our operations, promotions, and even indirect support (including advertisers, payment processors, geolocation providers, and media platforms like Google, Meta, and YouTube) threatens to eliminate good-paying jobs and erase this economic impact. Section (b) of the bill imposes unprecedented



criminal liability on service providers, requiring them to monitor promotional activities without clear definitions, safe harbor provisions, or reasonable compliance standards. This would stifle innovation and unfairly punish association rather than intent.

Public Support and Industry Standards

The public is paying attention. In just two weeks, over 20,000 Californians have emailed and more than 3,000 have called legislators to say, “We play these games, and we don’t want a ban.” Through industry leaders, PCH advocates for higher industry standards, robust consumer protections, and responsible innovation. Our substantial investments in security, compliance, and fraud prevention demonstrate our commitment to player safety and trust.

We note that some supporters of AB 831 operate their own sweepstakes platforms yet seek to ban similar activities by others, creating a troubling double standard that prioritizes market control over consumer welfare.

Collaboration for Smart Regulation

AB 831 was introduced on an expedited timeline without sufficient industry input, economic analysis, or evidence of harm. Its broad prohibitions and criminalization would push legitimate operators out, leaving consumers vulnerable to dangerous operators who evade oversight and lack consumer safeguards.

We urge the California Legislature to pause this rushed legislation, extend it to a two-year timeline, and engage with stakeholders to develop a thoughtful regulatory framework. Such a framework would prioritize consumer protection through enhanced oversight, maintain player choice, and create significant economic opportunities, including tax revenue and job growth, for California.

Our Request

We respectfully request that you oppose AB 831 in its current form, as it criminalizes a lawful marketing tool used by mainstream businesses. Instead, we urge the California Senate to work with our industry to develop sensible regulatory frameworks that enhance consumer protections, preserve entertainment options, offer valuable economic benefits for California, and build upon our existing responsible gaming standards.

Sincerely,

Owen O'Donoghue
Chief Executive Officer
Publishers Clearing House