

Alcohol and Gambling Enforcement Division

Initial Report AGE2018-47

Report Date: 03/15/2018

**Primary Information**

Description: **Illegal Lottery**  
Reporting LEO: **ANGLIN, Jon (AGED Investigations / Alcohol and Gambling Enforcement Division)**  
Approval Status: **Approved**  
Approved Date: **04/10/2018**  
Approved By: **CINCOTTA, Carla (AGED Investigations / Alcohol and Gambling Enforcement Division)**

**Synopsis**

Received a complaint of an illegal lottery. Contacted the organizer of the illegal lottery and they changed their business process to comport with Minnesota State Statute.

**Subject #1 - COMPLAINANT #1 - [REDACTED]**

**Primary Information**

Subject Name: [REDACTED]  
Record Type: **Person**  
Bio: **Unknown, Male**  
Juvenile: **NO**

**Telephones / E-Addresses**

Relationship	Number/E-Address
<b>BUSINESS</b>	[REDACTED]
<b>CELLULAR PHONE</b>	[REDACTED]

**Subject #2 - BUSINESS #1 - givling.com**

**Primary Information**

Subject Name: **givling.com**  
Record Type: **BUSINESS**  
Juvenile: **NO**

**Subjects**

Relationship	Name	Bio	DOB
<b>OWNED BY</b>	[REDACTED]	<b>Unknown, Female</b>	<b>---</b>

Narrative begins on the following page.

On March 13, 2018, I received a complaint from [REDACTED] that givling.com was conducting an illegal lottery. I was advised that givling.com offered two free entries daily to be entered into a drawing for the chance to have your debt paid off. A person could also purchase coins to play a trivia game in order to earn queue points. If you are successful in having the highest team score in the trivia game you would be awarded the daily cash prize. The teams are made up of three people and randomly selected by givling. Each queue point is an entry into the drawing for the chance to have your debt paid off. The complainant would like to remain anonymous.

I reviewed the givling.com website and attached information from the website to the case file. I sent an email through the givling website asking that someone for the organization contact me in order to discuss how givling operates.

On March 14, 2018 I spoke with [REDACTED] the owner of givling.com and she advised me of the following information through several conversations:

- Givling.com was founded to crowdfund student loans.
- Offer free entries to be entered into a drawing for the chance to have debt paid off.
- Pay to play a trivia game and the highest team wins daily cash award.
- When you pay to play the trivia game you spin a wheel and the results of the spin may increase your entries for the drawing to have debt paid off. Then a loan is randomly selected to be paid off.

[REDACTED] was advised that her game would be considered an illegal lottery under Minnesota State Statute 609.75. [REDACTED] advised that she would like to comply with the law and was willing to make changes to the application to conform with Minnesota Law.

[REDACTED] submitted a plan to conform to Minnesota State Statute. The plan is detailed below:

Immediate Changes - 2-3 weeks, depending upon coder

- Remove random drawing -- we will remove the random drawing and not conduct any future random drawings. We can change the text on our web page, by the 23rd -- however, we can't change the app text that quickly because of the coding requirements and submission procedures. We believe it will take 2-3 weeks to have the apps changed and available. During that time, the IP addresses of people in Minnesota banned from the game. The ability to pay to play will be removed.
- Spinner after Free Play will be allowed with the reward, coin or boost, usable in future Free Plays or Pay to Play. Usable in any game.
- Winners for the cash prizes are chosen based on highest game ranking at the moment the thermometer is filled.
  - The players can increase their game ranking as long as the thermometer is in the filling stage.
  - Timer added to thermometer.
  - You can buy advantages within the game: i.e. skipping a question.
  - Remove all incentives for the pay to play.
  - Remove the ads from pay to play and the spinner.

I asked [REDACTED] to follow up and advise when the plan has been completely put in place. On March 16, 2018 I received an email from [REDACTED] advising that they removed queue points rewards for people buying coins. I was also advised that they were just going to remove the random drawing altogether.

Also, I spoke with the complainant [REDACTED] and he was upset that I did not wait to contact givling.com. [REDACTED] wanted me to wait in contacting givling.com so he could have additional time to get more information. I advised that I needed to conduct the investigation because it appeared that givling.com was conducting an illegal lottery. I believed [REDACTED] to be a Minnesota resident because he advised that his mother used to work for the Bureau of Criminal Apprehension and because he had a Minnesota phone number. I learned that [REDACTED] is not a current Minnesota resident. [REDACTED] advised that he had played givling.com in Minnesota before but from previous conversations he

advised that he only played the free play. In my conversations with [REDACTED] he advised that he recently purchased to play so he could get screen shots of play. The screen shots are attached to the case file.

As of March 16, 2018 I am not aware of a givling.com participant that payed to play in Minnesota. [REDACTED] [REDACTED] emailed me the following information that was sent as a notice to givling.com participants:

*NOTICE: To remain compliant with the different laws of 50 states, regarding random drawings, we are implementing the following updates: Queue Points will no longer be awarded for coin purchases, and with the next app release, we will remove the spinner that awards Queue Points after an ad is viewed within paid coin plays. However, you'll still be able to help fund the queue by watching an ad after playing a paid coin game.*

*P.S. We have something else in the works that was approved. And we're REALLY excited about it -- so we're happy they forced us to think in a different way. It's all good.*

It should be noted that I did not approve a game. I advised [REDACTED] if whether or not their game would be considered an illegal lottery.

The following information was posted to givling.com facebook page:

*Note: Mortgages are treated the same as a student loan in this protocol :)*

#### **NEW PROTOCOL**

*GAME: The game play & scoring remain the same, except the contest duration will be 7 days, not the current 24 hours. The highest scoring team, at the end of the funding period wins.*

*45% of the money we raised during the previous funding period from coin purchases, ads and partner offers makes up the jackpot. 45% of money from coin purchases and ads pays the loans in the Queue order. 10% of funds Givling. (See below for the special launch funding for the first two weeks.)*

*The game play and rules are the same.*

*Instead of a 24-hour period, it's a 7-day period.*

*The highest scoring team will divide 45% of the money raised during that 7-day period.*

*Both 1st Place and 2nd Place winners will have 30-day hiatus periods, where they cannot play or win.*

*READ CAREFULLY to understand how higher game payouts further our mission of paying off student loans.*

*The division of the winning funds to the three-person team is as follows:*

*The pot is 45% of the money raised the week before.*

*Third place winner receives 1% of the total pot and will receive a check directly.*

*The first place and second place winners split the remaining 99%.*

*First and second place winnings will be paid directly to any student loans the winners designate and to cover any taxes due on the awards -- up to \$100,000, cumulative of all game winnings for the lifetime of the participant.*

*If the first or second place winners do not have student loans, or a student loan they want to pay off for someone else, the maximum they can receive is 25% of the available winnings pot -- with any remainder going to the third place winner to pay their student loan.*

*If none of the three members of the team has a student loan to pay off, then the first and second place winners each receive 25% of the available funds and the third place winner wins 1%.*

*Any remaining funds, go towards the loan of the person currently being funded in the Queue lineup.*

*Special Launch Protocol: Since we can't use the money currently being raised for the random recipient, we'll use the amount raised at the new app transition to fund the first two game weeks. Right now we've raised over \$30,000 for the Random Drawing. On the day we start the new week-long game, we will divide in half the amount we have showing in the current thermometer, less the \$50,000 already raised for [REDACTED], into two equal amounts, to fund each of the two weeks.*

*NOTE: Starting with week 3 of the new format, the amount paid out will be dependant upon the amount raised during week two from coin purchases and ad revenues.*

*During the two initial launch weeks, the minimum amount that the first and second place winners can receive to pay off their loans will be \$6750 each. You can raise this amount drastically by clicking to watch ads -- now there are 3 available every hour through the TV icon.*

*There will still be a 30-Day Hiatus for 1st Place Winners. And there will also be a 30-Day Hiatus for 2nd Place Winners.*

*What if I have more than \$50,000 in student loans? The lifetime award cap is now tripled, to \$150,000. You can win up to \$100,000 from the trivia game and you can be funded up to \$50,000 via the Queue order.*

*Queue Points? Queue Points will now determine your position in the Queue. You can move up or down in the Queue order. There will be no decay -- and we will credit you back with any decay you experienced. But that will probably not happen until May 1st -- and we'll credit all of you at the same time.*

*Givling Coins? One Givling coin will allow you to play one round of the trivia game. Just as it does now. They cost 50 cents each. There is also a 30 cent fee added to any purchase amount by the payment processor, irrespective of the number of coins your purchase. You will be awarded Queue Points for each coin purchase.*

*What about Highest Funders? We've locked the top 20 Highest Funders sequence as of Friday, midnight Mountain time (March 16, 2018). They will be staggered between the top 20 in the Queue order to mirror the order of our old protocol. We will no longer offer the Highest Funder incentive.*

*Thanks to all of you who have supported, prayed, and cheered us on. We love you!*

*T*

Currently, I am not aware of a Minnesota resident that is paying to play givling.com and the illegal lottery only occurs in Minnesota if either the illegal lottery is hosted in Minnesota or a Minnesota resident is participating in the illegal lottery. It also appears that the game is being changed to a skill based trivia game and would not be considered an illegal lottery as described above. Givling.com has also removed the random drawing from their application.

The case is being closed until future information is presented that would lead to successful prosecution.