

# FTC Files First BOTS Act Cases

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January 25, 2021



On Friday, January 22, 2021, [the Federal Trade Commission settled charges with three ticket brokers](#) for violating the [Better Online Ticket Sales \(BOTS\) Act](#), which was passed in 2015. These are the first case brought under the Act. In them, the Commission alleged that three brokers “used automated software to illegally buy up tens of thousands of tickets for popular concerts and sporting events, then subsequently made millions of dollars reselling the tickets to fans at higher prices.” According to the Commission, the brokers acquired 150,000 tickets “using automated ticket-buying software to search for and reserve tickets automatically, software to conceal their IP addresses, and hundreds of fictitious Ticketmaster accounts and credit cards to get around posted event ticket limits.” Judgments against the three amounted to about \$31 million of which the defendants will pay \$3.7 million. The Commission sued both the companies and the individuals who ran the companies.

These cases are notable because they are the first cases but also because it took the Commission over 5 years to bring the first leaving the Act completely unenforced for years. While the release suggests the investigation was complex, detection was likely easy. Brokers are usually fairly visible to the public. The Commission likely found them online, subpoenaed their records and software, and hired a forensic specialist to peel apart the code. These cases raise serious issues for brokers who use automated purchasing software to purchase tickets for resale although it remains to be seen whether these enforcement actions will be a one-off signal to brokers that the Commission is watching or something more common. Acting Chair Slaughter’s concurring statement would seem to suggest that there will be more during her tenure.

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