

GAMBLING

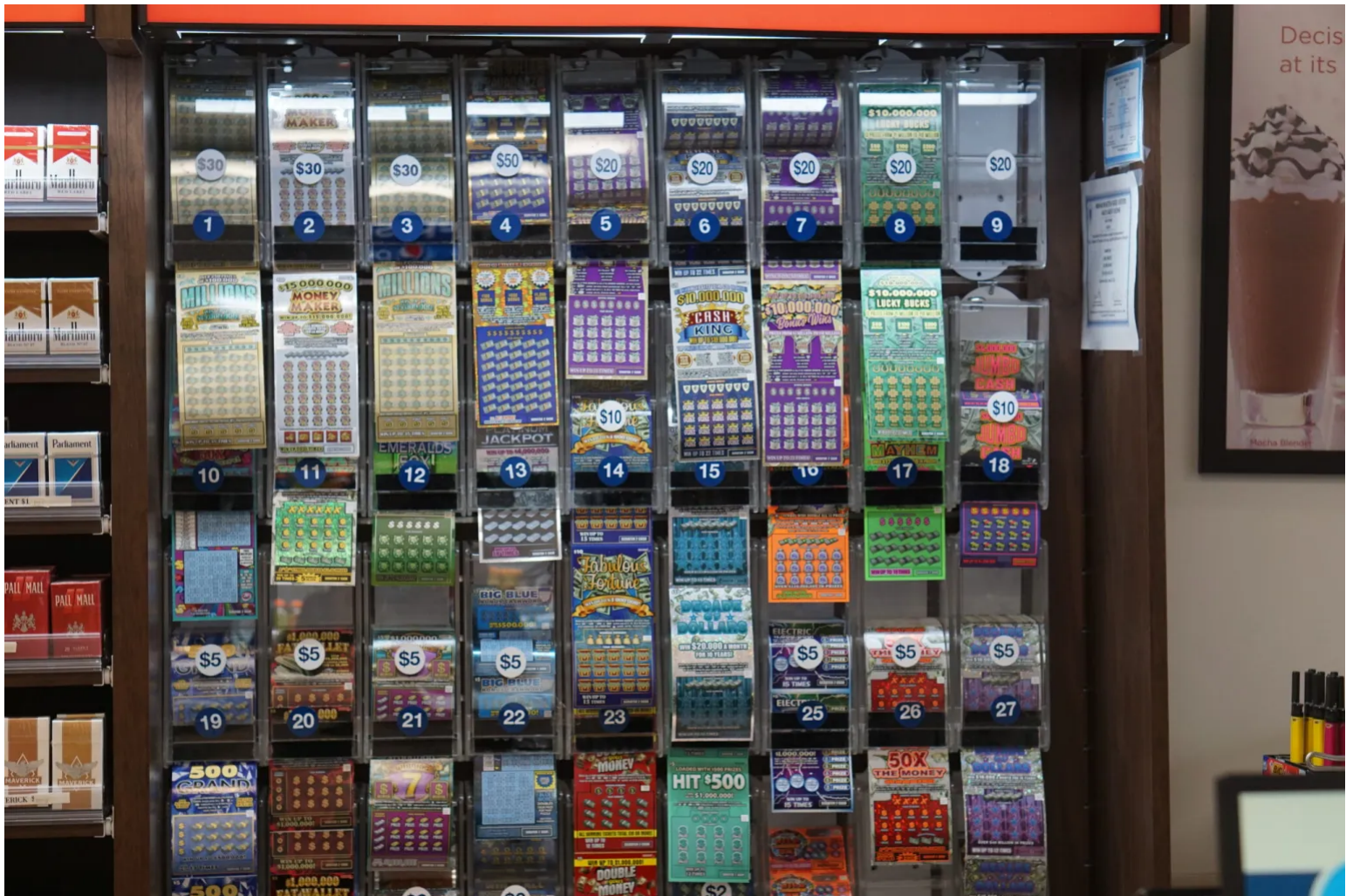
# New company joins online Lottery ticket workaround

*While state officials waver on online sales, outside vendors charge ahead*



by MICHAEL JONAS

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Lottery tickets line the wall behind the counter at BNC Market in Chelsea. (Photo by Michael Jonas)

**STATE LAWMAKERS** may be undecided on whether to launch online Lottery ticket sales, but those transactions are happening anyway, and the market seems poised to grow.

In July, a New York-based company called Jackpocket launched operations in Massachusetts that allow customers to buy Lottery tickets through a cellphone app. A new entrant, Jackpot.com, will start selling Lottery tickets online today, according to a release from the company.

The developments mean Massachusetts residents can buy Lottery tickets online without the state giving the practice a green light or controlling the action.

The companies let lottery players deposit money into an account and then order up lottery tickets through an app. A courier goes to a retail lottery outlet to make the purchase on their behalf, and a scanned copy of the ticket is then sent to them. For winnings under \$600, prize money is dropped in their account; winnings over that amount must be claimed in person, and players must go retrieve the actual ticket from the company or have it delivered to them.

Jackpot.com takes a 15 percent cut of whatever amount a customer deposits into an account for buying tickets.

“Customers in Massachusetts can now say goodbye to time spent waiting in line, searching for lost tickets, and missing out on prize money,” Jackpot.com said in a release announcing its launch in Massachusetts, the fourth state where the company is now operating.

Gov. Maura Healey and [state Treasurer Deborah Goldberg](#), whose office oversees the Lottery, have embraced the idea of the state Lottery launching online ticket sales, but the Legislature has been divided on the issue. The House, saying it could boost state revenue by \$200 million, included online lottery sales in its 2024 budget plan, but the Senate did not.

While the Beacon Hill debate plays on, companies that see the potential for big bucks have swooped in to offer a workaround that makes online lottery ticket sales a reality here without state sanctioning of the practice.

In August 2021, [according to State House News Service](#), the state Lottery director, Michael Sweeney, cautioned that companies providing online ticket sales via courier services were “operating outside the law.” The Lottery commission authorized Sweeney to draft regulations overseeing such companies and bring them back to the commissioners that fall. But Sweeney, who left his post the following April, never did so.

Other states, including New York and New Jersey, [have established regulations](#) governing operations of the companies.

Asked how the state Lottery views the online sale of tickets by outside companies, a spokesman only made clear that the Lottery has no connection with or oversight over their operations. “The Mass Lottery is not directly affiliated with apps that provide this service and does not license or regulate any such providers to operate in Massachusetts,” he said.

Rob Mellion, executive director of the Massachusetts Package Stores Association, urged the attorney general to weigh in on the courier companies providing online tickets. “My membership thinks this invites mischief,” he said. “What’s the control over these third parties?”

Attorney General Andrea Campbell’s office did not respond to a request for comment.

The package store association and the state retailers’ association have opposed calls for online sales by the Lottery, which would presumably cut into sales their members make at retail outlets. While the workaround provided by Jackpocket, Jackpot.com, and other companies means tickets are still purchased by couriers at retail locations, Lottery agents also count on customers making other purchases – sales that don’t happen with the app-based ticket sales.

“You’re really there to do more than one thing,” Rep. Tackey Chan said of the habits of Lottery ticket buyers at retail outlets. “This type of courier service essentially takes away that additional purchase,” said Chan, a Quincy Democrat and co-chair of the Joint Committee on Consumer Protection and Professional Licensure, which oversees the Lottery.

While the courier apps are already providing a way to buy tickets online for those willing to pay for the convenience, state Sen. John Cronin of Fitchburg, co-chair of the consumer protection committee, said he remains wary of authorizing the state Lottery to offer online sales, especially so quickly on the heels of last year’s launch of sports betting.

The Lottery generally operates as “a regressive tax on some of the poorer parts of the state,” Cronin said of data showing higher per capita Lottery spending in lower-income communities. “I’ve got concerns about further expansion until we further understand the impacts of what we’ve just done.”

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