



November 29, 2017

The Honorable Maureen K. Ohlhausen
Acting Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Acting Chairwoman Ohlhausen,

As consumer advocates, we write to echo a recent letter¹ you received from U.S. Senators Cory Booker (D-NJ) and Orrin Hatch (R-UT) expressing their concerns with the proliferation of certain “white label” or “private label” ticket resale websites that appear to be misrepresenting the websites’ affiliation with official box offices and charging consumers exorbitant fees. These programs allow third party website domains to market and sell ticket inventory that they do not own at whatever price they choose, creating confusion and a false sense of choice and competition for the consumer.

These websites should be familiar to the Federal Trade Commission. In 2014, the FTC entered a consent decree with TicketNetwork and several of its affiliates to curtail deceptive marketing practices, including presenting themselves as official venues and primary ticket marketplaces. At the time, consumer advocates applauded the decision but feared that the settlement failed to address all of the companies participating in these practices, and did not go far enough to prevent future proliferation of other such websites.

Those concerns have proven to be warranted. Not only have these “white label” and “private label” websites continued to operate, but they appear to have thrived in recent years. Publicly available data demonstrates that these domain networks are pulling in unique visitor traffic comparable to the major, trusted brands within in the secondary ticketing industry and in some cases even more than the parent companies operating the white label networks themselves.²

Any cursory review of social media or online consumer review websites – like the Better Business Bureau, SiteJabber, and Trustpilot – will find thousands of complaints about these domains. Nearly all of these consumers’ experiences follow the same pattern: consumers thought that they were buying from the official venue’s box office and/or were duped into paying exorbitant prices and fees, often not revealed until consumers submitted their billing information.

We also believe that advancements in e-commerce technology since 2014 have made it easier for these sites to defraud consumers, especially with the expansion of mobile e-commerce. These advancements

¹ Breland, A. (2017, September 28). Lawmakers target third-party ticket websites. *The Hill*. Retrieved from <http://thehill.com/policy/technology/353008-lawmakers-target-shady-ticket-websites>

² Alexa.com (online data analytics company specializing in internet traffic, used in this case to estimate the number of monthly visitors to each white label site and “associated sites”).

have made remedial directives included in the 2014 settlement, like disclosure requirements, virtually obsolete. Numerous consumers assert that the only reason they were duped into buying tickets from one of these sites is because they were using their smartphones, where the disclosures are not nearly as noticeable as they are on a larger device.

We are calling on the FTC to revisit the 2014 settlement, and broaden the scope of its investigation to cover other domain networks, increase punitive damages on these bad actors, and take more aggressive remedial actions to stop these websites from scamming consumers in the future.

In its 2016 testimony before Congress regarding the BOSS Act, the FTC called on Congress to *prohibit* misrepresentations by secondary market websites that pose as the event venue or a primary ticket seller, reasoning that this would “reduce consumer confusion from ineffective or excessive disclosures.”³ Though we agree that Congress can be more proactive, as reflected in the BOSS Act, we agree with Senators Booker and Hatch. This issue is well within the FTC's existing authority under Section 5 and the FTC should take further actions on its own to adequately protect consumers.

We look forward to discussing this issue with you in the future.

Sincerely,

David Goodfriend
Chairman, Sports Fans Coalition

Sally Greenberg
Executive Director, National Consumers League

Ken McEldowney
Executive Director, Consumer Action

³ Federal Trade Commission. (2016, May 24). Prepared Statement of the Federal Trade Commission on “Legislative Hearing on 17 FTC Bills” before the Committee on Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade, United States House of Representatives. Retrieved from https://www.ftc.gov/system/files/documents/public_statements/950403/160524commtestimony-17-bills.pdf