

# Attorney general goes after misconduct in the ticket sales industry

Attorney general goes after misconduct in the ticket sales industry

Mia Summerson Night and Day Editor, Feb 6, 2016



MIA SUMMERSON/staff Donny Kutzbach of Funtime Presents, left, and New York State Attorney General Eric Schneiderman, right, discuss the abuses of the ticket sales industry. Kutzbach said that the problem of ticket bots is

an issue both on his end and for music consumers.

When the announcement came through that Paul McCartney would perform in Buffalo for the first time last October, Debra Cresanti, like many fans, hurried to make sure that she was among those who would get a ticket before the concert sold out.

But it did sell out, in just four minutes. She did eventually purchase a ticket, only to find out later that what she had spent on it was actually worth the VIP experience. Cresanti, a Cheektowaga resident, is like many fans who have felt that they have little choice but to spend an arm and a leg if they want to attend a performance.

“People like me are often left with the option of paying a ridiculous amount of money for tickets, which I did, or not getting to see our favorite performers live,” she said. “I think it’s unfair.”

Last week Attorney General Eric Schneiderman announced that his office had completed a report documenting abuses committed by players in the ticket sales industry. This includes brokers without ticket resale licenses who add “unclear” fees that can add up to a lot more than the ticket’s original going price.

It also found that some brokers have sold “speculative tickets,” where, sometimes before they’re even available, tickets are being sold before the broker actually owns them.

The investigation found that 46 percent of tickets created for a concert, or even a sporting event, are not made available to the general public. It found that 16 percent are usually reserved for industry insiders, such as other artists, agents or promoters, and 38 percent are held for pre-sales, which are open to select groups, like fan club members or individuals with a certain credit card.

Of the tickets that remain, large portions are scooped up by illegal “bots” working to the benefit of brokers, who in turn resell the tickets to the general public at sometimes astounding markups. The report showed that, within one minute of their release, 1,012 tickets for U2’s 2015 appearance at Maddison Square Garden had been purchased by bots.

“We know that thousands of Bruce Springsteen fans in the Buffalo region ran into this problem when the Boss’ show (this) month at First Niagara Center sold out in just hours,” Schneiderman said. “Almost instantly, many of those tickets were posted on resale sites like StubHub or TicketsNow at huge markups. New Yorkers have been complaining about this since I became attorney general.”

The bots don't just target the big shows coming through First Niagara Center, they're also a huge problem for smaller local venues. Donny Kutzbach, of Funtime Presents, is responsible for many of the shows that come through Town Ballroom in Buffalo. This is a problem at all levels, he said.

Sharing in Kutzbach's experiences, David Taylor, a promoter with Empire State Concerts, said the same thing happens at venues he works with in Niagara County, including the Rapids Theater in Niagara Falls and the Riviera Theatre in North Tonawanda. He said that even less mainstream performances experience this, like when The Smashing Pumpkins played at the Riv in June.

Music fans are certainly the obvious victim of these abuses, but the unapparent victims of the practices are those who participate in the arts on a local level. Tod Kniazuk, executive director of Arts Services Initiative of Western New York, said when people are spending huge amounts of money to see a national act, they're less likely to spend even a small amount to go see a local band perform.

"People only have so many discretionary dollars to spend on entertainment," he said. "If you're having to spend \$1,000, \$2,000 on a show, you're not going out very much around that show. So when we have a big concert coming, that does activate workers at the arena, at the surrounding restaurants and parking lots and such, but then tacking on all this additional money doesn't add a penny to the local economy."

While there's still a lot to do to get the problem under control, Schneiderman's office has begun taking steps to create solutions. He has announced that settlements have been reached with two ticket brokers, MSMSS, LLC and Extra Base Tickets, LLC, both of which have sold thousands of tickets in New York State. The agreement involves the brokers maintaining their resell licenses as well as paying fines of \$80,000 and \$65,000 respectively for their illegal operations.

Schneiderman said that ticket vendors can start fighting this problem by monitoring their sales for red flags, like large amounts of tickets being purchased at once. He also

suggested a fresh look at legislation from 2007 that decriminalized the act of reselling tickets for profit, and legislation from 2010 that banned the use of nontransferable paperless tickets.

“I look forward to continuing our investigation and we will be announcing more results of other investigations into specific brokers in the weeks ahead,” he said. “But we also are going to take this to Albany to try and see if we can get the legislature to revisit the 2010 and 2007 modifications of the law that have opened the door to some of these problems.”

**Night and Day Editor Mia Summerson can be reached  
at [mia.summerson@niagara-gazette.com](mailto:mia.summerson@niagara-gazette.com).**

[http://www.niagara-gazette.com/news/night\\_and\\_day/attorney-general-goes-after-misconduct-in-the-ticket-sales-industry/article\\_a442ebd4-d5c2-5ffc-9de2-82936598454e.html](http://www.niagara-gazette.com/news/night_and_day/attorney-general-goes-after-misconduct-in-the-ticket-sales-industry/article_a442ebd4-d5c2-5ffc-9de2-82936598454e.html)