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## Congress of the United States House of Representatives

March 28, 2024

The Honorable Richard Blumenthal  
Chairman, Permanent Subcommittee on Investigations  
Senate Committee on Homeland Security & Governmental Affairs  
340 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Blumenthal:

I write regarding the investigation into the abusive practices of Live Nation Entertainment, Inc. by the Senate Permanent Subcommittee on Investigations.

It has now been one year since the Subcommittee first wrote to Live Nation/Ticketmaster on March 24, 2023, seeking documents and information in connection with its inquiry, and four months since the Subcommittee was forced to issue a subpoena to Live Nation/Ticketmaster. To aid in the Subcommittee's investigation, please find attached to this letter a copy of an expert report (Exhibit B) about Live Nation/Ticketmaster's business model that alleges corrupt practices.

This is the first time this report has been made public and the findings in this case are alarming, but not surprising. The report lays out in detail the ways in which Live Nation/Ticketmaster's business practices are systematically designed to undermine fair competition within the industry to further enrich the company at the expense of fans, as well as other stakeholders in the live events industry. Uniquely, the analysis is based upon Live Nation/Ticketmaster's own financial data, documentation, and correspondence provided by Live Nation/Ticketmaster as part of discovery in a lawsuit that has been ongoing for well over a decade.

My office accessed an unredacted copy of the report with the assistance of the Congressional Research Service using the publicly available Public Access to Court Electronic Records (PACER) website. The findings within this document include allegations that:

- Live Nation/Ticketmaster negotiated third-party expenses, like rental costs with venues, directly with vendors in exchange for exclusive financial gains not disclosed to the artists or their agents, managers, or independent co-promoters in the form of “rebates.”
- The value of these “rebates,” for the exclusive benefit of Live Nation/Ticketmaster, may be directly correlated to the negotiated increased value of expenses.
- Higher third-party expense means an event may be more expensive to produce and promote for all involved including agents, artists, and co-independent promoters within the contingency contracts that Live Nation/Ticketmaster uses.
- Live Nation/Ticketmaster can enjoy 100% of the benefit while passing on material costs (at times more than 50%) onto third parties including artists, agents, managers, and co-independent promoters.
- Live Nation/Ticketmaster’s business model may create an inherent conflict of interest with their fiduciary responsibility to the artists and others mentioned under these contingency compensation arrangements.
- Live Nation/Ticketmaster has insulated its profit through these “rebates” which are based on volume, while artists, agents, managers and co-independent promoters are compensated on “value” of ticket sales.
- Some shows indicate a “loss” or “very low profit” on public statements presented to artists, agents, managers and co-independent promoters, but a “profit” after factoring in the “rebates” in the internal accounting documents of Live Nation/Ticketmaster.
- These “rebates” are recorded as a non-traditional accounting item referred to as “contribution margin,” which the report alleges is not customary.
- Live Nation/Ticketmaster’s business model allows them to show “loss” or low “promoter profit” to its vendors and partners, including co-independent promoters, while reporting profit or higher income to regulators and shareholders.
- Live Nation/Ticketmaster’s suspicious accounting practices may have caused financial harm to the artists they promoted.
- Live Nation/Ticketmaster’s business model and the “rebates” it negotiates may be responsible for the rising cost of tickets for live events, which is then passed on to consumers.
- The report concludes that “Live Nation/Ticketmaster, their stockholders, and arenas are the primary beneficiaries of these business practices.”

I will also call your attention to the outline of documents and evidence used in this analysis on page 22 of the report, as it may be helpful in making pointed requests for additional document production from Live Nation/Ticketmaster.

As the Senate sponsor of our BOSS and SWIFT ticket reform legislation, you are well aware of the need for more transparency and greater regulation of the live event ticket marketplace. For years, Live Nation/Ticketmaster has operated with a high-level of secrecy,

exploiting consumers and stifling competition, often by hiding behind terms like “trade secrets” and “proprietary” to shut down any meaningful oversight. This report sheds light as to why Live Nation/Ticketmaster has so vehemently opposed sharing details of its pricing model.

I encourage you and your subcommittee colleagues to review and use this report to further your important investigation.

Sincerely,

A handwritten signature in blue ink that reads "Bill Pascrell, Jr." with a stylized flourish at the end.

Bill Pascrell, Jr.  
Member of Congress

cc:

The Honorable Lina M. Khan, Chairperson, Federal Trade Commission

The Honorable Jonathan Kanter, Assistant Attorney General, Antitrust Division, U.S.  
Department of Justice

Chair Cathy McMorris Rodgers and Ranking Member Frank Pallone, Jr., House Energy and  
Commerce Committee

Chair H. Morgan Griffith and Ranking Member Kathy Castor, House Energy and Commerce  
Subcommittee on Oversight and Investigations

Chair Gus M. Bilirakis and Ranking Member Janice D. Schakowsky, House Energy and  
Commerce Subcommittee on Innovation, Data, and Commerce