



STATE OF WASHINGTON
GAMBLING COMMISSION

“Protect the Public by Ensuring that Gambling is Legal and Honest”

PRESS RELEASE

Valve Corporation Told to Stop Facilitating Gambling

Washington State Gambling Commission Headquarters, LACEY, Washington – October 5, 2016 2016.

The Washington State Gambling Commission has notified Valve Corporation that it must immediately stop allowing the transfer of virtual weapons known as “skins” for gambling activities through the company’s Steam Platform.

The Gambling Commission contacted Valve Corporation in February 2016 regarding its Counter Strike: Global Offensive (CS:GO) video game and players ability to use “skins” in online gambling activities contrary to state gambling laws. At the time, the Gambling Commission attempt to learn about Valve’s operation of “skins” on its Steam Platform to determine if any additional action was needed.

Since February 2016, “skins” continue to be used as consideration for illegal gambling activities on third party websites. “Skins” transactions are usually facilitated within Valve Corporation’s Steam Platform. All third party gambling sites have Steam accounts and use the Steam platform to conduct their gambling transactions. These gambling transactions are automated and performed by a software program or “bot,” and have proliferated so much that a recent market report by Esports Betting Report indicates that one specific gambling website, CSGO Lounge, brought in approximately \$1 billion in “skin” gambling between January 1st and, August 1st this year alone.

Based on the information it has gathered, the Gambling Commission directed Valve Corporation to stop facilitating the use of “skins” for gambling activities through its Steam Platform. The Gambling Commission expects Valve to take whatever actions are necessary to stop third party websites from using “skins” for gambling through its Steam Platform system, including preventing these sites from using their accounts and “bots” to facilitate gambling transactions.

Valve Corporation has until October 14, 2016 to respond and explain how it is in full compliance with Washington’s gambling laws or it will risk having the Gambling Commission take additional civil or criminal action against the company.

Washington State Gambling Commissioner Chris Stearns said **“In Washington, and everywhere else in the United States, skins betting on esports remains a large, unregulated black market for gambling. And that carries great risk for the players who remain wholly unprotected in an unregulated environment. We are also required to pay attention to and investigate the risk of underage gambling which is especially heightened in the esports**

world. It is our sincere hope that Valve will not only comply but also take proactive steps to work with the Commission on future measures that will benefit the public and protect consumers.”

The Washington State Gambling Commission was created to protect the public by ensuring that gambling is legal and honest.

For questions, contact the Washington State Gambling Commission.

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