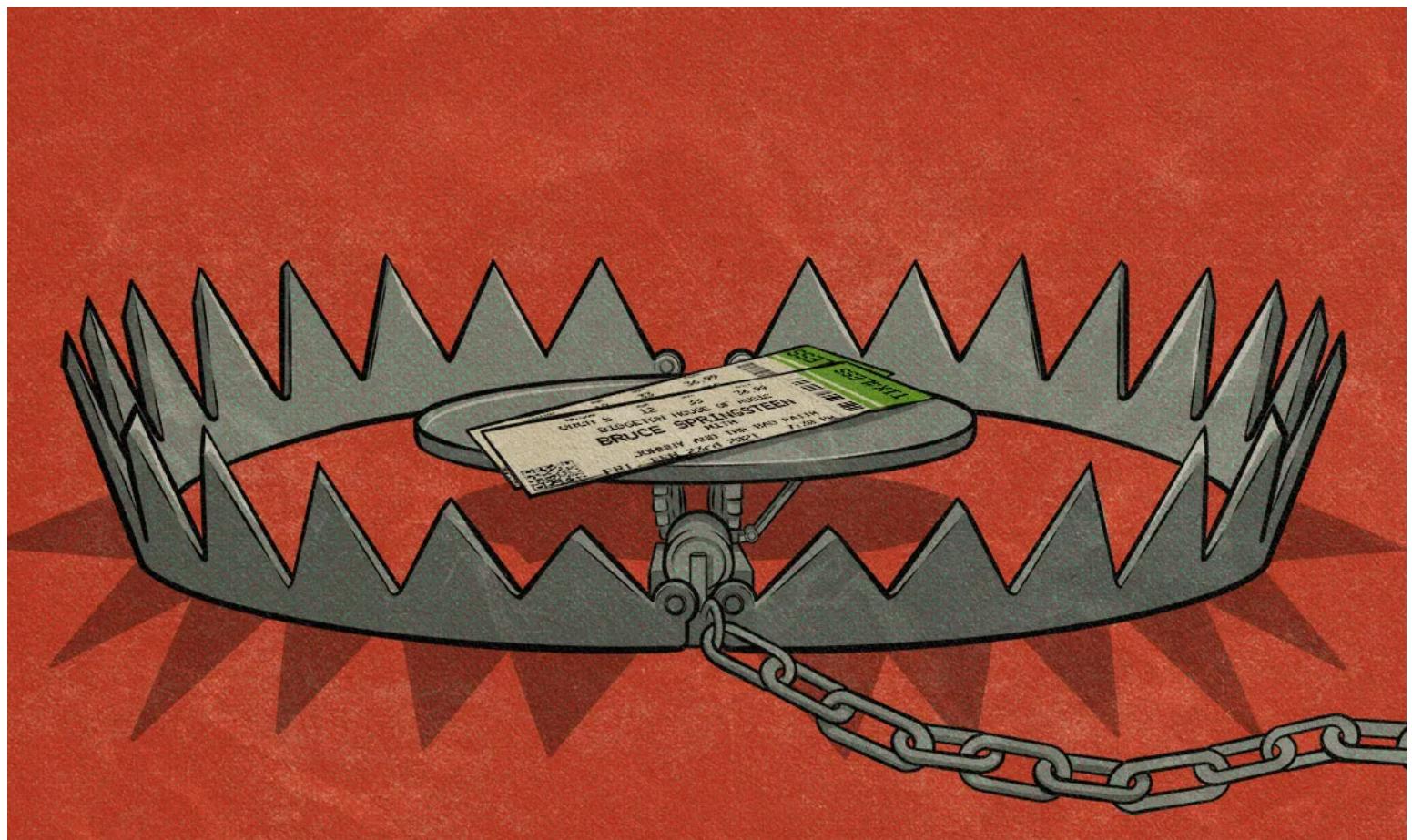


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"How is this legal?"

LEGIONS OF FANS SAY THE SECONDARY TICKET MARKET IS RIGGED AGAINST THEM.

By Byard Duncan | March 8, 2021

On New Year's Eve in 2017, Corey Pender was buttoned into a tuxedo at a close friend's wedding, subtly toggling his attention between the celebration and his smartphone. His beloved Buffalo Bills had a chance to do something they hadn't done in 17 bedraggled, mismanaged years: clinch a playoff berth.

The situation was promising, but a few things still had to break right. The Bills needed a victory against the Miami Dolphins. They also needed the Cincinnati Bengals to beat a gritty and determined Baltimore Ravens team that was one win away from securing its own playoff spot.

Buffalo prevailed, to Pender's delight. Meanwhile, as the minutes ticked down in Baltimore, the Bengals hung in. With 53 seconds left on the clock, they scored a game-winning touchdown on a hectic fourth-and-12 bullet pass. Improbably, miraculously, the Bills were

headed to the playoffs. Their next opponent: the Jacksonville Jaguars.

Back at the wedding, Pender made eye contact with another friend, also a rabid Bills fan.

“Are we going to Jacksonville?” he mouthed silently as the father of the bride took the mic. The friend nodded. “Yeah, let’s go.”

Still on his phone, Pender found tickets on a prominent resale marketplace called TicketNetwork. He bought two, at a cost of \$150 each. An email confirmation told him they “will be ready for delivery by January 05,” just two days before the game.

This phrasing didn’t bother Pender when the money left his bank account. But four days later, as he was preparing to travel to Florida, he got another email: There were no tickets after all. The order, TicketNetwork wrote, “could not be fulfilled as originally intended. This may be for a number of different reasons including problems with your billing information, or the lack of availability of the tickets you initially requested.”

Pender got a refund, but it provided little solace. He already had paid close to \$700 for airfare and a hotel. Now he and his friend were ticketless.



Brey Pender shows off his Buffalo Bills "fan cave," a converted garage that he opens to the elements on frigid winter Sundays to simulate the NFL stadium experience. Photo by Da'Shaunae Marisa for Reveal.

"I didn't want the money; I wanted the tickets," he said. "I felt totally cheated."

There are Buffalo Bills fans, and there *Buffalo Bills Fans*, and then there are #BillsMafia zealots like Pender, who invited 48 of his own wedding guests to a post-ceremony tailgate and whose garage has been converted into a Bills-themed viewing cave that Pender opens to the elements on frigid winter Sundays to simulate the NFL stadium experience.



The ticket trap

Sports, theater and concert fans are itching for events to start happening again. So are clever ticket sellers who cash in on unsuspecting customers.

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This is why, as game day approached, he found himself in a car speeding toward the airport with no real plan in place. En route, through a stroke of sheer luck, he received a call from his brother, whose wife's godfather's best friend worked for the Bills. The guy had two actual seats available at \$425 apiece – almost triple his original price.

Pender instructed his brother to purchase them on the spot. “At that point, I had nothing to get into the game,” he recalled. “I’m like, just buy them. Say yes. Send him the money.”

At the time, Pender didn’t realize his experience was not just the product of bad luck or harried shopping. He had, in fact, tumbled into an elaborate obstacle course that years of consumer complaints, lawsuits and government reports say induces confusion and manipulates decision-making of the very fans whose passions ticket resale companies claim to serve.



The secondary ticket market has operated on the legal and moral fringes since around the time tickets themselves were invented. Near the dawn of the Enlightenment era, members of England's upper class would send servants to hold their seats for hours before plays began. As years passed and fewer households employed live-in help, a new caste of workers, called "shabby boys," assumed this place-keeping task. These gig laborers were often paid in alcohol or drugs, and fistfights among them were common.

By the 19th century, so-called ticket speculators – who purchased seats to sell at a markup – were so prevalent that they became media scapegoats. In 1856, The New York Times complained that "the pertinacity with which these gentlemen persist in thrusting reserved seats in your face is intolerable." Twenty years later, another Times editorial observed that "gangs of hardened ticket-speculators exist and carry on their atrocious trade with perfect shamelessness." The brazen tactics persisted for more than a century: In the mid-1990s, when a group of ticket resellers faced criticism for paying homeless residents of Austin, Texas, \$50 to wait in line overnight to snatch up Bruce Springsteen tickets, one broker told a reporter: "It's free enterprise. That's what America is based on."





Bruce Springsteen fans who were successful (left) and empty-handed (right) after waiting in line for up to 12 hours to buy concert tickets in 1985. Credit: Boris Spremo/Toronto Star via Getty Images

Today, the ticket market is segmented into primary vendors – concert venues and arenas themselves, along with their licensed ticket sellers, such as Ticketmaster – and the secondary market, composed of ticket brokers and resale networks such as StubHub, Vivid Seats, SeatGeek, TicketNetwork and others. Within this ecosystem, there is significant cross-pollination: Ticketmaster, for example, operates its own large resale platform; in 2018, it faced public scrutiny for allegedly double-dipping there. And in 2016, StubHub an-

nounced a partnership with the Philadelphia 76ers that combined primary and secondary inventory in one place.

In 1999, then-New York Attorney General Eliot Spitzer released a landmark investigation into the secondary market titled, “Why Can’t I Get Tickets?” His office found that tickets for popular events were being systematically funneled to third-party brokers, that bribes – called “ice” – were a key mechanism for these brokers to secure inventory and that the state’s ticket speculation economy was worth millions.

“Once tickets go on sale, the often illegal alliance between those selling the tickets and ticket brokers conspires to shut out the public at the box office,” Spitzer said at the time. “The public is then left with two choices: either pay exorbitant prices for seats, or if they choose not to do that, then not see the event at all.”

Today, that dynamic has been supercharged online, with a multi-million-dollar industry ballooning to a market worth roughly \$15 billion. Ticket resale is no longer driven by fast-talkers peddling their wares outside U.S. arenas. Now it’s effectively dominated by software companies. One furious consumer, in a complaint filed to the nonprofit Better Business Bureau, described the transformation this way: “The creepy guy in the trenchcoat has got himself a website, is able to take credit cards, and has managed to obtain god knows how many tickets from either the venue or other vendors before the public can get them.”

Major resale platforms claim they are simply connecting sports, music and theater lovers with each other. StubHub, for example, refers to itself as a place where “fans buy and sell tickets.” Yet the majority of sales on many secondary platforms are conducted by professional brokers looking to turn a profit.

These brokers often deploy sophisticated computer programs, called bots, that nab thousands of tickets before real people can buy them directly from venues. Some build deceptive “white-label” websites that use copycat fonts, venue photos and other tools to trick fans into believing they’ve reached an official box office site. Others sell so-called speculative tickets, which the brokers do not actually yet possess. Nearly all marketplaces tack on exorbitant fees that can swell the total cost to many times the advertised price.

Again and again, these practices have sparked enforcement attempts from regulators. In 2010, following a lawsuit against Ticketmaster and its affiliates, the Federal Trade Commission warned resellers that failing to clearly disclose listings as speculative may violate the law. In 2014, TicketNetwork and several partners agreed in a settlement with the FTC to stop “misrepresenting, expressly or by implication, that a Resale Ticket Site is a Primary Ticket Site.” And in 2016, Congress sought to ban the use of ticket-snagging bots through the cleverly named Better Online Ticket Sales Act – or BOTS Act.

Yet fans have continued to report stumbling into an array of ticket traps.

Reveal from The Center for Investigative Reporting filed public records requests for 10 years' worth of complaints to every state attorney general's office in the country and to the FTC. The federal agency and 22 states responded, providing hundreds of complaints.

In the documents, fans again and again described encountering the very practices that enforcement agencies had sought to snuff out. They watched tickets sell out in seconds, only to appear immediately thereafter – at higher prices – on resale sites. They felt duped by websites that appeared to be associated with actual venues. Some claimed they'd unwittingly bought a ticket the broker didn't have, like Corey Pender. Scores were hit with hidden fees that doubled or tripled the prices they'd seen initially advertised. So many asked variations of the same question: "How is this legal?"

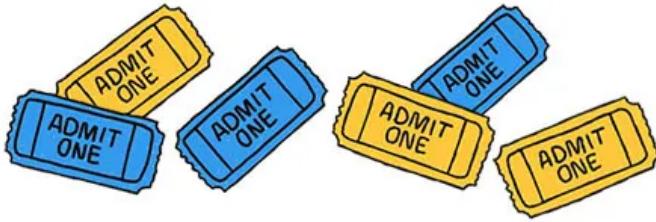
"If we see the same kinds of violations from the same kinds of companies again and again, that tells me that what we have done so far isn't working," said Rebecca Kelly Slaughter, acting FTC chair. "I don't think that many concertgoers today feel that it is working well. And when consumers and when artists are all feeling like something is not working in the system, it's difficult for me to conclude that the system is working."



Don Vaccaro, shown in his Connecticut office in 2009, is the CEO of the online reseller TicketNetwork. Credit: Braden Romero/The New York Times/Redux

In an interview, Don Vaccaro, CEO of TicketNetwork, the platform where Pender bought a ticket that never materialized, said, “I don’t think we’ve had a complaint in the longest time from anyone.” And he pointed out that the primary market has its own share of problems.

Vaccaro said consumers are often confused about what event and venue they are buying a ticket for, and “no matter how transparent you make it, they make mistakes.”



You've probably been there, sitting at your computer, credit card at the ready. You refresh your browser as the seconds tick down to a team or artist's official sale time. Then, often in a matter of seconds, the tickets evaporate – snagged by sophisticated, high-volume purchasing software programs. These bots hurtle across websites at lightning speed, tricking CAPTCHA tools and scooping up huge bundles of inventory. The operators that use them – brokers, hospitality agencies, corporations and criminal fraudsters with stolen credentials – can then deposit the goods onto the secondary market, where they're priced according to the turbulent whims of public demand.

Bot operators began their full-scale assault on the industry more than a decade ago. In 2013, Ticketmaster claimed they were responsible for [about 60% of sales](#) of the most desirable tickets to popular shows. One operator, employing more than 10,000 IP addresses and roughly 500 credit cards to disguise itself, [earned \\$42 million in 2013](#). Ahead of a July 2015 U2 concert in New York, a single bot [purchased 1,012 tickets](#) from vendors in one minute.

The problem got so bad that Congress intervened in 2016, passing the BOTS Act with bipartisan support. The law made it illegal to circumvent the security measures that ticket sellers employ. It also

forbade the resale of tickets purchased with bots in a variety of circumstances.

Congress gave state attorneys general and the FTC the power to enforce the law. But for years, no one did. Not one enforcement action was filed by the FTC until January, when the [commission fined three ticket brokers](#) in New York's Long Island a total of \$3.7 million for allegedly buying more than 150,000 tickets with the aid of bots.

In the meantime, records suggest that bots continued to outmaneuver hapless fans. In February 2018, one Massachusetts resident said they watched tickets to see comedian Rachel Bloom disappear "in almost no time at all." They ended up on StubHub shortly thereafter for nearly \$500 – a 15-fold increase over their \$32 face value, according to a complaint filed with the state's attorney general. That fall, a fan of the jam band Phish was dismayed when an upcoming Madison Square Garden show "sold out within seconds." Those tickets then appeared on StubHub at triple their face value.

Brad Glasser, StubHub's director of global communications, said the company's user agreement requires sellers to abide by all applicable laws, including those that forbid the use of bots. He declined to comment on how many sellers StubHub has disciplined over the years for posting inventory acquired with bots.

Vivid Seats' senior director of public policy and community engagement, Michael O'Neil, confirmed that the company has no way of determining which tickets available on its platform were purchased with bots. But he insisted that just because tickets sell out fast

doesn't mean bots are necessarily to blame. Venues, he argued, often save inventory for media, high-profile guests or friends of an artist – a practice that “creates an illusion of scarcity and manufactures artificially higher prices.”

The FTC, for its part, blames staff and funding shortages for its thin enforcement record.

“There are a lot of violations out there to investigate and pursue, and our resources don’t even come close to allowing us to do that,” said Slaughter, the acting chair. The FTC, she added, had 50% more full-time staff under the Reagan administration than it has today. “We are not necessarily well-armed with the kind of deterrent tools that would allow us to scare bad actors out of the marketplace.”

The sheer scale of bot use is staggering. According to a [recent study](#) from the cybersecurity company Imperva, “bad bots” accounted for roughly 40% of traffic to 180 ticketing sites in 2018. “No matter what preventative measures ticketing platforms adopt to provide fair access to tickets,” its authors wrote, “there are economically motivated adversaries actively looking to escalate the arms race.”

Ticketmaster says it continues to get overrun by bots. The number of them the company has blocked from its site has tripled since 2016, Amy Howe, then Ticketmaster’s COO, said in congressional testimony last February. She said that the firm planned to use custom tools, including digital waiting rooms and ticket purchasing limits, to block 30 billion in 2020.

“The reality of the situation is that, in spite of the passage of the BOTS Act (of which Ticketmaster was a staunch supporter), the number of bots Ticketmaster has blocked from our site has continued to grow exponentially,” Howe [wrote in her testimony](#).



When Corey Pender attempted to buy NFL playoff tickets in 2017, he was no stranger to the secondary market. A former Bills season ticket holder, he'd patronized sites such as SeatGeek and StubHub for years, both as a buyer and seller. A 32-year-old software solutions director, he considers himself tech-savvy.

Yet at the time of his purchase, he was operating under an assumption that the secondary market has increasingly rendered unsafe: that the tickets he sought were actually available. In fact, for more than a decade, secondary resale markets have cranked up their own profit margins by allowing the sale of tickets that sellers don't yet possess – sparking reams of consumer complaints, as well as warnings from regulatory agencies.

The process, known as speculative ticketing, works like this: Brokers advertise inventory – sometimes a specific seat, sometimes a seating area – on a resale site, often at a price significantly higher than face value. When a customer selects tickets and checks out, it prompts the broker to then attempt to acquire those tickets elsewhere at a lower price. If the broker can get them for cheaper, they

will buy them, pocket the difference and pay the marketplace a commission. If they can't, the broker will either have to make good on the initial offer and take a loss or renege on the sale.

Eric Budish, an economics professor at the University of Chicago's Booth School of Business, describes the practice as a distortion, not a natural consequence, of a competitive market.

"It's just a bad behavior," he said. "It shouldn't be allowed."

The FTC's [2010 warning letter](#) made it clear that a failure by ticket resale companies to disclose when brokers don't have tickets they're advertising as "in-hand" may be a violation of federal law. Yet in the decade that followed, speculative selling persisted across the secondary market, and fans continued to feel deceived.

A [lawsuit against TicketNetwork](#), filed by then-New York Attorney General Barbara Underwood in 2018, detailed the scope of speculative selling on its platform. Between Jan. 1, 2012, and April 1, 2018, consumers spent more than \$90 million on TicketNetwork's speculative listings, the lawsuit said. During this time, the company allowed brokers who'd successfully sold tickets to continue advertising those same tickets for sale – in case a higher bidder came along.

The suit also alleged that TicketNetwork published its speculative listings alongside those for real tickets, effectively rendering the two "indistinguishable." During the purchase process, consumers had to hover their cursor over a small question mark icon to view a

disclosure that the tickets were speculative. Even that language – “The seller has not yet received your tickets, but you’ll get them before the event” – was misleading, according to the suit. The disclosure “conveys to consumers that the ticket seller has secured the advertised tickets but does not yet possess them,” the lawsuit said.

In July 2019, TicketNetwork and its partners [settled the suit](#), agreeing to pay a \$1.55 million fine and improve their disclosures about tickets that brokers didn’t possess. The company admitted no liability.

Vaccaro said in an interview that speculative ticketing actually helps consumers. “It’s a great thing,” he said. “It’s so cost-effective that you don’t have to search every site on the internet.”

Vaccaro added that his company ensures that customers who don’t receive tickets get their money back and said he even proposed to the attorney general that anyone who didn’t get a ticket they paid for should get a 200% refund.

Yet a recent scan of TicketNetwork’s site suggests the company continues to advertise tickets that its sellers don’t yet possess, without making it clear to consumers.

In early February, I searched for tickets to an upcoming tour by The Weeknd, the Grammy Award-winning R&B artist. Ticketmaster, the official seller for the United Center in Chicago, had announced that listings for a Jan. 24, 2022, show wouldn’t go on sale until four days later: Feb. 8.

But on TicketNetwork's site, hundreds of seats were already available on a color-coded seating map. When I selected a ticket and began the checkout process, I saw an advertised price of \$439 and a digital timer ticking down from four minutes. "HURRY!" it said, in bright red lettering. Further along in the transaction, the site's payment step included another "HURRY!" timer, this one set for 10 minutes, as well as a disclosure revealing that tickets would be delivered by Jan. 23, 2022 – nearly a year from the date I was checking out. Next to this language was a question mark. Hovering my cursor over it, I could view a smaller disclosure that read, "The seller has not yet received your tickets, but you'll get them before the event."

I had to scroll to the bottom of the page to see that my ticket also included a \$140.65 service fee – a 32% markup over the advertised total.

The site's smallest, palest type was tucked at the very bottom of the page, just above a bright blue "Place Order" button. Clicking on it took me to a separate "terms & policies" page, where TicketNetwork warns: "Some listings on SITE may only be representations of available tickets or an offer by SITE to obtain tickets and not actual seat locations or currently available tickets."

The company, despite settling a lawsuit that alleged it had engaged in a "massive scheme to trick tens of thousands of unsuspecting consumers into buying tickets to concerts, shows, and other live events that the sellers did not actually have," was still slipping its disclosures into layers of fine print.



TicketNetwork has also landed in hot water for other consumer practices. The FTC [sued the reseller](#) and two of its partners in 2014 for knowingly profiting from “deceptive venue-mimicking tactics.” The partners named in the suit had employed audacious methods to fool consumers into believing they’d arrived at an official venue box office, according to the complaint. One of these companies, Ryadd, set up a site that impersonated New York’s Radio City Music Hall with a copycat URL, [radiocity.musichallny.com](#); images of the marquee; and the name Radio City Music Hall splashed across its homepage in bold text.

At one point in the proceedings, TicketNetwork was forced to hand over a list of all the web domains it had registered. A [74-page spreadsheet](#) the company produced included more than 4,000 of them: [chittychittybangbangonbroadway.com](#), [jerryseinfeldtickets.com](#), [foofighterstickets.info](#), [chicagowhitesoxtickets.org](#) and more.

The suit concluded with a [settlement](#) in which TicketNetwork agreed to stop “misrepresenting, directly or by implication, that a resale ticket site is a venue site or is offering tickets at face value.” Today, the company maintains it has abided by the consent decree’s terms. But complaints to regulators tell another story.

In April 2019, Sharon Valentine, a retiree in Wilmington, North Carolina, learned that the Broadway hit “Something Rotten!” was coming to the nearby Wilson Center. Her search for tickets led her to boxoffice-tickets.com. Once there, she selected two \$150 seats and began the checkout process. The prices seemed a bit steep, but “Something Rotten!” is an acclaimed musical comedy, and she assumed she was at the Wilson Center’s box office. Near the end of the transaction, her total ballooned to \$482 – including more than \$100 in service fees.

Immediately doubting her purchase, she started poking around. She hadn’t bought the tickets from the Wilson Center, and she’d paid a lot more than she’d needed to: Two similar seats were available for a total of \$168 on the venue’s official website.

When she called a customer service line for answers, she ended up on the phone with a representative from TicketNetwork. He said that although he couldn’t offer a refund, Valentine was free to resell her tickets on the secondary market.

“I thought, ‘Whoa, this is really a scam,’ ” Valentine said. “This has got to affect other people, too. I can’t be the first one.”

Resigned, Valentine asked to be emailed her tickets immediately. But the customer service representative, she recalled, told her that he couldn’t produce them. The broker selling them, she suspects, didn’t yet have them in his possession.

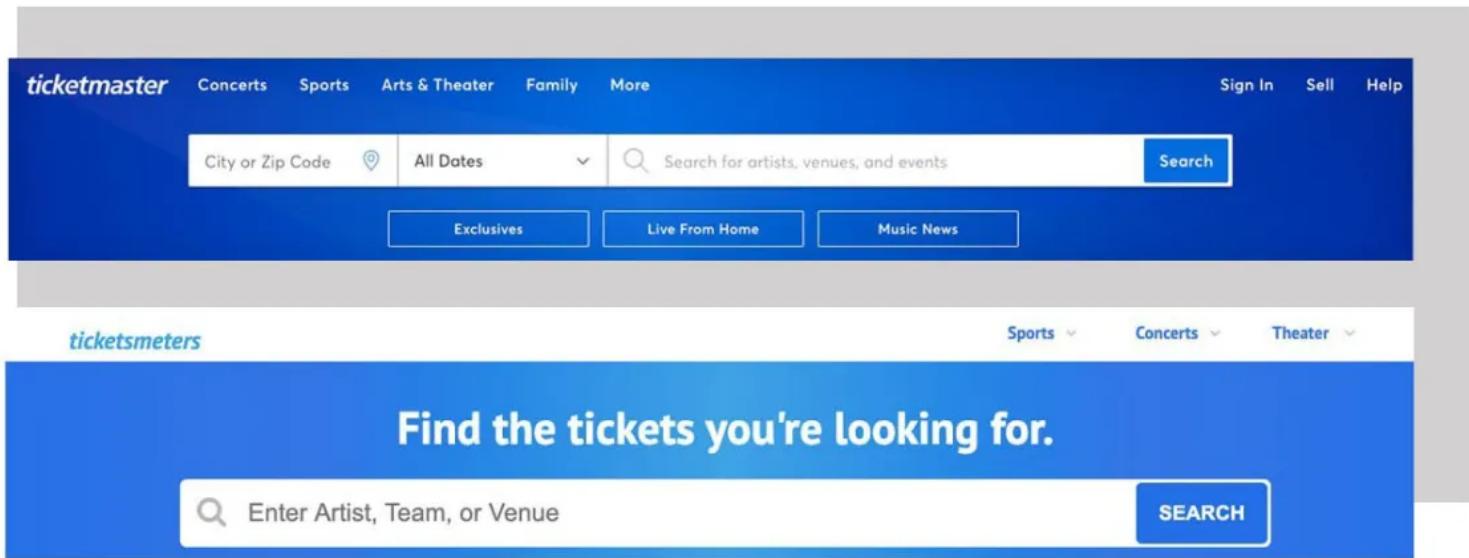
Valentine filed a complaint with North Carolina's attorney general. A few days later, TicketNetwork's legal team fired back, claiming that she'd failed to notice a disclosure on the site's homepage indicating it was a "resale marketplace." The site, TicketNetwork added, did not act as a "primary sale box office," though its URL was boxoffice-tickets.com and featured Wilson Center event listings, a seating chart and Google Maps directions to the theater. Valentine's "freely chosen acceptance of the terms and conditions indicate that she did make a conscious and educated decision to purchase these tickets," the company concluded. "No refund is due from the seller."

The attorney general's office forwarded the company's response to Valentine, assuring her that it would remain "a part of our files" and that complaints like hers "will also help us monitor questionable business practices and set enforcement and legislative priorities."

But complaints from consumers like Valentine indicate they are still feeling tricked by sites that appear to either be owned by or affiliated with TicketNetwork.

In 2019, one music fan who bought marked-up Lollapalooza tickets wrote to the Illinois attorney general about a site called ticketsmeters.com, whose layout and logo closely resemble Ticketmaster's. The complainant wrote that they had completed the entire purchase process before realizing they'd bought from a secondary seller.

The fan described calling a customer service number to complain. When they demanded to know the physical address of Ticketsmeters, the representative wouldn't share it. Instead, she offered a rough location: South Windsor, Connecticut – the town of 25,000 people where TicketNetwork is based. TicketNetwork declined Reveal's requests to describe its affiliation with this site.



The website for ticket reseller Ticketsmeters (bottom) is similar in style to that of primary ticket vendor Ticketmaster (top).

Credit: Top: ticketmaster.com; bottom: ticketsmeters.com

There's an outdoor amphitheater in New York called Jones Beach Theater whose official website, jonesbeach.com, features a cartoon seahorse on the homepage's top left corner. Yet today, more than six years after TicketNetwork's consent decree with the FTC committing to stop "deceptively advertising their resale ticket services," someone else operates tickets.jonesbeach.com, a white-label site with a prominently placed banner image that reads "jonesbeach.com," the venue's exact URL. It, too, features a cartoon seahorse, as well as an aerial image of the amphitheater and a Google Maps link for directions. TicketNetwork would not answer

Reveal's questions about its relationship to tickets.jonesbeach.com either. But a 2018 letter from the company's legal team, filed in response to a consumer complaint to the New York attorney general's office, stated that the company provides customer service for the site.

The screenshot shows the JonesBeach.com homepage. At the top, there's a weather forecast for Gilgo Beach, NY, with icons for Rainy, Cloudy, and Sunny conditions. Below the weather is a section for "CONCERTS 2021". The main content area is titled "NORTHWELL JONES BEACH THEATER 2021" and lists an event: "Jones Beach Air Show back for 2021 New Dates this year - Sun & Monday U.S. Air Force Thunderbirds". It includes a table with columns for DATE (FRI SUN MON), TICKETS (Practice Bus Sched Train Info), and TIMES (10AM-3PM More Info NEWS). Another event listed is "Toby Keith / Clay Walker CANCELLED That's Country Bro! The Show Dog Years" with a "Buy Tix" button and more info link. A sidebar on the right features the Ashley Homestore logo.

The screenshot shows the JonesBeach.com website under the "Events at Northwell Health at Jones Beach Theater" section. It lists four events:

- Wednesday 7/7/2021**: Dave Matthews Band at Northwell Health at Jones Beach Theater, Wantagh, NY. [Buy Tickets](#)
- Friday 7/9/2021**: Backstreet Boys at Northwell Health at Jones Beach Theater, Wantagh, NY. [Buy Tickets](#)
- Saturday 7/10/2021**: James Taylor & Jackson Browne at Northwell Health at Jones Beach Theater, Wantagh, NY. [Buy Tickets](#)
- Sunday 7/11/2021**: Steely Dan & Steve Winwood at Northwell Health at Jones Beach Theater, Wantagh, NY. [Buy Tickets](#)

On the right side, there are sections for "TICKET INFORMATION" (Inventory: We are a resale marketplace, not a box office or venue. Ticket prices may exceed face value. This site is not owned by Northwell Health at Jones Beach Theater.), "Guarantee" (100% Money Back Guarantee. Tickets are authentic and will arrive before event.), and a map of the theater's location.

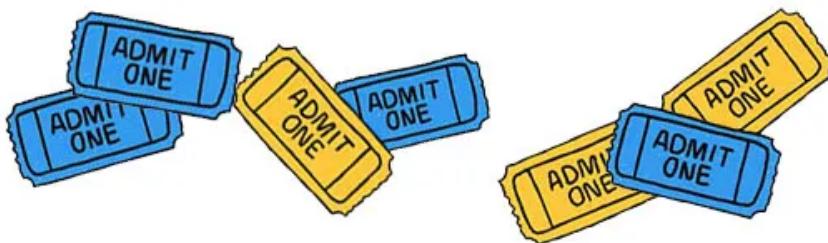
The resale site tickets.jonesbeach.com (bottom) and the website jonesbeach.com (top), which is the New York venue's official box office site. Credit: Top: jonesbeach.com; bottom: tickets.jonesbeach.com

Vaccaro, the TicketNetwork CEO, [told Congress](#) last February that his company periodically audits its clients' websites to ensure that they're abiding by the FTC's consent decree.

Companies like his, he added in an interview, drive down prices because they provide ticket buyers more options. “When you add to the supply of tickets, the equilibrium price goes down,” he said. “It’s true in every marketplace.”

Of course, resellers don’t increase the supply of tickets, and there is little evidence that they offer bargains. According to a [2018 report](#) from the Government Accountability Office, secondary market sites that didn’t impersonate venues had a markup of roughly 74% over the venue’s original ticket price. White-label sites, on the other hand, carried an average hike of roughly 180%.

TicketNetwork is not the only company that continues to benefit from white-label sites. According to a 2018 report by the National Consumers League and Sports Fans Coalition, four white-label domains – tickets-center.com, box-officetickets.com, ticketoffices.com and onlinecitytickets.com – accounted for roughly two-thirds of Vivid Seats’ web traffic. The researchers concluded the use of white labels amounted to “widespread fraud being committed on American sports fans.”



Last-second fees are perhaps the most common frustration for consumers who seek to buy tickets online. In 2018, when the FTC asked the public for comments about the industry, nearly

7,000 people and organizations responded. High on their list of concerns were “unreasonable and hidden fees!”

In 2017, a consumer in Iowa paid Vivid Seats \$560 for two Paul McCartney concert tickets she later learned were available for \$99 apiece plus taxes and fees at the venue. “Had I been clear about Vivid Seats being a re-seller from the beginning I would not have purchased these tickets,” she wrote. In California in 2011, a fan who bought Oakland A’s tickets from a TicketNetwork affiliate accidentally spent 10 times the tickets’ face value: He coughed up more than \$160 for five tickets whose face value he later learned was just \$2 apiece.

Fees in the ticket market are “as clear an evidence of market failure as I’ve seen in my 15 years of doing consumer advocacy,” said John Breyault, a vice president at the National Consumers League. “Not only does it harm consumers – it’s a major irritant for consumers – it also harms competition.”

In 2014, the prominent reseller StubHub piloted a solution to hidden markups called all-in pricing. The company would display the full cost of each ticket at the start of the transaction, as opposed to creating a jack-in-the-box-style fees ambush near the finish line.

Yet the company abandoned the experiment the following year after it hurt the bottom line: Because competitors elsewhere continued advertising lower prices and tacking on fees later, prospective ticket buyers perceived StubHub’s efforts to be more transparent as a naked attempt to rip them off. They steered clear.

This problem is not intractable. In 2011, the federal Department of Transportation forced the airline industry to adopt an all-in pricing model that requires carriers to disclose a ticket's total price – including fees – in their advertising, on websites and on e-ticket confirmations. [Legislation](#) introduced by Rep. Bill Pascrell, D-N.J., in 2019 would require the same for ticketing.

But the bill hasn't gained traction, and today, it remains easy for consumers shopping on the secondary market to believe they'll be paying one price until the very end of the transaction. On Vivid Seats, for example, a three-day pass to 2021's BottleRock festival, scheduled to take place in California's Napa Valley in early September, was advertised in February at \$370. It's not until the final checkout step that the true total – \$498.82, including a \$113.87 service total – is unveiled.

"The way these systems are set up, you make a decision about what ticket you want to buy based on the initial information, and it's a few steps down before you realize how much the ticket actually costs," said Anna Laitin, director of financial fairness and legislative strategy at Consumer Reports. "This is a marketplace where it's very easy to confuse consumers and give them bad information."

In February 2020, leaders in the secondary ticket market were called before Congress to explain their fees. Ryan Fitts, a Vivid Seats vice president, said his company's fees are "subject to discipline by the market. If there's a lower price, we have to match it."

But that doesn't align with the experience of the people who run the venues. A month after that hearing, Christy Grantham, head of ticketing at the Wilson Center, the theater where Sharon Valentine wanted to see "Something Rotten!," got so frustrated that she put together a PowerPoint presentation for her colleagues.

Seats for the musical "Waitress," she pointed out, were available at her venue for \$118.64. But on eventticketscenter.com, they were \$643. Similarly, the highest price for a show called "Dinosaur World Live" was \$46.96 at the Wilson Center. But on boxofficeticketsales.com, they topped out at \$376.

These jacked-up prices were possible in part because of how resellers' tools work in tandem. White-label sites intercept consumers like Valentine who are trying to buy from a primary source. The ticket buyers assume the high prices they're seeing are official because they think they've arrived at the venue's box office. Then brokers fulfill their speculative sales by buying directly from venues like Grantham's at cost – often not until a consumer has already purchased the tickets at a premium. Grantham said she knows this personally because she's observed brokers on StubHub advertising Wilson Center tickets she still had in her inventory: On Grantham's own seating chart, the price to one event was \$49.43; StubHub's, meanwhile, was \$88.

"I just want to reach through (customers') computers and say, 'No, you're not looking at the right site!'" Grantham said. "We have priced this for you and your family!"

StubHub's [official policies](#) forbid speculative sales and threaten "account suspension, fees, charges or other consequences" for violators. Yet in spite of this, the company has [admitted](#) that "it is reasonable to assume that speculative tickets are sometimes sold through the StubHub site."



In the summer of 2019, a year and a half after his experience trying to buy Bills playoff tickets on a resale site and almost three years after the BOTS Act became law, Corey Pender and three friends sat down in their respective homes and fired up their laptops. Tickets for the Ryder Cup, an international men's golf competition, were slated to go on sale in minutes. Pender and his buddies, all avid golfers, were eager to attend.





Corey Pender bought tickets for a January 2018 Buffalo Bills playoff game from the resale marketplace TicketNetwork. But he never got the tickets. "I felt totally cheated," he said. Photo by Da'Shaunae Marisa for Reveal

Twenty-five years ago, they might have lined up in the sweltering heat or skipped work to camp out for days in front of a venue's box office. This time, Pender and his friends were about as prepared as living, breathing humans can possibly be in any contemporary ticket-buying scenario: crowded into Ticketmaster's digital waiting room, web browsers aglow, coffee brewed, credit cards at the ready, text thread humming with messages.

"You ready? You ready?"

It was no use. Almost instantaneously, all the Ryder Cup's official inventory was gone. Sold out. A twist of shock, then frustration, washed over the prospective buyers.

"We're all sitting there, 'Did anyone get tickets?'" Pender recalled. "No, none of us got tickets. I had other friends that were doing it with a group. My brothers were trying to do it. Nobody I knew got tickets."

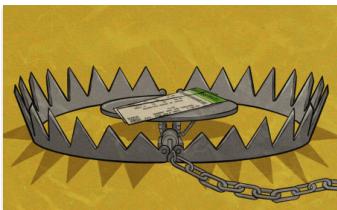
They still had options, of course. Minutes after the event sold out, plenty of inventory suddenly became available, priced well above face value, on a variety of secondary market sites.

This story was edited by Andrew Donohue and Esther Kaplan and copy edited by Nikki Frick. Top illustration by Maxwell Erwin.

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