



STATE HOUSE NEWS SERVICE

While Online Lottery Falters, Third-Party App Connects Players to Tickets

Jackpocket Platform Likens Itself to "Your Really Good Friend"

Colin A. Young8/14/23 8:30 AM

AUG. 14, 2023.....The Legislature again rejected an attempt to allow the Massachusetts Lottery to sell its products online, but that doesn't mean gamblers can't order Lottery tickets online or on their phones.

Courier services that take orders for and then buy Lottery tickets on behalf of their clients have existed for years with various degrees of legitimacy -- Mass. Lottery officials cautioned in 2021 that they were becoming more common and raised the idea of regulating them -- and a new one that frames itself as a helpful ally to the state Lottery launched here in late July with plentiful ads on social media and Red Sox radio broadcasts.

Jackpocket has no affiliation with the Mass. Lottery, but the company says that its presence in the Bay State "will continue to help drive state revenue while attracting new consumers" by broadening access to many of the Lottery's offerings. CEO Peter Sullivan said in a statement that Jackpocket would "take the lead showcasing how gaming can be a safe, fun, and integral piece of generating state revenues."

The app allows people 18 or older physically located in Massachusetts to place orders for Powerball, Mega Millions, MassCash, Megabucks Doubler, Lucky for Life, and The Numbers Game on their phone or desktop. Jackpocket then sends someone to fulfill those orders in person at an official Lottery retailer, the company said.

Jackpocket partners with the convenience store chain Circle K, which is also one of Jackpocket's investors, and fulfills Massachusetts orders at the Circle K in Methuen, the company said.

"Think of Jackpocket like your really good friend who is always available to take your orders for lottery tickets and always makes sure to secure the exact ticket you requested in time for the drawing!" the company says on its website.

Massachusetts became Jackpocket's 17th state when it launched here on July 25, less than a week before House and Senate negotiators agreed to a compromise budget that did not include the House-backed provision granting the Lottery the online ability that Treasurer Deborah Goldberg and the Lottery Commission have for years been seeking.

With residents showing a steady willingness to shell out their money for a chance to win big, Goldberg has long supported making the Lottery's offerings available online. House officials estimated that online Lottery sales could produce \$200 million in new revenue for the state, but the Senate did not include the measure in its budget and the House proposal did not make it into the final compromise budget.

"The Massachusetts Lottery's role in funding our local communities is critical. It's important that we continue to explore new, innovative ways to support that mission," Rep. Mark Cusack of Braintree, the House chair of the Revenue Committee, said about the company's Massachusetts launch in a statement provided by Jackpocket. "I'm encouraged by Jackpocket's track record in the 16 other jurisdictions where they currently operate, and look forward to seeing how their safe, responsible way for playing the lottery can help ensure that our commitment to funding our cities and towns will be met."

After a player places an order on Jackpocket, scans of the front and back of the ticket are uploaded to their account. Jackpocket notifies customers if their tickets are winners and automatically credits the full winnings (for prizes up to \$600) to the user's account. For prizes greater than \$600 -- the threshold at which the Mass. Lottery requires that a prize be claimed at a Lottery office rather than a retailer -- Jackpocket transfers the physical winning ticket to the user, either by insured delivery or via an in-person handoff.

Jackpocket charges customers only the actual cost of their tickets and takes no cut of a user's winnings. Instead, users pay a convenience fee when they initially fund their Jackpocket accounts.

The company said it holds iCAP accreditation for best practice in player protection in online gambling, which includes an assessment of overall compliance by the National Council on Problem Gambling. The app also offers daily deposit and spending limits, self-exclusion, and in-app access to responsible

gambling resources, similar to measures that state laws and regulations require for daily fantasy sports and online sports betting platforms.

Jackpocket is licensed in New York and New Jersey, both of which have adopted formal regulations to govern lottery courier services. Jackpocket said its platform is exactly the same for customers in states that regulate its service and for those in states like Massachusetts that do not regulate them.

"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," the Lottery said in a statement.

But in 2021, the Mass. Lottery [had designs](#) on laying out regulatory standards for courier services like Jackpocket.

Then-Executive Director Michael Sweeney told the Lottery Commission in August 2021 that he believed courier services generally "are operating outside the law." He said he envisioned a set of regulations that would not put courier services out of business, but would ensure "good customer interaction" while protecting "the branding and integrity of the Lottery here in Massachusetts and the multi-state games that we are obviously active partners in."

"We just feel that it's really ripe for potential abuse, potentially causing some negative reaction towards the Mass. Lottery -- not because of anything we did do, but because of the action of these third-party private actors that may not be operating quite up to the standards that all of us would like," Sweeney said at the time. "There are other business entities out there again that are trying to do this in what I would term a good partnership way -- good communication, good business practices -- but they're also looking for guidance from states including the commonwealth as to what exactly would the requirements be."

Sweeney did not single Jackpocket out as one of the companies that operated in "a good partnership way," but the company's CEO was invited to give a presentation to the Lottery Commission in October 2021 to explain more about the service.

The topic did not come up again at any Lottery Commission meeting before Sweeney resigned in early March 2022, according to the commission's meeting minutes.

-END-