

EAST METRO

St. Paul college student claims \$1 million Powerball prize from ticket bought by app

Brandon Stevenson, 20, is the first big winner in Minnesota to buy a state lottery ticket online.

By Greg Stanley (<http://www.startribune.com/greg-stanley/484708631/>) Star Tribune

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Less than a month after the service became available, a 20-year-old St. Paul college student won \$1 million Wednesday night after using a mobile app to buy a Powerball ticket.

The online app, run by the New York-based company Jackpocket, has been controversial since it launched in Minnesota in late June, with opponents seeing it as a way to skirt state laws prohibiting online gambling. It is not affiliated with the Minnesota Lottery.

Brandon Stevenson, a Concordia University student who had his winning ticket validated Thursday evening, bought the ticket using free credits Jackpocket gave him for referring a friend to the site.

Through Jackpocket, customers can use their phones to buy Minnesota Lottery tickets. The company then hires people, who work in shifts, to walk inside retail stores and buy the physical ticket for the customers. The ticket is scanned and the image is sent to the customer's phone.

When a winner is picked, the company physically hands over the ticket to the customer.

"It's not online gambling," said Pete Sullivan, CEO of Jackpocket, who flew in from Brooklyn early Thursday to be with Stevenson as he validated the winning ticket. "We have people who actually go into brick-and-mortar stores to buy these."

The company charges a 7 percent fee on each deposit a customer makes and also has a deal in place with a St. Paul retailer, where its employees physically make all purchases, to take a portion of the 5.5 percent commission that the Minnesota Lottery pays to the retailer for every ticket it sells.

The mobile app helps the lottery reach residents such as Stevenson, who usually don't buy tickets, Sullivan said.

The company started about five years ago in New York. Jackpocket is now available in Minnesota and New Hampshire, and the company plans to add more states, he said.

Some believe app's illegal

If the app is not explicitly violating the law, it's certainly stretching the intent of the law by bringing the Minnesota Lottery online, said Jake Grassel, executive director of Citizens Against Gambling Expansion.

"What's next — can you pay someone to sit on the slot machine while you push the button on your phone from the couch?" Grassel said.

Grassel said his group will lobby legislators to address mobile apps like Jackpocket when they convene in January.

At least one lawmaker, state Rep. Greg Davids, R-Preston, has said he believes the app violates state law.

In the meantime, the Minnesota Lottery will treat any winners who use the app as if they used any other courier service, said Adam Prock, a lottery spokesman.

"As far as we're concerned [Stevenson] is just like any other winner, and this is like any other brick-and-mortar purchase," Prock said. "We're excited we have a new millionaire in Minnesota."



(http://stmedia.startribune.com/images/ows_1531441502357)
ALEX KORMANN • STAR TRIBUNE

Brandon Stevenson walks into the Minnesota Lottery state office in Roseville to validate his ticket and claim his \$1 million in winnings.

State lottery officials across the country are confronting a wave of competition from online gambling operations and splashy casinos, sending them in search of new ways to hold on to existing customers and find new ones.

Minnesota's lottery took in \$563 million in 2017, down more than \$29 million from the year before. Of that, \$139.2 million went to the state budget, various conservation efforts and gambling addiction programs.

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Minnesota Lottery

Anything goes, now including ease of gambling by app

Less than a month into its debut, a new method of distribution being used by the Minnesota Lottery has yielded its first million-dollar winner, a college millennial ("App was \$1M charm for student," July 13). The winner used an on-line app to acquire the winning ticket, which he got for free for referring friends to the app.

The Minnesota Lottery always has and continues to operate under the belief that anything not prohibited in statute is allowed. However, Minnesota charitable gaming (bingo, pull tabs, raffles) operates under the assumption that anything not allowed in statute is prohibited.

Hopefully the Legislature will address the new method of distribution next session. Having legal gambling available 24/7/365 without ever having to go anywhere needs a thorough vetting before becoming law. In the meantime, the Minnesota Lottery couldn't really buy that kind of publicity could they?

Allen Lloyd Lund, Maple Grove

The writer is executive director of Allied Charities of Minnesota a nonprofit trade organization representing licensed gaming.