



U. S. Department of Justice

# News Release

*Thomas G. Walker*  
*United States Attorney*  
*Eastern District of North Carolina*

*Terry Sanford Federal Building*  
*310 New Bern Avenue*  
*Suite 800*  
*Raleigh, North Carolina 27601-1461*

*Telephone (919) 856-4530*  
*Criminal FAX (919) 856-4487*  
*Civil FAX (919) 856-4821*  
*www.usdoj.gov/usao/nce*

**FOR IMMEDIATE RELEASE:**  
**WEDNESDAY - May 6, 2015**

**CONTACT: Don Connelly**  
**PIO**

(919) 856-4172

**SWEEPSTAKES SOFTWARE PROVIDERS SIGN AGREEMENTS STOPPING THEIR ABILITY TO PROVIDE ALLEGED ILLEGAL SWEEPSTAKES SOFTWARE TO INTERNET CAFES THROUGHOUT THE STATE OF NORTH CAROLINA**

**RALEIGH** - United States Attorney Thomas G. Walker announced that the U.S. Attorney's Office reached agreements with White Sands Technology, LLC, Sierra Software, LLC, TNT Software, LLC, Digital Reveal, LLC, and the principal of Figure 8 Technologies, Inc. These agreements provide that the United States Attorney's Office for the Eastern District of North Carolina will not prosecute the software companies or their principals, for the use of alleged illegal internet sweepstakes software in internet cafes across the state of North Carolina. These agreements are conditioned upon their agreement that by July 1, 2015, they will no longer have any involvement with sweepstakes in North Carolina involving an entertaining display. The companies supplied hundreds of Internet Cafes in North Carolina:

- White Sands Technology, LLC - Approximately 180 locations
- Sierra Software, LLC - Approximately 175 locations

- TNT Software, LLC, Digital Reveal, LLC - Approximately 40 locations
- Digital Reveal, LLC - Approximately 25 locations
- Figure 8 Technologies, Inc. -Over 200 locations before selling its software in January 2014

Sierra Software, LLC and the principal of Figure 8 Technologies, Inc. agreed that they will not take part in North Carolina in any activities relating to electronic sweepstakes at all. White Sands Technology, LLC, TNT Software, LLC, and Digital Reveal, LLC agreed that they will take no part in any actions relating to sweepstakes relating in any way to the use of an entertaining display in North Carolina. They also agree that to provide notice to the U.S. Attorney's Office for the Eastern District of North Carolina before taking part in any activities relating to sweepstakes or gambling in North Carolina not covered under the ban. Sweepstakes is defined to include all games where chance predominates.

United States Attorney Thomas G. Walker stated: "We hope this action will be a big step forward in ensuring compliance with North Carolina's gambling laws. Our office is prepared to assist the state in enforcing large scale violations of the law."

Mark J. Senter, Branch Head of North Carolina Alcohol Law Enforcement, stated: "Alcohol Law Enforcement is proud to have

worked with the U.S. Attorney's Office for the Eastern District of North Carolina in this case. Sweepstakes machines have been a source of problems for local law enforcement and the community for years. It is our hope this action eliminates this illegal activity."

Thomas J. Holloman III, Special Agent in Charge, IRS-Criminal Investigation, Charlotte Field Office, stated: "CI stands in support of the USAO's decision to enter into this non-prosecution agreement. Today's agreement is consistent with our two-faceted, proactive approach to industry compliance that focuses on investigations and liaison activities essential to the enforcement of tax, money laundering, and related financial crimes to combat illegal activity within the gaming industry, as well as to uncover and shutdown illegal gaming operations. This agreement is a positive step forward in reducing the number of software companies that supply gaming type software crucial to operating internet sweepstakes operations in North Carolina."

Cumberland County Sheriff Earl R. "Moose" Butler stated: "This announcement marks a major milestone in the long and ongoing fight against illegal gambling. In this case, for several years, video poker machines have been masquerading as sweepstakes. We hope these agreements will stop and deter evasion of North Carolina's gambling laws. We have long been involved in this fight, and we will not stop until the laws

passed by the legislature and the North Carolinians they represent are fully enforced."

Investigation of this matter was conducted by North Carolina Alcohol Law Enforcement, the Internal Revenue Service, and the Cumberland County Sheriff's Department in coordination with Assistant United States Attorneys David Bragdon and Joshua Royster.

# # #

**News releases are available on the U. S. Attorney's webpage at [www.usdoj.gov/usao/nce](http://www.usdoj.gov/usao/nce) within 48 hours of release.**