

FTC's BOTS Act Blitz Raises Stakes For Ticket Resellers

By **Brian Goodrich and Omar Khodor** (October 21, 2026)

The Federal Trade Commission is using the Better Online Ticket Sales, or BOTS, Act to prohibit the use of many tactics, tools and technology used by ticket purchasers, brokers and resellers.

Recent lawsuits and enforcement actions make clear that the FTC is actively engaged in scrutinizing the ticket-purchasing conduct of ticket brokers and resellers, with the purported goal of obtaining refunds for consumers and ultimately lowering ticket prices by eliminating resellers' ability to quickly purchase large sums of concert tickets.

This activity is paired with new state laws taking effect — including the latest one in North Carolina, which took effect Oct. 1 — as well as a federal court decision issued on Sept. 28, expanding the scope of the BOTS Act. In short, a reckoning for the ticket resale industry has arrived.

What exactly does the BOTS Act prohibit?

The BOTS Act prohibits any person from taking any actions that circumvent ticket issuers' online ticket purchasing rules and security measures, as well as selling unlawfully acquired tickets. The act can apply to anyone purchasing or reselling concert tickets.

The law applies to individuals, brokers and networks that purchase tickets for resale on the secondary market, as well as resellers, networks, platforms and any other downstream actors who knew or should have known that the tickets they resold were initially acquired unlawfully.

Historically, the BOTS Act was understood to outlaw the use of bots to purchase large sums of concert tickets in order to resell them on the secondary market. Prior to the FTC's ongoing blitz, its lone set of enforcement actions was brought in 2021 against ticket brokers, including Just in Time Tickets Inc. and its owners, which used bots to buy the tickets that they resold.

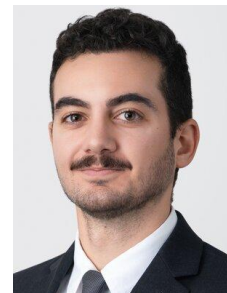
However, recent FTC actions now indicate that using the following types of tools and tactics violates the BOTS Act when used to buy concert tickets, even if bots are not being used: multiple accounts, multisection browsers, SIM boxes, virtual credit cards, and IP masking and spoofing. This is because the BOTS Act does not simply ban using bots or any specific tool. Rather, the law states more broadly that:

it shall be unlawful for any person to circumvent a security measure, access control system, or other technological control or measure on an Internet website or online service that is used by the ticket issuer to enforce posted event ticket purchasing limits or to maintain the integrity of posted online ticket purchasing order rules.

In short, the act of purchasing more tickets than allowed by the ticket issuer's rules is illegal, and the BOTS Act permits the FTC to levy fines or seek repayment of past ticket



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resale revenue.

How has the FTC signaled its new expectations?

In March 2025, President Donald Trump issued Executive Order No. 14254 directing the FTC to "rigorously enforce" the BOTS Act, enacted nearly a decade ago.[1] The order mandates that the FTC collaborate with state attorneys general to bring BOTS Act investigations, enforcement actions and lawsuits against industry actors engaging in business activities prohibited by the BOTS Act.

The executive order spurred numerous lawsuits. For instance, in August 2025, the FTC initiated a BOTS Act lawsuit in *FTC v. Key Investment Group LLC*. The FTC sued Key Investment Group — a Maryland-based ticket broker that operates under names including Epic Seats — in the U.S. District Court for the District of Maryland, alleging that the defendants used an array of unlawful tactics to bypass Ticketmaster's security measures and purchase tickets in excess of the posted ticket purchase limits.

Such problematic tactics included the use of proxy and spoofed IP addresses to bypass Ticketmaster's location trackers, and SIM boxes to intercept verification codes sent by Ticketmaster. For example, the FTC alleged that the defendants used 49 different accounts to purchase 273 tickets to a single Taylor Swift Eras Tour concert, netting \$119,227.21 in ticket markups for a single concert.

The FTC has sought millions from Key Investment Group in monetary penalties, as well as permanent changes to its business practices to prevent future violations of the BOTS Act. The lawsuit also named individual owners and executives of the companies as responsible for the violations.

Key Investment Group preemptively sued the FTC in July 2025 in *Key Investment Group v. Ferguson*, arguing that the BOTS Act was intended only to target automated software (bots), not coordinated human-operated multiaccount purchasing.

However, in an April 2026 ruling, U.S. District Judge George L. Russell III of the District of Maryland denied Key Investment Group's motion to dismiss the FTC-initiated case, holding that the statute "unambiguously applies to 'any person' and not just to 'bots,'" and that the law is not limited to automated tools. The case remains pending, with the FTC seeking repayment of profits earned from reselling tickets, among other relief.

The FTC has not limited its enforcement sights to just participants in the ticket resale secondary market. On Sept. 18, 2025, the FTC, in partnership with seven states, filed a lawsuit — *FTC v. Live Nation Entertainment Inc.* — against ticket issuers Ticketmaster and Live Nation in the U.S. District Court for the Central District of California. The FTC alleged violations of the BOTS and FTC Acts. The states alleged violations under both their state consumer protection laws and the BOTS Act.

The lawsuit argued that Ticketmaster and Live Nation claim to impose ticket limits but routinely permit ticket brokers to exceed ticket purchase limits. Moreover, the FTC alleged that the defendants even encourage circumvention of their ticket purchase limits and purchasing rules so that brokers can then list the unlawfully obtained tickets on the defendants' resale marketplaces.

On Sept. 28, 2026, U.S. District Judge Maame Ewusi-Mensah Frimpong denied Live Nation and Ticketmaster's motion to dismiss, rejecting the argument that ticket issuer platforms

are not subject to liability under the BOTS Act. Moreover, the judge found the FTC's allegations — including that a senior Ticketmaster executive said the companies would "turn a blind eye as a matter of policy" to brokers exceeding posted ticket limits — sufficient to support a potential violation of the BOTS Act.

Most recently, on Oct. 15, the FTC brought in the federal government's top enforcer, the U.S. Department of Justice, to assist in its crackdown on ticket brokers, resellers and their networks. The DOJ's lawsuit, U.S. v. REPS & Co. Inc., filed in the U.S. District Court for the Southern District of California, alleges that REPS engaged in multiple practices highlighted in the FTC's prior lawsuits and enforcement actions — including virtual credit card accounts, SIM cards, IP masking and multisession browsers — to circumvent ticket issuers' security systems in violation of the BOTS Act.

This most recent lawsuit affirms that BOTS Act enforcers are targeting the use of the same tools and purchasing and reselling practices across the industry. The allegations also include that the defendants utilized an overseas network of ticket purchasers based in the Philippines, a fact that likely served as a motivating factor for the government. Moreover, the DOJ's inclusion of REPS' executives as defendants reiterates the FTC's position taken in its prior BOTS Act lawsuits and settlements: that individuals are also potentially on the hook for BOTS Act penalties.

What does this mean for the industry?

The FTC's enforcement reach can be expansive, implicating not only ticket purchasers, brokers, aggregators and resellers, but also technology companies that provide software and support to said actors, which are all now within the FTC's sight.

Industry actors should reduce their risk by conforming their ticket resale practices to the BOTS Act prior to an FTC enforcement action. They may, for instance, assess their risk for enforcement actions by screening practices and partnerships related to ticket purchasing, as well as evaluating the scale of their ticket operations. Industry actors could audit the number of accounts used per event, review relationships with account vendors, assess whether verification code interception tools are in use, and document compliance efforts in case of an FTC inquiry.

Moreover, secondary market participants should consider developing a strategy or plan for a government inquiry or investigation, as investigations can be time-consuming, costly and extremely consequential. Such a plan should identify an internal response team and outside counsel; establish procedures to promptly preserve relevant records and route any FTC or state inquiry to that team; inventory where purchasing, account and vendor data reside; maintain documentation of compliance efforts; review vendor and platform contracts for indemnification and cooperation obligations; and anticipate communications and remediation strategies should an inquiry escalate.

Given the bipartisan, populist support that exists for lower ticket prices, it is unlikely that BOTS Act enforcement will slow down for the remainder of the Trump administration. In fact, shortly after Trump signed the executive order, the FTC added another layer of consumer protection regulation in the form of the junk fees rule, requiring that all of a ticket's associated fees be displayed to the consumer at the first advertisement or listing of the ticket.[2]

And the fervor to control ticket resale practices is not just limited to the federal government; states like North Carolina, California and Vermont enacted into state

appropriations or law BOTS Act-like rules related to ticket resales, even going beyond the BOTS Act to ban speculative advertising of tickets for resale before a broker actually possesses them.

These recent events are not merely a temporary enforcement spike in the ticket industry. To quote the FTC's own blog post, "[i]f you're a ticket seller or reseller, it's time to get your house in order." [3]

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[1] President Trump signed Executive Order 14254, "Combating Unfair Practices in the Live Entertainment Market," on March 31, 2025.

[2] The Junk Fee Rule was promulgated at 16 CFR Part 464 (2025).

[3] Federal Trade Commission, BOTS Act Compliance: Time for a Refresher?, FTC Business Blog (Apr. 11, 2025), <https://www.ftc.gov/business-guidance/blog/2025/04/bots-act-compliance-time-refresher>.