

## How casino-like apps have drained people of millions

Written by Administrator

Monday, 14 September 2020 06:00 -

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Shellz, 37, a nurse from Houston, spends at least two hours a day with her husband playing a casino-style smartphone game called Jackpot Magic.

The app offers a variety of typical casino games to play, including their favorite, called Reel Rivals, a game in which players accrue points by playing a virtual slot machine. As in a real casino, players exchange money for coins to bet.

Unlike in a real casino, there is no way to win money back or earn a payout on coins.

But that has not stopped Shellz and her husband from spending about \$150,000 in the game in just two years. She asked to use her in-game username so her family does not find out how much money they have spent on the game.

"We lie in bed next to each other, we have two tablets, two phones and a computer and all these apps spinning Reel Rivals at the same time," she said. "We normalize it with each other."

Jackpot Magic is an app made by Big Fish Games of Seattle, one of the leaders in an industry of "free-to-play" social games into which some people have plowed thousands of dollars. Big Fish Games also operates a similar app, Big Fish Casino. Both are labeled as video games, which allows the company and others like it to skirt the tightly regulated U.S. gambling market.

But unlike the gambling market, apps like Jackpot Magic and Big Fish Casino are under little oversight to determine whether they are fair or whether their business practices are predatory.

NBC News spoke to 21 people, including Shellz and her husband, who said they were hooked on the casino-style games and had spent significant sums of money. They described feelings of helplessness and wanting to quit but found themselves addicted to the games and tempted by the company's aggressive marketing tactics.

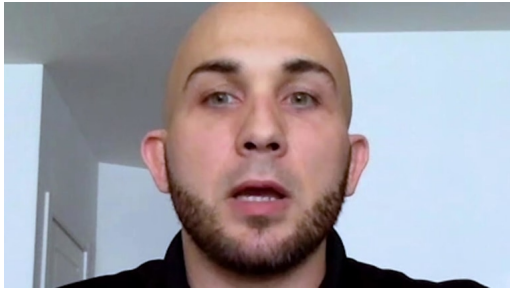
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Most of the 21 players wished to remain anonymous, as they were ashamed of their addictions and did not want their loved ones to find out about their behavior.



A 42-year-old Pennsylvania woman said she felt saddened that she spent \$40,000 on Big Fish Casino while working as an addiction counselor.

"The whole time I was working as an addiction counselor, I was addicted to gambling and with no hope of winning any money back," she said.

Big Fish Games did not make anyone available for an interview, nor did the company respond to detailed questions. The company has said in previous [court filings](#) that only a fraction of the game's players actually spend money.

In a response to NBC News' inquiries, the company issued a [statement](#) saying its games are not gambling and should not be regulated as such.

"These games are not gambling because, among other reasons, they offer no opportunity for players to win money or anything of value," the statement said in part.

"Our games are offered for free purely for entertainment, with an opportunity for customers to spend money within the game to enhance their gameplay experience," it said. "The vast majority of Big Fish Casino and Jackpot Magic Slots customers play without ever paying any money. No court has yet considered all of the facts relating to how these games operate."

Players have had some recourse in recent months thanks to successful lawsuits.

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After a long legal battle, 2 million players, including Shellz and her husband, will be eligible to get a small part of their losses back — about 20 percent for those who lost \$10,000 to \$100,000.

The money will come in a \$155 million class-action settlement, announced at the end of July, that will cover two major lawsuits filed against Big Fish Games; its former owner, Churchill Downs; and its current Australian parent company, Aristocrat Leisure, alleging that they were operating "unlawful gambling devices."

The preliminary agreement was recently approved by a federal judge in Tacoma, Washington. Churchill Downs and Aristocrat Leisure both declined to comment on the settlement. Aristocrat Leisure released a public [statement](#) in May outlining the general contours of the settlement, but it has not said anything further.

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While Big Fish Games admits no wrongdoing, it has [agreed](#) to implement "addiction-related resources" and a "self-exclusion policy" that would allow players who feel out of control to opt in to be blacklisted from playing the game.

Big Fish Games also declined to comment on the settlement.

While some players are happy to recoup some of their losses, gambling addiction experts and some lawmakers say it does not go far enough to help those whose lives have spiraled out of control after they got hooked on social casino games. They call for further regulation of the

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industry.

"What we would have welcomed as part of this settlement as a wake-up call for the industry is a change in practices," said Keith Whyte, the executive director of the [National Council on Problem Gambling](#).

"I think their model is so lucrative and in some ways so aggressive that they're doubling down, and it's going to do a lot more harm. I think it's going to eventually be reined in, but it appears they are prioritizing short-term profit over long-term sustainability and responsibility," Whyte said.

### [The game](#)

Joann, 46, who lives in southwest Florida, said she began playing Big Fish Casino about eight years ago.

She estimates that she has spent \$100,000 on the game.

"You know what I tell people? It's a cult, and they suck you in, and once you're in you can't get out," said Joann, who asked to use only her middle name. "You want to play, and you want to spin."

One of the named plaintiffs in the settlement is Crystal Fair of Texas, who said in a sworn declaration that she has [spent \\$500,000](#) and described herself as being "addicted" to Big Fish Casino, playing it sometimes "nearly 24 hours a day."

"I have considered walking away for good but then I think of all my time and more importantly all my money and it's hard to walk away," she wrote. "That's how I know I'm addicted."

She concluded: "But if I could go back to the point in time when I installed Big Fish Casino, I'd never ever have done it."

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Several people said they felt the apps were engineered to keep them spending money in a variety of ways, including tiered clubs for players who spend significant amounts of money and free chips for people who try to quit.

Suzie Kelly of Dallas previously told [Reveal News](#) how she spent about \$400,000 on the game. She took out a home equity loan and used the money she inherited when her mother died to fund her habit.

When she tried to cancel her account on several occasions, Kelly said, a "VIP representative" would call her and offer her free chips so she would continue playing.

The Big Fish apps in some ways are similar to many other apps that offer casino games that can be played on smartphones.

The home screen of Big Fish Casino, known as the "lobby," offers players a chance to try various types of casino-style games, including roulette, blackjack, Texas Hold 'em, Video Poker and the most prominently featured game: slots.

Shortly after they install the app, players are encouraged to join clubs — Big Fish Casino even offers a "one time join bonus" of 50,000 chips for joining a club. Once they are in a club, players can use a chat feature to strike up conversations with their counterparts and develop friendships. While anyone can create a club, the real action is in the invitation-only ranked clubs that compete against one another.

Winning more chips and playing at higher stakes unlock new features, like high-roller rooms. There is also a [system](#) of "levels" and "tiers" to unlock as players spend and win more. Higher tiers come with larger potential winnings and bigger bets, which makes it easier to lose chips faster.

Players who lose but want to continue playing in high-roller rooms can do so by either rebuilding their digital fortunes through hours of gameplay or taking a shorter route: buying more chips.

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Most people who play the Big Fish games do not end up spending real money. Less than 10 percent of users have ever bought virtual items while playing the games, [according to an October court filing](#)

But that 10 percent has translated into a lucrative business. According to data provided by Apptopia, an app analytics company, Big Fish Games took in an estimated \$139.3 million from Big Fish Casino and Jackpot Magic players from February 2019 through July 2020.

The app's tier system, along with its social functions, can be a powerful trap for some players. Joann said she continues to play, as Big Fish Casino grants her a set of free chips (known as a "boost") every day. Even so, she said, she spends at least \$600 a month, largely to maintain her status within her club.

"I want to quit the club, and I want to stop, but I have friends," she said.

### [No recourse](#)

Big Fish Games is one of the clearest examples of the [convergence](#) of the small-time harmless fun of video games and the rapidly expanding world of real-money gambling.

While many video games have added premium features in recent years, including [loot boxes](#) — a mechanism to pay small, fixed fees for chances to win in-game prizes that has attracted the ire of

### [some lawmakers](#)

— no other type of game appears to allow players to lose so much credit so quickly and be constantly encouraged to spend more.

But for the time being, there does not seem to be anything stopping these gambling-style smartphone games from continuing. No federal legislation would halt this model, nor would any state-level legislation mitigate losses created by this type of game. Washington state legislators considered a bill that would have formally defined games like Big Fish Casino to not be considered gambling, but the bill did not pass.

Some players of Big Fish games have filed class-action lawsuits against the company, arguing

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that its games should be regulated just like traditional gambling, which is unlikely to happen any time soon.

Conventional slot machines, for example, are subject to rigorous outside testing to ensure that the odds are consistent for all players. In Nevada, there are rules about how many slot machines can be [placed in liquor stores](#), among hundreds of pages of regulations.

In Washington state — where Big Fish Games is located — slot machines are [banned](#) outright. But Washingtonians can download a smartphone game that offers would-be gamblers the chance to spend money on an experience nearly identical to that of an in-person slot machine, only without any chance of actually winning money.

Still, the recent legal victories are a welcome bit of help for some players, particularly because many have lost their jobs because of the COVID-19 pandemic.

Neva Barker, 58, a retiree in Portland, Oregon, estimated that she had spent \$80,000 on Big Fish Casino and said she was thrilled to hear that she likely would get some of her money back.

It is particularly needed now, because, Barker says, she lost some of her income to coronavirus-related cutbacks.

"This has been going through so many ups and downs," she said. "I thought it was a myth that it was ever going to happen. That would be life-changing for me at this point."

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