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Michigan Gaming Control Board sends cease-and-desist letters to US, international internet gaming companies due to illegal operations

DETROIT, Jan. 18, 2024 — As part of its continued, relentless efforts to halt illegal gaming operations in the state of Michigan, the Michigan Gaming Control Board (MGCB) recently sent cease-and-desist letters to three online gaming companies — two in the U.S. and one overseas — after investigations revealed the entities are offering online gaming in Michigan without licenses to do so legally.

PredictionStrike Inc., in Bay Shore, New York; Sweepstakes Limited (Stake.us), in Limassol, Cyprus; and VGW LuckyLand, Inc. (VGW) in San Francisco, California — whose parent company is VGW Holdings Ltd., a global technology online social gaming company headquartered in Australia — were each sent cease-and-desist letters on Oct. 19, Nov. 2, and Dec. 5, 2023, respectively.

"Gambling regulations are in place for a reason, and illegal gambling operations are not welcome in Michigan," MGCB Executive Director Henry Williams said. "We do not want businesses who skirt the law having access to Michigan citizens and leaving them vulnerable because they are playing on unregulated sites that leave them with no recourse, and that siphon funds away from communities because they are not paying taxes like a regulated, legal gambling establishment would."

The companies' violations include:

- Offering internet gaming and internet sports betting in Michigan without being licensed in the state as an internet gaming operator and a sports betting operator (PredictionStrike).
- Promoting an unlicensed online lottery and/or raffle for customers that buy its products through its internet website (Stake.us).
- Conducting illegal gambling by offering an internet game in which a player wagers something of monetary value for the opportunity to win something of monetary value (VGW).

Due to their unregulated and unlicensed online gaming offerings, PredictionStrike, Stake.us, and VGW are in violation of the following Michigan gaming laws, including the:

- <u>Lawful Internet Gaming Act</u>, which states that internet gaming may only be offered by a licensed internet gaming operator, and the <u>Lawful Sports Betting Act</u>, which states that internet sports betting may only be offered by a licensed sports betting operator or its licensed sports betting platform provider. Only casinos that are currently licensed under the Michigan Gaming Control and Revenue Act and federally authorized tribal casinos within Michigan can apply for an internet gaming operator license or a sports betting operator license.
- Michigan Gaming Control and Revenue Act, which prohibits a party from conducting a gambling
 operation without a license issued by the MGCB. A party who operates an unlicensed gambling

- operation is guilty of a felony punishable by imprisonment for up to 10 years or a fine of up to \$100,000, or both.
- <u>Michigan Penal Code</u>, which broadly prohibits any form of unauthorized gambling involving consideration, prize, and chance. For example, accepting money, or anything of value, with the understanding that money, or anything of value, will be paid to any person based on the outcome of an uncertain event is prohibited.

PredictionStrike Inc., Sweepstakes Limited (Stake.us), and VGW LuckyLand, Inc. (VGW) have each taken steps to prevent Michigan residents from gambling on their websites.

If Michigan residents have information regarding illegal gambling websites, they can report their tips to the MGCB by calling 1-888-314-2682 or sending a message to MIGamblingTip@michigan.gov.

Gambling in any form is for entertainment purposes only. If someone has a gambling problem, please call the state's 24-hour, toll-free helpline at 1-800-270-7117 or the MGCB's responsible gaming section at 1-888-223-3044. Visit the Responsible Gaming page of the MGCB website for information on self-exclusion programs including the Disassociated Persons List and the Internet Gaming and Sports Betting Responsible Gaming Database, and DontRegretTheBet.org for additional tools to game responsibly.

The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the state of Michigan. Learn more at Michigan.gov/MGCB.