Call For Change — An open letter to the CSGO skin community

Hello everyone. I'm known as 'Monarch,' the owner of CSGOEmpire. It's been a long time since I've made one of these posts, but I'm glad to say that I'm back in business.

I am mostly known for exposing some of the largest scandals in the CSGO skin community. I'll try to summarize the story:

- My first and the most notorious scandal; Skinhub and CSGOWild. I am the one who publicized irrefutable evidence that those gambling sites were rigged. I took this evidence to Twitter, which led to an incredibly wild ride. My life was threatened, and I was attacked by huge corrupt YouTubers who tried to frame me and destroy my reputation. In the end, with the help of the community (special thanks to Felix & Gamdom), I managed to take down this Russian casino owner's €100MM+ illegal gambling operation.
- This led to me having a quite large follower base on Twitter; Soon I was exposing
 fraudulent CSGO casinos regularly. I gained a position as a defender of the community,
 and I started pushing for more transparency, regulation, and higher standards of integrity
 for skin gambling sites.
- My efforts to regulate the skin scene have been very impactful. Most notably, I've
 managed to educate the community about provably fair RNG technology for casinos,
 which has led to most CSGO casinos to implement a transparent system which makes it
 impossible for them to rig their games.
- I have been exposing numerous CSGO gambling scandals, and I've managed to
 pressure numerous shady CSGO casinos into cleaning their operations; By
 implementing transparent RNG, by getting an actual gambling license, and by simply
 demanding for higher levels of integrity with the help of the community.

I don't want to toot my own horn here too much, I just want to give you the necessary context so that the following post doesn't come completely out of the blue. I used to be very well-known in the community, especially a few years ago, but over the past 2 years I've been less relevant as I've been almost completely silent. After some disgusting attacks from my enemies, I suffered a rather significant burnout, but I'm happy to say that I'm back in business, stronger than ever. And I can't wait to start chasing the corrupt people in the skin gambling community again.

As always, I want to stick to one of my most important philosophies; In this post, I want to be radically transparent and honest. I want to write this open letter to the CSGO community with absolute honesty, and with no hidden motives whatsoever. I will be happy to back up any claims that I make with evidence, and I am ready to answer any questions that the community may have directly.

Before we get into the meat of the post, let me just start by addressing the elephant in the room. Yes; I'm calling out a competitor again. When publishing similar documents in the past, many have criticized me for attacking my competitors with the intention of benefiting my business.

Yes, in the past, exposing these scandals did bring a lot of positive attention for my business, and my efforts of policing the scene have played a crucial role in building my brand. However, that hasn't been my original intention. If you follow the work I've done and if you observe the way I run my business, you will see that profit and success are not my only driving factors. If I wanted to, I could've made ridiculous amounts of profit by making some moral sacrifices, but I've decided not to. I genuinely want to run my business by the book, I want to do things with a high level of integrity, and I want to treat my customers fairly. I genuinely want to make a positive impact on this community. While some may argue that gambling is inherently bad, the thought that allows me to sleep at night is the fact that I'm producing a more pure form of gambling for those who are inevitably going to gamble, while helping people steer away from fraudulent sites.

But I do want to get this out of the way; Yes, the competitor that I'm going to mention today is arguably our largest competitor - In fact, this particular competitor has been an exceptional pain in my ass for a long time. In fact, they've played quite a nasty game in terms of targeting and sabotaging us specifically, which has been completely unprovoked and undeserved. In a way, this post shall at least be a slap in their face, and a demonstration that I'll stand on my feet, no matter who bullies me.

However, I want to highlight that all of my claims will be backed by evidence, and I want to clarify that I am sharing this criticism with a goal of not destroying the competitor, but instead making them operate with more integrity.

Now that I got the preface out of the way, it's time to move to the meat of the document. The rest of the document is primarily written by my new colleague, <u>Warren</u>, who along with having significant history in the crypto gambling space, has worked in the financial research sector for several years.

The actual post starts on the next page:

We didn't want to write this post, but things have obviously reached a breaking point. We have taken a backseat and been less active for a few years, and during this period, the CSGO gambling space has devolved dramatically. CSGOEmpire has worked very hard to make the space fair, regulated, and ethical — but certain players in the space have forced all of us back several steps. This is dangerous for several reasons, and I believe it's important that we speak out before the damage worsens.

CSGORoll, one of our largest competitors, has recently taken some extreme steps that we believe makes their operation predatory towards their customers. Although we strongly believe that competition is healthy — more innovation and more options can only be better for the consumer, as long as everyone plays fair — when bad actors move into shady, unethical, and dark territory, it becomes our duty to speak up, not only to protect ethical businesses such as our own, but for the safety of the entire industry.

This wonderful little world that we know and love has been <u>under attack by outside forces</u>² for a while now: regulators, lobbyists, lawmakers, and even Valve itself. Giving these forces ammunition to make their attacks even stronger is the last thing we want to do. In the pursuit of expedient, short-term profits, unethical operators like CSGORoll run the risk of destroying the entire industry as a whole. The chances of this happening increase every day, and we can no longer sit by and watch this happen — it has become our responsibility to say something. It has become our responsibility to ask for change. It's still not too late.

In this post, we'd like to go over a few key points:

- CSGORoll's predatory and exploitative practices towards their customers
- A look at our history with CSGORoll and their scummy behavior
- Why regulation matters the risks of openly running illegal operations
- The "skins marketplace" lie
- The way forward

CSGORoll's Predatory Practices

Before we talk about the G2 partnership and the dangerously illegal nature of CSGORoll's operations, we'd first like to delve into how they prey on their users and manipulate them into

¹ The <u>full story</u> behind how CSGOEmpire exposed multiple scam sites with fake PF systems

² Valve to <u>clamp down</u> on Steam gambling sites following CS:GO Lotto controversy

keeping funds locked up on the platform. CSGORoll engages in several predatory practices designed to insidiously exploit customers in clever ways that often go unnoticed. These mostly come in the form of <u>restrictions on withdrawals</u>³ — the less money players are able to withdraw from the platform, the more profit CSGORoll makes. This problem has worsened over time, as there is no one policing the scene, and scammers feel emboldened.

There is a severe lack of liquidity⁴ on CSGORoll's P2P trading platform. What this means is that if players want to withdraw a large amount in skins, they will be forced to wait for longer periods as there are not enough skins listed. More crucially, CSGORoll *only* allows withdrawals in skins — unlike on other similar sites like ours, there are no crypto withdrawal options — making the problem even worse. Skins are the only withdrawal method available, yet liquidity is significantly worse than at marketplaces like ours. In addition to this, CSGORoll forces a withdrawal lock⁵ on users that win more than 1,000 coins, which requires support's manual approval to lift. CSGORoll's excuse⁶ for this is "security," but this makes no sense — there are no clear grounds or guidelines for blocking this arbitrary amount of money in all cases, and many players see it as a way for them to encourage further gambling as the account funds cannot be taken out of the platform for at least several minutes and up to several hours. The owner of CSGORoll owns other casinos as well, and they don't have similar restrictions, proving that the "security" argument is completely bogus.

Both of these issues have the same result: they keep the user's funds locked into the platform, which often leads to them gambling more than they originally intended to 7. Someone who wants to withdraw \$100k from the platform right away won't be able to due to the heavy restrictions, and they will likely end up gambling further — they may even think that it was their own free will, when in reality it was the system's insidious design. Social media is littered with examples of CSGORoll blocking withdrawals out of the blue, leading to customers losing money that they otherwise would have withdrawn. They have also been known to at times censor chat⁸ to ensure that these complaints aren't given a fair audience. These are dark UX methods carefully engineered to maximize users' losses on the platform in a highly sinister manner. A fair, ethical casino wouldn't place arbitrary restrictions, and if it doesn't have alternative withdrawal options available, it would work hard to make the skins marketplace more liquid and more accessible so that high-rollers can withdraw at will. Clearly, CSGORoll does not care about effective off-ramping. This is predatory.

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³ Examples of CSGORoll players on social media that are unable to withdraw their funds

⁴ CSGORoll's <u>lack of liquidity</u> over a 2 week period being showcased

⁵ A <u>Trustpilot review</u> from a player complaining about CSGORoll's manual approval for withdrawals

⁶ CSGORoll's "security" excuse for why they lock players' funds

⁷ An <u>example</u> of a CSGORoll player losing thousands due to a forced withdrawal lock

⁸ CSGORoll restricting chat to players that deposit over 10,000 coins as a form of censorship

Our History With CSGORoll

After CSGORoll's relaunch, we were subject to a completely unprovoked attack orchestrated by the owner of CSGORoll. CSGORoll <u>attempted to ruin our deposit platform</u>⁹ by reporting us to both our payment processors and the authorities under false pretenses, and they also successfully poached designers working for us in order to steal our assets and replicate our look. At Empire, we pride ourselves in our ability to keep our heads down and build good products — we strive to build things that are unique and useful, and we tend to mind our own business, so these attacks were confusing, unfair, and felt like a complete betrayal.

Other than poaching design assets, CSGORoll attempted to copy our P2P system. Theirs is a complete knock-off — it looks similar, but it's much worse in terms of liquidity and user experience. You can find complaints strewn across their social media and Trustpilot about how large amounts cannot be withdrawn because there aren't enough items. We put several years of development and research into our P2P system, making it our core focus — creating a robust system with liquidity that can support high volume at all times is crucial for a proper trading and withdrawal experience. CSGORoll copied the idea, but left it at that — the details that actually make the system work properly, such as nuances in the code, attention to detail, fostering liquidity, and ongoing maintenance were completely ignored. The P2P system is secondary to the trade ecosystem behind it — without the trade ecosystem, all you have left is a facade.

We could go on for much longer, but despite everything they've done, our goal here is simple — we want to clean up the space and keep the competition honest. We have nothing against competition that runs their shop fairly and ethically — without underhanded tactics, without dark UX, without shady ways of exploiting their customers. All we're asking for here is change. There was a time, many years ago, when CSGORoll operated ethically and was a force for good in the space — but since their relaunch, they have changed their tune entirely. There's small stuff, like the bait and switch with the constant daily cases rewards reductions¹⁰, and there's the huge stuff, like the issues outlined in this document. Although it seems unlikely, we truly hope that one day CSGORoll cleans up their act and we can go back to being healthy competitors that compete on a level playing field.

⁹ How the owner of CSGORoll attempted to <u>sabotage our payment processors</u>

¹⁰ Details about how CSGORoll conducted a <u>bait and switch</u> with the value of their "free" daily cases

The Risks of Running Illegally — G2, US, and Valve

Illegal and unregulated casinos, especially in the CSGO gambling space, are highly problematic. They pose a <u>systemic threat</u>¹¹ to the industry as a whole, as we have seen in the past. Regulators across the world, <u>especially in the US</u>¹², see CSGO gambling as their next big target — we simply cannot afford to give them any ammunition. We must show the world that we can self-police. We must show law enforcement that we are able to build safe, regulated, fair, and ethical systems.

Unlike most every legitimate CSGO casino out there, CSGORoll openly accepts US customers¹³, despite unregulated casinos being prohibited in the US. In fact, web traffic data¹⁴ indicates that the US is by far their number one source of customers. While this is *highly* profitable for CSGORoll, it is greedy and short-sighted, as it puts the entire industry at risk. Their excuse for this, in their own words, is that "CSGORoll is not a gambling site," which is a brazen lie. CSGORoll's propensity to tempt fate in this manner is not only extremely dangerous for their own operation, but also the entire CSGO gambling space and all of the players within it — potentially even all traders if Valve decides to make skins non-tradeable. If regulators take serious notice, it's possible that Valve is forced to shut down the API calls that make such platforms feasible in the first place, which may be the death of all skin trading platforms.

We were very disappointed to see that G2 did not carry out proper due diligence when forming their partnership with CSGORoll — in fact, they were bold enough to use an <u>underage minor</u>¹⁵ (underage at the time the ad was filmed) in the partnership's advertisement video. G2 is now complicit in bringing new users to a platform that has predatory restrictions on withdrawals and is operating illegally — this much is clear from the CEO's <u>intentionally deceptive</u> <u>language</u>¹⁶ — making G2 and Alban Dechelotte (the CEO of G2) accessories to a criminal enterprise. There is nothing wrong with large gambling sponsorships — Stake, for instance, does a great job with this — but associating with companies that are flagrantly violating multiple legal (and moral) structures is taking it way too far. Several large streamers and influencers already receive massive paychecks from CSGORoll to promote them via inauthentic recommendations, spoofing a solid reputation, but a professional esports organization should be above this sort of behavior. The last thing any of us want is another wide-scale clampdown, and G2 is adding fuel to the fire, aggressively exacerbating the problem at hand. We have

¹¹ Unregulated and illegal casinos face the wrath of Steam and Twitch

¹² Washington Gambling Commission's cease and desist to Steam

¹³ Evidence of CSGORoll being accessible from the United States

¹⁴ Similarweb data indicates that over 20% of CSGORoll's traffic comes from the US

¹⁵ CSGORoll using a <u>17 year old minor</u> from G2 to promote gambling

¹⁶ A <u>statement from G2</u> about the CSGORoll partnership containing extremely deceptive language

enough experience in this field to say that it's not too late yet, but if G2 continues down this path, a lot of CSGO newcomers are being put at risk from multiple angles, and the very existence of skins is in the line of fire.

CSGORoll, founded in 2016, is a community skin trading and social gaming platform that provides access to win, purchase, trade, and upgrade weapon skins. Considered one of the largest CSGO game operators within the industry, the platform is on a mission to elevate and enhance the player's in-game experience at every opportunity with innovation at its core.

Alban Dechelotte, CEO of G2 Esports, comments: "Adding skins in-game is a fun, interactive and cosmetic way to express yourself. You just need to watch how much a player like Ilya "m0NESY" enjoys selecting his CS:GO skins to see it's an important part of his connection to the game. We are very excited to partner with CS:GO Roll enabling G2 fans to get a chance to earn the rare skin they always dreamed of"

Deceiving the World — The "Skins Marketplace" Lie

CSGORoll prominently brands themselves as the "Largest CSGO P2P Skins Marketplace." It's the only thing in their Twitter bio. This is highly deceptive on multiple levels. Clearly, CSGORoll is trying to obfuscate the fact that they are a casino, hiding under the "skins marketplace" label. When you visit CSGORoll's homepage, you land right away on the skins marketplace part of the site, not the casino — the intention here is to manipulate onlookers into believing that the

Hi there, thanks for your patience. CSGORoll is not a gambling website nor operates under the terms of one, for this reason, a license number is not required. Could you please let us know where you are accessing CSGORoll from? As long as you are not using a VPN and your account access is not being restricted, there should be no issues when using our services.

casino is auxiliary to the skins marketplace, when in reality it's the other way around. We should also mention that CSGORoll is most definitely not the "largest" skins marketplace, as is evident from their illiquid withdrawal page — many others, including ours, are far larger. The screenshot on the left is CSGORoll lying and declaring outright that they are not a gambling website — absolutely insane.

CSGORoll enjoys multiple benefits from masquerading as a skins marketplace. Firstly, they are able to deceive their payment processors into working with them — you see, they're not a casino, they're just a skins marketplace! This is how they are able to develop extensive deposit networks without proper licenses, regulation, or geoblocking. (And curiously, they haven't

¹⁷ CSGORoll <u>falsely branding themselves</u> on Twitter as the largest CSGO P2P skins marketplace with no mention of them being a casino

bothered using this power to allow players to withdraw their funds in a liquid manner like via crypto.) This deception also allows them to have a lot more leeway when advertising — they can openly advertise their casino in various places, even to children, under the guise of it being an innocent marketplace.

The most stark example of this is the G2 partnership announcement. You'll notice that they carefully use deceptive language, engineered in such a manner that a passerby wouldn't even notice that CSGORoll is a casino. Phrases such as "community skin trading," "social gaming platform," "selecting CSGO skins," and "earn the rare skin they always dreamed of" paint a rosy picture of a trading marketplace where kids and grind and work hard to "earn," when in reality it's just a gambling platform. This utter lack of transparency is highly disingenuous and disgusting. It brings up another important question — if CSGORoll is willing to openly lie about the very nature of their business, what else are they willing to lie about?

The Way Forward

Our message is simple, and we want to say it loud and clear — we can be better. CSGO gambling has had a negative reputation for a while now, and we've been trying to change that for far too long. We have demonstrated, with concrete historical evidence, that CSGO gambling can be fair and regulated. CSGO gambling can be ethical, it can be fair, our platforms can do exactly what they say on the tin with no deception, no trickery, and radical transparency.

After the G2 partnership announcement, market leaders in the space, including Felix, approached us with warnings about CSGORoll's unethical and illegal activities. This came as a genuine surprise to us — so we started asking around, doing research, and getting information from various sources in order to understand the situation accurately, and what we saw shocked us, especially the withdrawal locking situation. This is only the tip of the iceberg. If a weekend of cursory research and basic interviews uncovered all of this, we can only speculate what else lies under the surface. If any interested parties — regulators, journalists, media outlets, power users — would like further details on any of the information outlined here, please contact either one of us on Twitter and we would be more than happy to arrange a deeper dive into specific topics.

Before this goes any further, we are requesting CSGORoll and other skin gambling platforms to clean up their act. Stop exploiting your users with these underhanded tricks. Stop serving customers illegally. Stop using children to advertise your products — children cannot consent to gambling. Stop deceiving, stop lying, stop stealing. We can be better. For years, we have

operated honestly and transparently, fully in line with license regulations, treating our customers fairly, exactly the way we would want to be treated. And there is no reason why others can't follow in our footsteps.

Summary of issues

Problem	Proposed solution
Forcing users to keep funds on the platform via a myriad of withdrawal blocking methods, leading them to gamble away funds they otherwise would have withdrawn	Build out an honest withdrawal system where users can take out their entire balance at any time without arbitrary limits
Illegally permitting US customers, creating high operational risk for the entire industry	Integrate a gambling license and properly geoblock the right jurisdictions
Platform liquidity is extremely bad — and players can only withdraw skins with no alternative withdrawal methods	Integrate alternative withdrawal methods such as cryptocurrency so that users can pull out funds without waiting several weeks
Openly advertising using minors	Stop using children in your promotions!
Falsely advertising their core business by lying about both its size and its nature	Accurately represent that CSGORoll is a casino and is not the largest skins market
To G2: stop advertising for and associating with criminal enterprises	Encourage CSGORoll to clean up their operations, or stop associating altogether

Until these changes are implemented at a satisfactory level, we will slowly ramp up our efforts to bring these changes into effect, mounting actions on several fronts. We will use all of the resources at our disposal to ensure that those baiting newcomers into these predatory platforms are exposed for the wrong that they are doing. The risk of our space imploding increases every day these sites exploit their customers, and thus, so must our efforts in countering them. Enough is enough — it's time for the community to take a stand. The time for change is now.

Let this also be a wake-up call to G2. We cannot sit idly by while you promote illegal gambling to children using minors in your ads and actively drive US traffic to a gambling website operating illegally in the US. Before things go too far, we urge you to do the right thing and reverse course.

See you at the Majors...

Monarch and Warren

PS. A big thank you to Felix from Gamdom for helping with researching this piece.