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**ATTORNEY GENERAL MADIGAN ANNOUNCES SETTLEMENT AGAINST
SWEEPSTAKES GIANT**

Multi-state agreement toughens Publishers Clearing House solicitation

Chicago — Attorney General Lisa Madigan today joined 31 other states and the District of Columbia in announcing a settlement with Publishers Clearing House that will bring more accountability to its widely known sweepstakes contest.

The agreed judgment, filed in Cook County Circuit Court, stemmed from an investigation into the sweepstakes giant's marketing practices of misleading consumers to believe purchasing magazines and other products will increase their chance to win the jackpot. The filing strengthens terms of settlements the states first reached in 2000 and 2001.

"We've heard from consumers who've spent hundreds of dollars purchasing products from Publishers Clearing House because they believe —wrongly— that it will increase their chances of winning," Madigan said. "The tougher provisions in this new agreement will help ensure that Illinois residents are not further misled or confused by the company's sweepstakes promotions."

Many of the complaints filed with the Attorney General were from seniors or their concerned children. One senior reported spending \$2,126 on merchandise over one year in hopes of claiming a prize.

"After spending so much, I can't believe I never won a dime," the senior told Madigan's office.

Another Illinois consumer reported her 84-year-old father is devastated each time he learns he is not the winner. She told Madigan's office that her father falsely believes he's in a better position to win because he makes purchases and receives personalized mailings from the company.

Under the terms of the new agreement, Publishers Clearing House must:

- Identify and survey each Illinois consumer over the age of 65 who spends \$500 or more in a quarter and remove those consumers from their mailing lists if they have misunderstandings about sweepstakes.
- Send a non-promotional letter to Illinois consumers who spend more than \$1,000 on merchandise a year, emphasizing that making a purchase does not increase the likelihood of winning.
- Take additional steps to minimize the likelihood that their mailings will mislead or confuse consumers about their chances of winning.

The company also agreed to pay 3.5 million dollars to cover the cost of the states' investigation.

The states previously entered into a judgment with Publishers Clearing House requiring it to change its mail solicitation practices and adopt a number of measures aimed at protecting consumers.

Continued complaints filed with Madigan's office in recent years, however, raised new concerns that consumers could still be confused by the nature and language of the company's promotional mailings.

In announcing the settlement, Madigan urged consumers to remember: Buying magazines or merchandise does **not** increase the odds of winning a sweepstakes prize.

The Attorney General also cautioned relatives, friends and care-givers to be alert for warning signs the elderly may be preoccupied with winning, including difficulty paying bills because of spending on sweepstakes-related purchases.

In addition to Illinois, states participating in today's settlement included Alaska, Arizona, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia and Wisconsin.

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