

Sweepstakes Machines Face Potential Regulation

By: Zola Zhou

The Chicago City Council Committee debated over the fate of sweepstakes machines Tuesday in an effort to curb unregulated gambling.

Sweepstakes machines are difficult to classify based upon the current city ordinance that “further regulates automatic amusement and illegal sweepstakes devices.” The Committee on License and Consumer Protection is unable to determine whether those machines featuring free play options and discount coupon sales, which look like slot machines, are unlawful gambling machines that need regulation.

“Just based on visuals alone, if I go in there, put some money in the machine, I can pull that handle and walk out a jackpot winner: which in my opinion, is gambling,” said Ald. Willie B. Cochran, 20th Ward.

These sweepstakes machines were not regulated with city licenses. Witnesses reported seeing underage children play these machines in different locations in Chicago. Authorities brought up concerns regarding these machines.

“We are facing new technology, new approach to these games, a workaround to try to find a gap in the law so that they can use the machines unlawfully,” said David E.B. Smith, a senior counsel of City of Chicago Department of Law.

Under the Illinois State Law, “participants in any of the following activities shall not be convicted of gambling...no payment is required to participate.”

Cmdr. Sean Loughran, 20th District, however, said these sweepstakes machines provide gambling experience in a “completely unregulated, decentralized” environment to the users.

The committee did not vote on whether to regulate sweepstakes machines in the meeting. Witnesses from the Department of Business Affairs and Consumer Protection will be presented during the next meeting on Oct. 24 to fill in information gaps and fix the confusion on ambiguity, according to Alderman Emma M. Mitts, 37th Ward.

Loughran said the odds of winning “can be much lower for players in the sweepstakes machines, which can cause problems of addiction and financial loss much worse than licensed machines.”

“Addiction is a concern, and playing by minors is a concern,” said Ivan Henry Fernandez, executive director of the Illinois Gaming Machine Operators Association. “It’s about protecting our communities. A regulated industry requires a license.”

Another concern is the location for these machines. “It can pop up anywhere. It can pop up right next to a church, right next to a school,” Smith said. “It has to be regulated.”



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