

A mysterious LLC is using a 300-year-old law to target D.C. sports betting

Now the D.C. Council may intervene to amend the law, known as the Statute of Anne — as in, Queen Anne of England.

More than 300 years ago, wanting to protect gamblers from losing everything, the British Parliament passed the Statute of Anne, named for the then-reigning British monarch, Queen Anne.

The enactment, which allowed gamblers to sue to recover their losses over a certain amount, eventually found its way to the District of Columbia, where it has remained on the city's law books for decades, seemingly unknown to generations of elected officials.

Until now, that is.

The 18th-century statute is now threatening the major sports betting companies that operate in D.C., emerging recently in a federal lawsuit filed this spring against the companies by a mysterious Delaware-based LLC.

The LLC, DC Gambling Recovery, revived the Statute of Anne in seeking to recover potentially millions of dollars in gambling losses from sports betting giants, including Caesars Sportsbook, BetMGM and DraftKings, that it says the law allows it to recoup.

In D.C., the [law states that gambling losses of \\$25 or more](#) can be recovered in a lawsuit. If the plaintiff wins, the LLC would be required to split the damages in half with the city, and its attorneys estimate the District could take in more than \$300 million. That is, if the D.C. Council lets the lawsuit move forward.

On Monday, D.C. lawmakers may vote to change the Statute of Anne for the first time in decades by clarifying that the 18th-century law does not apply to legalized modern sports betting — a retroactive provision that they've attached to the nearly \$22 billion budget that could, in turn, moot the lawsuit.

Attorneys for DC Gambling Recovery are framing the case as both a missive against destructive gambling and a boon for taxpayers at a time when D.C. is tightening its purse strings. They are pushing the council to remove the retroactive provision from the budget, arguing [in a letter](#) to D.C. Council members that it would “depriv[e] the District of an opportunity to win well over \$300 million in sorely needed revenue” if their case were to succeed.

They argue the D.C. Council, if it intends to amend the Statute of Anne, should do so only prospectively and allow them to fight their case in court without interference.

“It is not clear why the District, given its current fiscal challenges, would voluntarily eliminate the possibility of receiving a significant amount of revenue to support its safety-net,” the attorneys, Derek T. Ho and James W. Taglieri, wrote in the letter, [earlier reported by the 51st](#). “Make no mistake, Section 2064 [the budget provision] prioritizes the financial interests of gambling operators over the priorities of District residents. We cannot fathom why the Council would take this action.”

Another lawyer representing the LLC did not comment for this article and also would not say who is behind DC Gambling Recovery, which stands to benefit from hundreds of millions in damages if the group wins the case, attorneys estimate. A receptionist with Delaware Corporations LLC, the registered agent for DC Gambling Recovery, said Delaware law did not allow her to reveal the identity of those behind the group, but she took a message seeking comment, which was not returned Friday.

The D.C. Attorney General’s Office has intervened in the case against the plaintiffs. In legal filings, Attorney General Brian Schwalb disagreed that the Statute of Anne applies to modern sports betting — which was legalized in D.C. through legislation passed in 2018 — and promised the court that the D.C. Council would soon clarify as much, mooting the case.

The attorney general’s office worked with the D.C. Council on the provision in the budget that would halt the case, said the office’s spokesman, Gabe Shoglow-Rubenstein. “It requires a legislative fix since these two laws are incompatible with each other,” he said in a text.

In an interview, D.C. Council Chairman Phil Mendelson (D) said that no one had intended for the Statute of Anne to cap winnings and losses at \$25 under D.C.’s sports betting regulations and let people sue to recover excess losses. Responding to the attorneys questioning why D.C. would want to extinguish the possibility of substantial revenue from the lawsuit, Mendelson said while the damages weren’t guaranteed or known, lawmakers had a responsibility to fix “contradictory” policies. They could not legalize sports betting and then penalize licensed sports betting companies for collecting amounts over \$25, he said.

“Rather than look at the money, we should look at the policy,” Mendelson said, conceding that it was probably an oversight for the council to not realize the Statute of Anne was in effect when it wrote the sports wagering law. “Does it make sense on the one hand to promote gambling and on the other hand say we’re going to keep the Statute of Anne, which limits winning?”

Council member Kenyan R. McDuffie (I-At Large), who spearheaded the sports gambling legislation, did not respond to requests for comment.

The Statute of Anne — which also still exists in some form in more than two dozen states — took a long journey to the District.

The British Parliament [enacted it in 1710](#), allowing for anyone who lost more than 10 pounds playing cards, dice or other games to sue to recover those losses. If they didn't sue within three months, then anyone else could sue for “treble” the amount, or three times the amount, of the losses. If victorious, they would have to give half the money to the poor in the parish where the wager occurred.

The law traveled with other British statutes over the Atlantic to the American colonies, including Maryland. Then the newly christened federal district inherited it, having been cut from the cloth of Maryland and Virginia.

No one seemed to pay the Statute of Anne much mind until 1963, when Congress, undertaking a massive review of D.C. laws, kept a modernized version of it intact. (This was before the District had any home rule and wrote its own laws.)

In the version that remains today, a gambler can still sue to recover losses over \$25 within three months. Past three months, then any person — such as, say, DC Gambling Recovery LLC — can sue to recover “treble” the value of the losses, and must split the damages with the District of Columbia. (Whether DC Gambling Recovery LLC is a “person” is also part of the litigation.)

In its lawsuit, DC Gambling Recovery LLC argues that the D.C. Sports Wagering Lottery Amendment Act did nothing to get rid of the Statute of Anne, leaving in place “the historical remedies that the District saw fit to prevent gambling operators like Defendants from fleecing users in D.C. of large amounts of money.” If sports betting has been legalized, it still has to operate under that \$25 limit, attorneys argue. (They also make a separate claim challenging the legality of the sports wagering law in the District.)

The lawsuit describes DC Gambling Recovery LLC as a “company formed under the laws of Delaware to enforce the District’s gambling laws,” and in their letter to the council, attorneys say the group was created by “several public-interest oriented lawyers.” The LLC claims to have no relationship to any gambler who has lost money in D.C. and says it didn't collude with any of them in bringing the case (because Queen Anne’s law does not allow collusion).

Jeff Ifrah, the founder and general counsel for iDEA, a trade group that advocates for and also represents the sports betting companies that have been sued in D.C., argued the Statute of Anne is archaic and no longer makes sense in modern times, requiring the D.C. Council to step in. If it doesn't and the lawsuit succeeds, he said, sports wagering companies will probably flee the District — and take the revenue that sports betting generates in D.C. with them, not wanting to do business in a place where they could be sued for millions despite being legally licensed.

“This is an old statute that we think comes from really a different environment,” Ifrah said.

“Gambling wasn’t regulated — all gambling was essentially illegal. And the problem was that the state was being left responsible for widows and orphans that were left behind when their fathers and husbands had been taken out because of gambling debts.”

Ifrah said this is not the first time he’s seen a vague LLC suing under the Statute of Anne. He said iDEA is [tracking several other cases](#) in states including Ohio, Illinois and South Carolina where a “*State’s Name Here* Gambling Recovery LLC” is reviving the 18th-century law and is similarly unknown. None of the others involve the marquee companies like FanDuel and Caesars that are operating in D.C.’s regulated market, making the D.C. suit more high-profile.

“This is just a glitch that [the plaintiff] noticed,” he said. “And good on them — whatever, everyone makes a living. But the statute should not have been written that way. It should have been amended a long time ago.”