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'The Pulse' on Sweepstakes Casinos Amid US Legal Scrutiny & Model Shifts

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Stephen C. Piepgrass

Stephen Piepgrass, leader of Troutman Pepper Locke's Regulatory Investigations, Strategy + Enforcement (RISE) Practice Group, was quoted in the February 18, 2026 *CasinoBeats* article, "[The Pulse' on Sweepstakes Casinos Amid US Legal Scrutiny & Model Shifts.](#)"

Richt and fellow lawyer **Stephen Piepgrass** believe the new emerging industry of prediction markets is causing operators to alter their business models.

The regulatory focus on prediction markets can also benefit sweepstakes casinos, according to **Piepgrass**. Experienced in the gaming industry, he told *CasinoBeats*, "In 2026, I think sweepstakes casinos will continue to be beneficiaries of the current focus of the industry on prediction markets."

As licensed sportsbooks set up their own platforms, **Piepgrass** believes this could create a break in the alliance among sportsbooks, casinos, tribes, and other traditional gaming operators.

These groups had been united against sweepstakes casinos, but "The rapid development of prediction markets has disrupted that alliance, with sports wagering platforms embracing the opportunities presented by prediction markets while casinos, tribes, and other traditional gaming operators oppose them," said Piepgrass.

The focus on prediction markets can only spare sweepstakes casinos so much, however. State lawmakers remain active in opposing the platforms, with active bills in 11 states.

Piepgrass says he believes "some of those states will pass that legislation and it will be signed into law. The question of which states will pass such legislation and which states will let another legislative session pass by without acting is a tougher one to answer, because it is highly dependent on the idiosyncrasies of each state legislature."

Operators have various options. As some have, they could shift their business models towards prediction markets, although that industry is also facing legal scrutiny.

An alternative, **Piepgrass** says, is to push forward efforts to legalize the sweepstakes model. He said he

anticipates sweepstakes casinos to advance “their own efforts to formally legalize, regulate, and tax their operation.” But admits that, “the success of those efforts will largely be based on the particular dynamics of each state where legislation is introduced.”

The Social Gaming and Leadership Alliance (SGLA) has pushed for legalization in Florida. The group, led by sweepstakes operator VGW, is attempting to rebrand sweepstakes casinos to “Social Plus,” a new term that defines the category of “freemium social games provided by SGLA partners who are dedicated to player protections, responsible innovation, and integrity.”

The term used will not necessarily change the approach. **Piepggrass** said, “At the end of the day, I think we will see sweepstakes casinos continue to operate in those states that have not enacted bans. And those operators will continue to fend off challenges by regulators and plaintiffs’ attorneys who view them as a form of illegal gambling.”

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