

prohibits gambling on federal military bases within the United States. However, it allows gaming in its installations overseas. **The legalization, regulation and control of gaming activities are reserved for the states.** Exceptions are interstate transportation and transmission over public communication lines which are still controlled by federal agencies. Another exception is gaming on Indian reservations which is unique in that they are subject only to federal restrictions and not to most of their state and local agencies. The status of Indian gaming is currently a quagmire of conflicting federal, state and Indian rights and jurisdictions. It can only be clarified by congressional action, which traditionally makes matters worse.

Transporting The Machines

Licenses to manufacture, operate and distribute slot machines do not grant immunity from federal laws against transporting of gaming devices across state lines or into states where gambling is prohibited. Manufacturers are subject to surveillance not only by state authorities but also by federal investigators.

The federal government has strict guidelines for the interstate transportation of gaming devices and paraphernalia. Transportation is only allowed between states where the manufacture and/or use of such devices is allowed.

One morning this co-author walked into a manufacturer's office and found the place crawling with FBI agents. Employees were being "grilled" individually for information on a certain person and his connection, if any, with the manufacturer. It seems that person was suspected of transporting slots from the Las Vegas area into the New

York City area, where they are obviously illegal. Neither the manufacturer nor any of its employees had any business dealings with the suspect. They were dumbfounded when shortly after the FBI agents left, the suspect walked in the door! Needless to say, no one offered to buy him lunch.

More recently, indictments were handed down on 22 suspected members of a ring of slot "transporters" who lived in Las Vegas, Texas, California and on the East Coast. It was estimated that they had bought thousands of machines in Las Vegas and shipped them to various illegal gaming spots in the east.

Gaming machines that are modified to serve as "amusement only" devices are shipped all over the country and are found in bars, private clubs and homes. The possibility that many are used for gambling doesn't take much stretching of the imagination.

However, machines manufactured before 1948 are considered antiques in most states and are legal as collector's items and for home use. The guidelines for transporting these antiques must still be followed, which may include inspection by state authorities at the sending and receiving locations.

Here's more on the subject of owning antique slots, as excerpted from *Las Vegas Behind the Tables PART 2*, Barney Vinson's sequel to his original bestseller:

"Most states allow a person the right to own a slot machine *if* it is to be used for collecting purposes only, and *if* it will not be used for gambling. In order for the machine to be a collector's item, it usually has to be 25 years old ... which rules out electronic slots for private owners.

"The ages vary from one state to the next, and most state laws are fairly simple. For instance, Missouri says

'any machine over 30 years old is presumed to be an antique.' New York: 'Any machine manufactured prior to 1950 is presumed to be an antique.' In Arizona 'any machine manufactured 25 years ago is presumed to be an antique.' But then in Virginia 'present laws are unclear.' In Texas, watch out! 'When a slot machine is purchased by a state citizen it is required that within 30 days of purchase the buyer supplies name of machine, year of manufacture, and serial number to local law enforcement agency. Failure to do so is constituted as a *felony*.' In other words, if the machine is 30, and you do not report it within 30, then *you* do 30."

Vinson also wrote about the grading of machines based on their condition. In his own witty style, Vinson said:

"Once an individual decides to buy a slot machine, it is a good idea to grab hold of something like the Loose Change Blue Book, which lists the prices of various machines, from Grade 1 (top of the line) to Grade 5. (How'd you get it over here, Chuck, on the back of your skateboard?)"

Operating The Machine

In Nevada, the Gaming Commission and Gaming Control Board are the regulatory bodies responsible for licensing and regulating of all gaming activities. The corresponding body in New Jersey is the Atlantic City Casino Control Commission.

According to the Regulations of the Nevada Gaming Commission and State Gaming Control Board there are two major classifications of licenses issued, Restricted and Non-Restricted.

A "restricted license permits the operation of slot machines only in an establishment wherein the operation of the machines is incidental to the primary business of the licensee." Fifteen (15) machines is the maximum allowed at one location.

Non-gaming establishments permit an operator to place machines as an added attraction for customers. They may receive a percentage of the profit from the machines or a straight fee, depending upon their agreement with the operator. However, they must be "acceptable" to the gaming regulators before an operator is permitted to place machines in their establishment. For instance, a legitimate business (restaurant, pizza parlor, supermarket, etc.) operated by a suspected underworld figure or former casino employee ousted for illegal activities would not be "acceptable" for placement of gaming machines.

Casinos and casino-hotels must obtain "non-restricted" licenses. Owners and key employees must pass the "acid" test. Applicants must undergo extensive background investigations. Further, the applicant must pay all expenses related to the background investigation which could vary from a few thousand to several *hundred* thousand dollars.

When the Gaming Board approved an increase in the number of machines for restricted licensees from 15 to 25 recently, a special meeting of the board was called during which all the "big guns" from the major casinos in Nevada and the Nevada Resort Association objected to the increase. They convinced the Board that it would be faced with enforcement and control problems.

After hearing arguments from both the "little guys" and the "giants," the Board took a second vote. It was decided the slot limit for the small businesses shall remain at

15. In the "Super Bowl of Slots," the giants always win.

Incidentally, you do not need a license to purchase a slot machine for private use in your own "game room" for entertainment, provided your state allows it. But don't allow friends to play with their own money, don't retain their losses, and don't pay them for jackpots won. You could be accused of illegal gaming. You might even alienate your friends if they play for fun and then change their minds and want to be paid when they hit a jackpot!

Designing the Machine

The procedures that manufacturers must follow to obtain a license for a new gaming device are strict, time consuming, and expensive. They not only have to spend big bucks for research and development of new devices, but also must design it with a view toward the factors that the Gaming Control Board will use to examine the new product. A brief tour through the procedure will give you some idea of how and why some machines have been around for years and some disappear within a few months.

The Gaming Control Board's main concerns in approving new gaming devices are that they are reliable, fair to the player, and have player appeal to generate a profit for the casino and the resulting tax revenue.

Steps in obtaining approval to manufacture and market a new machine are briefly described as follows:

1. Manufacturer produces a working prototype.
2. Manufacturer submits it to the Board along with the source code for its computer program.
3. The Board laboratory examines it thoroughly, plays

it, hits it with hammers, tries to cheat it, and abuses it every way possible.

4. Two or three technicians or computer "experts" look at the source code and write an opinion on whether or not it works and will be profitable for the casino.

5. If it is recommended, it will be put on the agenda for a public meeting of the Board and approval given for a field trial.

6. Manufacturer must then find a casino willing to put it on the floor and document the results for a 60 to 90 day period.

7. The machine and the record of activity then go back to the Board and it is put on the agenda for the next meeting.

8. The Board studies the record of activity during the trial period including data on amount of play, how well it worked or didn't work, and how much money it made for the casino.

9. The Board then decides whether or not to grant a license for its manufacture and distribution. Sometimes they will grant a conditional license provided certain modifications are made.

Gaming Board meetings sometimes become very lively, especially when controversial figures or celebrities appear for hearings or licensing. Small manufacturers who do not employ full time attorneys usually retain lawyers to represent them at such hearings. Some of these "part-time" counselors took umbrage when at one meeting a board member referred to the various legal beagles present as "in-house and out-house counselors."

While working as a consultant with one company to examine their new machine and to help get it into shape

for approval by the Gaming Control Board, we discovered a routine in the program that guaranteed the machine would hold its percentage. For instance, if the machine paid out 96 percent and was supposed to be paying 92 percent, the routine would throw out any winners until its percentage got back on line! A revolting development!

We cautioned them that such a routine was against the law and would have to be removed before it would ever get by the Board. We can only assume that the final version that was approved by the Board, and is now on the street, had that illegal routine removed. But your guess is as good as ours.

One machine that had a rough time getting Board approval was the "Whirl Win" developed by IGT. The Board objected to its similarity to the old carnival pusher-type games that were often rigged. The machine displayed coins that appeared ready to drop from a shelf into a payout chute, but which seldom ever dropped. IGT finally got it approved and it has done quite well. In its infancy, however, it usually paid out more than it was supposed to and had to be modified with extra baffles to hold its percentage.

At one time, Harrah's hotel and casino in Reno had their own Research and Development department and were designing their own slot machine. They also built a contraption they dubbed "The Iron Grandma" which would literally play and test the machines. It would insert coins and pull the handle. But Harrah's was not satisfied with their own machine design and hired a nationwide consulting firm to design a machine for them. The firm developed a beautiful machine, with a multiple-board system, an optical reel-reading system, and a very elaborate mechanical handle. However, the handle was too

delicate for the rigorous play of Iron Grandma. Grandma ripped the handle off after a few pulls. Also, if the handle was greased too lightly or too heavily, it would break easier. The designer didn't believe that players were as abusive as the Grandma and apparently not aware of the noise, smoke, static, and dirty environment found in most casinos. The fifteen machines they built were placed in the casino and taken out almost immediately. They were easily shocked by the static and would literally display "garbage." The bar-coding on the back of the reels would get smudged and dirty, "blinding" the optical reader so that it would either fail to read, mis-read, or cause the machine to mis-pay. Needless to say, the machine was never approved.

The Nevada Gaming Board acquired one of Harrah's Iron Grandmas to test new machines submitted for approval. Unfortunately, they underestimated Grandma's strength. The first machine they tested was not bolted down and Grandma literally threw it across the room on the first handle pull.

Iron Grandma reminds us of the story told us by a change girl about one of her steady customers. The little white-haired grandmotherly woman always talked to her machine in a sweet soft voice and caressed it before pulling the handle. One day she overheard "Granny" say as she patted the machine gently on the side, "Now you pay me, you sweet thing, and I'll be nice to you." About an hour and approximately \$60 later she paused to hear Granny say in the same soft tone, "You'd better pay me you S.O.B. or I'm gonna kick you in the face and break your arm!"

Probably the best way of testing machines is to have them played by "trained gorillas." Jennings, a slot

manufacturer, furnished machines to Army bases overseas and were proud of their strong handle design. One day they got a call from an overseas base complaining that an irate player from a construction battalion went into a rage when he lost and ripped the handle out of the machine. Jennings engineers couldn't believe a man could be strong enough to do that until they received the mangled handle and machine.

How well a machine will stand up under normal playing conditions is one factor that the Board considers before granting approval. You wouldn't believe the abuse that the machines get from players and would-be cheaters. We once saw an irate loser slap the logo glass so hard it broke. The change girl alerted the floorman to shut the machine down immediately before some possible cheater could try to empty it. Spilling drinks, kicking, and jamming of knives, keys, nail files and other objects into the coin slot to release a stuck coin are some of the ways players cause a machine to malfunction.

A Major Problem — Gambling Addiction

Although this book describes the excitement, the thrill, and the glamour surrounding slot machines, we would be remiss if we did not include a strong caution against the possibility of becoming addicted to those fascinating devices.

As we indicated at the beginning of this chapter, regulatory safeguards are designed to make sure machines work properly and to protect the public from dishonest casinos. But how do you protect the people from themselves? Quite obviously, neither a Gaming Control Board

agent nor a casino boss is going to step in when you've spent too much money and tell you to "hit the door." Needless to say, there are far too many players who could certainly use that kind of "mothering." Far too many players who simply go too far.

Sue Miller, in the Baltimore Evening Sun, reported that a conservative national estimate of compulsive gamblers is four to six million, with 35 percent of them being women. A pioneer in the treatment of pathological gamblers is Taylor Manor Hospital in Ellicott City, Maryland. They predict that by the turn of the century 50 percent of them will probably be women.

In addition to possible family heartaches and financial difficulties, another dangerous result of gambling addiction is about \$2 billion a year in thefts and embezzlements to support the habit.

Resorts International in Atlantic City posted the telephone number of New Jersey's hot line for compulsive gamblers in seven places, at the entrances and over the cashier cages. The signs also bear the slogan "Bet With Your Head, Not Over It." The toll-free number, 1-800-GAMBLER, reaches New Jersey's Council on Compulsive Gambling, a non-profit organization dedicated to counseling addicted gamblers.

In Las Vegas there are 21 different meetings of Gamblers Anonymous. There is Gamanon for families and friends of compulsive gamblers, GAM-A-TEEN for children of addicted parents, and Gamblers Victorious which tries to convince sufferers that they can be cured of their addictions.

According to Miller, a symposium sponsored by the Ellicott City hospital drew 365 psychologists, psychiatrists, therapists, and counselors. Joanne Franklin, director of

training in the treatment program at the hospital, said that gambling addiction is very often associated with drug and alcohol addiction. Compulsive gambling also afflicts men in their early adolescent years but does not generally afflict women until their 30's or 40's. Female gamblers are usually more depressed than male gamblers but the suicide attempt rate with male gamblers is 20 percent higher than from other problems.

Although there are no "regulatory" safeguards against gambling addiction, it appears that the states and cities are aware of the problem and are supportive of groups concerned about and attempting to deal with the issue.

A Minor Problem

The legal age for gambling is 21. Anyone under that age is allowed in the restaurants, gift shops, and video arcades. They may walk through the casinos enroute to such areas but they cannot play or loiter in the gaming areas.

The minor problem is a major one in Atlantic City. According to New Jersey's Division of Gaming Enforcement, 34,387 juveniles were caught on casino floors in 1986. One seventeen year old was wine and dined by casinos while she gambled away thousands of dollars. She was fined \$500 and received a suspended sentence after pleading guilty. Her probation was conditioned on her attending Gamblers Anonymous.

The "Kick Yourself in the Rear" award must go to the family from Arkansas who were playing slots at Caesars Palace in Las Vegas. The "Million Dollar Baby" jackpot carousel was hit for \$1,061,811 by the 19-year-old son. His parents were playing nearby. Realizing he could not col-

lect the jackpot, the 225 pound, 6 foot 5 inch player left the machine and alerted his father to claim it. However, the surveillance cameras recorded the underage player at the machine when it hit, even though his parents had been playing it earlier. The Gaming Control Board ordered Caesars not to pay and not to divulge the name of the player and his family.

The family retained a Las Vegas lawyer to sue for the jackpot. Part of the argument may be that two teenage sisters were also playing slots unchallenged by casino personnel. It is understandable that they could easily have overlooked the son as a minor because of his size, but the casino is obligated to check the ID of obvious minors, not only playing machines but just standing and watching which is also prohibited.

Unfortunately, with so many people playing, casino employees can't constantly be checking ID's; they're too busy. However, they do the best job they can and we have seen them check many players who look underage.

The moral of this story is obvious. Don't gamble if you're under 21.

Perhaps this information has assured you that gaming and slot playing does not completely fit the derogatory image as portrayed in the movies and television specials. These safeguards have virtually eliminated the overt criminal elements. It is a legal form of recreation which can be enjoyed *with moderation* and with virtual certainty of an "honest" game.

CHAPTER 10

Slot Machine Promotions

Casinos have learned to “go with the flow” or, more appropriately, “go with the dough.” The trend toward increased revenue from slot machines over that received from all other games combined is like the proverbial hole in the dike or the yeast that makes the bread rise.

As casinos add more slot machines to accommodate the players, they also devise more ways to attract the players to their carousels. What a Merry-Go-Round it becomes as everyone tries to catch the brass ring, or the silver and gold ring in this case!

Slot Tournaments

One of the “lures” to attract these visitors is slot tournaments.

Tournaments for slot players grow more popular and widespread each year, while the prizes for winning increase with the number of participants.

“Slots Hysteria,” the second tournament held by the Flamingo Hilton in Las Vegas, featured a prize fund of \$100,000. Entry fee was \$550 and included hotel room, welcome gift, meals and an awards dinner dance. Tournament machines were selected by random drawing prior to each session and winnings accumulated on a meter. Partners could play, but only one at a time.

“Slot’s Hysteria II” at the Flamingo followed with a prize fund of \$270,000 based on 600 entries. Entry fee was \$777 and first place was \$50,000.

The Sands holds slot tournaments approximately every five weeks, each with a different theme. An “Oldie but Goodie” ’50s/’60s theme tournament with a \$325,000 stake was a good example. Another tournament theme was “Life of the Rich and Famous.”

The Aladdin Hotel’s slot tournament, with only a \$200 entry fee, offered prizes of \$30,000 for first place, \$15,000 for second, \$10,000 for third, \$4,000 for fourth and \$1,000 each for fifth through twentieth place. Entrants played three 45-minute sessions on three different types of machines. The top eight scorers on each type of machine advanced into the semi-final round and the top four competed in the “Final Four Pull Off.”

The Golden Nugget holds its “Grand Prix of Slots Tournament” with a \$100,000 Grand prize. \$2,400 entry fee covers the usual accommodations, awards dinner, etc. All

of the entry money is returned in 36 prizes totaling \$360,000 for the three-day tournament.

The Flamingo Hilton held annual tournaments of champions for their winners of the \$250,000 Pot O' Gold progressive jackpots. Tournament winners got one million dollars!

When we interviewed John Stroup, slot manager at the Flamingo Hilton, he stated that these annual million dollar tournaments had been discontinued. Their Pot-O-Gold progressive jackpots were also frozen at \$250,000. Their reasoning was that a quarter of a million dollars is attractive enough for the tourists who account for the largest portion of their clientele. As Mr. Stroup put it, "The Hilton hotels were the pioneers of the six figure jackpots. Then all the casinos started playing the one-upmanship game with million dollar and multi-million dollar jackpots. Such large winners are now so common that they get only small coverage in the news media, and the lotteries are awarding such big jackpots that even those wins are getting minor mention." Mr. Stroup also said that with smaller jackpots, they can afford to "loosen" the machines, lower the house percentage, and provide more frequent payouts. "After all, a guest who comes to town for four days and loses all his money the first day trying to hit a million dollars and then has to sit around broke the rest of the time leaves with a bad taste in his mouth and a negative impression of the city." Unhappy guests don't often return.

However, since that interview the Flamingo and Hilton hotels have installed \$1,000,000 progressive jackpots, to compete with the Barbary Coast next door and Caesars Palace across the street.

At the Fremont, a Boyd group hotel in downtown Las

Vegas, a slot tournament runs Sunday through Thursday with only a \$10.00 buy-in for each round. After five rounds (held hourly), two final rounds are held. Besides cash prizes, first through third places receive a free entry into the Super Slot Payoff and a complimentary entry for tournament night held every fifth week. Top Super Prize is \$25,000. With the low entry fee, the Boyd hotels really know how to hold a slot tournament! But, of course, they can afford it. In addition to Sam's Town on Boulder Highway, they also own the Stardust, the California, and Sam's Town Gold River in Laughlin, Nevada, on the Colorado River bordering Arizona.

Caesars Palace invited slot players to "Loot the Roman Empire" with its \$450,000 Olympic Tournament. After four days of play, winners received \$100,000 for first place, \$50,000 for second and \$20,000 for third. Entry fee was \$2,000, which also included the usual accommodations, gifts and a Hawaiian luau awards banquet with prizes awarded by the world-famous comedian, Red Skelton. According to their ad, "All can be yours, with just a little pull."

The Riviera Hotel hosted its third "Pull For the Gold" tournament with \$200,000 in prize money. First prize for the tournament was \$50,000. Top prize for the winner of each round was \$2,000. Entry fee was \$1,000, which included accommodations for four days and three nights, meals, welcome gifts, party awards banquet, and free Riviera show for two. Prizes were paid down to 125th place.

These tournaments have been so successful that even before the April tournament was over, the Riviera announced the next "Pull for Gold" to be held only three months later! First prize was \$250,000!

The tournament attracted 388 players and awarded

more than \$650,000. Do you consider yourself a born loser? Consider this! The guy who came in last with the lowest number of points drove away in a brand new Lincoln Town Car! They can hand me a booby prize like that anytime!

Automobiles, trips, and houses offered for last prize make the tournament more interesting and competitive. Players often deliberately try to be last because they think it is easier to win a nice prize that way than to lose out on the super first prize.

These prizes are not "small potatoes." The Riviera has learned which side of the bread the butter is on or maybe we should say they have learned who to "butter up" to bring in the "bread." A more recent tournament was for \$1,600,000 in prizes with first place of \$1,000,000 and prizes paid through 550 places. There were 48 first and second place session winners of \$2,000 and \$1,000 each respectively. Last place prize was a week's vacation for two in Hawaii. Also, the entry fee for this tournament was lowered from \$2500 to \$1750.

Why are slot tournaments so popular? Of course, the prizes are the main incentive. But there seems to be a "competitive spirit" in man that urges him to pit his resources and his skills against other people, against forces of nature, and even against insurmountable odds. This same "spirit" urges a young boy to challenge his friend in a race, and nations to send their athletes to the Olympic Games. Perhaps it also accounts for a slot player's preference for the progressive banks of machines. He is competing against *other* players as well as the machine.

The most important reason for the player may be that in the slot tournament there are guaranteed prizes at the

end for lucky participants. The odds of winning a prize of some kind are more realistic.

The bottom line on slot tournaments *for the casino* is their ability to "capture" slot players. Tournaments last from two or three days to a week for "out-of-towners."

What do you think those slot players do when they are not playing their tournament session? Practicing, that's what! Practicing on the casino's other slot machines. Their entry fee is paid in advance, and you can bet that if they put up a few hundred or even a few thousand for an entry fee, they bring a lot more for "practice."

The Million Dollar Money Machine Bust

One slot promotion in Atlantic City turned sour for the casino, even though it was popular for the participants. Several years ago, the Atlantic City Sands Hotel and Casino announced a million dollar prize game. Free tickets were published in newspapers and handed out in the casino. The ticket contained a set of symbols which could be matched to those displayed on a slot-like machine in the casino to win one million dollars. The million dollars had to be claimed within 15 minutes after the winning symbols were displayed, otherwise the prize was only one hundred dollars. There were strict rules, one which prohibited playing with more than one card per person. The reels were spun six times daily — six potential one million dollar winners!

The promotion began the day after Labor Day and was supposed to continue through January of the following year (about four months).

Michael Sherry, a member of the New York Futures Ex-

change, learned of the promotion about the middle of September and started studying the game. He made daily trips to Atlantic City to watch the spin for two weeks before he matched the symbols and won the million. A few days later he predicted that the promotion would be cancelled before January because it was too easy to win.

Sure enough, less than one month later Joseph Ryan matched for another million. He had quit his job as a window washer and watched every spin for six weeks before scoring.

Sherry had not yet received any payment when Ryan won. Payments were supposed to be \$50,000 per year for 20 years.

Within hours after Ryan's win, the casino placed an "out of order" sign on the machine and cancelled the promotion. It was obvious someone had figured this one out.

Five people filed a class action suit charging consumer fraud, claiming damages, and demanding that the game be reinstated. The judge ruled that by advertising the casino had entered into a contract with the public. He did not rule that there had been fraud, leaving that for those filing suit for damages to prove. He ruled also that the casino did not have to reinstate the game. Litigants who could prove that they lost money for travel expenses to play the game and did not know that it had been cancelled could be reimbursed for those expenses plus attorney's fees.

The County Division of Consumer Affairs investigated the possibility of false advertising. The casino could have been penalized \$2,000 for consumer fraud on a first offense. Big deal! They probably saved another two or three million dollars or more by cancelling. It would take thousands of litigants for a few hundred dollars damages each to add up to the millions they saved.

Other Slot Promotions

One of the strangest promotions has to be this one, put on by Harrah's Marina in Atlantic City. They offered \$20 in credit that could be used in any of their restaurants to anyone who could produce an income tax return showing they reported a jackpot over \$1,200. (Jackpots over \$1,200 are automatically reported to the IRS by the casino; those under that amount are the responsibility of the player to report.)

Had Harrah's designed their promotion for reported jackpots *under* \$1,200, we doubt that there would have been many takers!

In Atlantic City, the Division of Gaming Enforcement (DGE) ordered two casinos to stop publishing "deceptive and misleading" slot machine advertisements:

Trump's Castle advertised:

"Slot players lost \$18 million more playing at Harrah's than at Trump."

Harrah's ad:

"Harrah's slot players won \$79 million more than the Castle. Where are you playing?"

The Division considered these ads misleading because they didn't indicate the number or denomination of the slot machines.

In Las Vegas, the Continental Hotel-Casino's "Golden Opportunity" promotion featured prizes of \$5, \$20, \$50, and \$100 cash, dinners for two, free buffets, T-shirts, satin jackets, golf shirts, caps and tote bags. Players won these prizes by cashing in special "gold" coins received in

payouts from the machines. All slot, video poker and keno machines were peppered with the special coins.

At the Palace Station, a special promotion included registering for one free ticket per day to win weekly prizes of \$100, \$500 and a Cadillac. Additional tickets for the drawing were given for every \$25 jackpot hit on the slots. This promotion is alternated with an annual "Car-A-Day in May" drawing. That's 31 automobiles to be won by lucky players during the month. Many players complain that receiving drawing tickets only for jackpots won was unfair. They felt that tickets should be given for change purchased because they often invested hundreds of dollars to "win" one or two tickets. However, the casinos don't "trust" players to play all the money they buy.

The Lady Luck in downtown Las Vegas installed a bank of "Can't Lose" machines to introduce their new 16-story "Luxury Tower." You either win on the machines (maximum payout is \$1,000), or you get the money you invested back. Lady Luck has these machines set at 120 to 130 percent return to the customers. In the first few months of testing, 59 players hit \$1,000 jackpots and the casino says thousands hit smaller payouts. Out-of-state customers with their "Fun Books" get a free pull on the special machines. Also, four times a day winners in a drawing get to play two minutes each. Don't expect to be able to play these machines as long or as often as you like. They're merely another lure to get you a "warm" feeling that all their machines are generous.

When you come to town, check around, it seems like

there's a new promotion going on all the time at one hotel or another.

Our friend, Barney Vinson, who wrote *Las Vegas Behind The Tables PART 2* at about the same time we were writing our book, included some amusing stories about slot machine promotions in his sequel. Here are two particular stories that caught our fancy:

"In one casino, a slot machine boss came up with a meloncholy idea. 'I was driving down the Strip,' one oldtimer recalled, 'and I see this old fella walking down the side of the road carrying a watermelon. Then a couple of blocks later I see another fella carrying a watermelon. I'm wondering what the hell's going on, and then I see someone coming out of this casino carrying a watermelon. I went inside, and there was a watermelon on top of every single slot machine in the joint — and a sign which said, 'With every watermelon jackpot, win a big prize!'"

"Another slot manager offered free personalized key chains just for coming inside. Of course, he just happened to be out of key chains with your name on them, 'but we'll have one made up right away.' In the meantime, two slot machines set up on either side of the key chain booth were spitting out jackpots right and left. Since there were some empty machines nearby, and since the key chain would be ready any minute now — 'Oh, what the heck, give me ten dollars in nickels.'

'Hey, that's a nice key chain, Boob.'

'That's supposed to say 'Bob.' And the damn thing cost me SEVENTY-FIVE DOLLARS!!' "

Our thanks to Barney for allowing us to use his stories.

Free Pull Slots

Circus Circus has an ongoing promotion with free pulls

on special slot machines. You receive coupons for the free pulls when you ride the shuttle from the Manor or Skyrise to the main casino, or as you leave the buffet. The free-pull machines are located in strategic spots in the main, west, Skyrise and Manor casinos. They are all near a change booth, so if you win, even if it is only a key chain, you might be tempted to try your luck on the "real" machines.

Bally's in Las Vegas held its own unique version of a "Free Pull" contest, only requiring registration for a drawing. Each daily winner drawn then got a free pull on every slot machine (except video poker) in the hotel, *all 890 of them!* Each day's play took approximately two and one-half hours with a potential of winning \$2.7 million. There were no "really big" winners; however, each winner averaged \$800 to \$1,000. Not bad for a zero investment.

Recently, the Reno Hilton staged its "Don't be a Sucker" campaign. Free Dum-Dum suckers were handed out with wrappers for a free pull on the "Top Slot," a \$1 machine with a new car as a prize. Somehow this promotion suggests a contradiction in its title, luring all the "suckers" into the casino to play the regular slots when they don't win on the free pull.

One of the most popular promotions had to be the "MONEY FOR NOTHIN" giveaway held by Harrah's Tahoe. While enjoying a nice dinner or playing your favorite game, a special "Money for Nothin" showgirl may have walked up and handed you cash, anywhere from \$100 to \$3,000. It happened every half hour between 11:00 a.m. and 3:00 a.m., seven days a week. No drawings, no tickets, no registrations; you just had to be there.

Advertised Percentages

Recently, the Reno Hilton placed gold-plated signs on each machine indicating the programmed percentage of payout. For instance: "This machine is verified by the manufacturer to return 97.84 percent." The percentages differ from machine to machine and range from 97 to 99 percent. The promotion was so successful in Reno that the signs were also posted on machines at the Las Vegas Hilton. Of the 1,004 slots and videos, 104 special machines were posted: 67 were \$1.00, 31 were \$5.00 and 6 were \$25.00 machines. Cecil Fredi, slot manager, said they took a survey and found that the players didn't play a machine posted 99 percent any more frequently than one posted 97 percent!

All the posted machines are three-reelers with medium-size jackpots. A \$1 machine pays \$1,199 for three jokers. A \$5 machine pays as high as \$6,000 for three "crazy bars," and the \$25 machine pays \$25,000 for three 7-bars. Although the Las Vegas & Flamingo Hiltons are noted for their huge Pot O'Gold jackpots, Fredi said, "I'd rather see 1,000 people win \$1,000 jackpots than to see one person win \$200,000."

Slot Manager Brian Bulmer of the Imperial Palace in Las Vegas announced recently that their machines pay 92 percent overall regardless of machine denomination. Of the Imperial's 968 slot machines, 164 are nickel, 485 are quarter, 10 are half dollar, 305 are dollar and 4 are five dollar machines. Sixty to seventy of the dollar slots are the popular "Magnificent 7" which have twelve combinations to pay \$1,000 jackpots. Echoing Fredi at the Hilton, Bulmer stated, "I would rather give 60 people \$1,000 than one person \$60,000."

What these managers really mean is that more people winning means more people returning to their casino to try their luck again. The casinos derive more revenue from sixty or a thousand happy players than from two or three winners who return and thousands of losers who don't.

Bonus Credit and Player Tracking

An innovative concept of using a credit-card system was devised by Electronic Data Technology (EDT) a subsidiary of IGT. The machines include a slot for insertion of the credit card which accumulates bonus points for coins played. The player registers and receives the free credit card, or multiple cards to play more than one machine. Points are accumulated in the casino's special computer with each visit and machine played. Bonus points can be used toward prizes or cash. Rules vary with each casino. When you insert the credit card in the special slot attached to the machine, an electronic display greets you. For instance: "Hello, Joe, you have 37 bonus points. Coins to next bonus point: 40." Machines with different denominations require a different number of coins to be played for each bonus point (e.g. 28 on dollar machines, 110 on quarter machines.) Coins played without the credit card inserted do not decrease the count required for the bonus. But you can look for machines where the count has been lowered by other players who quit or ran out of money before reaching the bonus "countdown."

At the Sands, for example, points can be used to apply toward purchases in the gift shop, toward hotel room charges, meals, etc.

At Harrah's, points are accumulated continuously with

gifts awarded at various point levels. The grand prize from Harrah's is an antique slot machine.

At the Gold Coast, points can be used towards merchandise or hotel services. However, at the Gold Coast, points are earned for coins won, rather than coins played.

The Five Star Slot Club at Sam Boyd's Fremont attracted many members with its bonus points based on "coins in" rather than coins won. A 35-mm camera can be "bought" for 3,000 points and a 13-inch color TV for 11,725 points. All 1,039 machines including poker, keno and reel slots can be played for bonus points.

You can join the "24 Karat Club" at the Golden Nugget, Las Vegas, and receive bonus tickets while playing the specially marked dollar and five-dollar slots. Tickets can be accumulated for certificates good for cash rebates in gaming tokens, goods or services.

Bally's Park Place, Atlantic City, won honorable mention from "Gaming & Wagering Business" in their annual awards for best slot promotion. Bally's pink and purple MVP (most valuable player) tracking card was hyped with a tag line, "Bet with your head, not over it." That's good advice no matter who offers it.

These "credit card" systems have a dual role in the casinos. They are designed to attract players with the "bonus" feature. But they function primarily as "player tracking systems." The data fed into the central computer from each card allows the casino to determine who the slot "high rollers" are, the amount and frequency of play, which machines are most popular, how often and for what reason machines malfunction, total revenue and payout per machine, frequency of jackpots, percentage of profit for the casino, etc.

The bonuses offered to the players are to ensure more

rapid player acceptance and participation and thereby provide more accurate accounting and player tracking. Casinos may then be able to identify their best customers and reward them with more incentives to return and play.

Veteran slot players, however, have not fully grasped the concept of credit-card play. For instance, players keep walking away from the machine and leaving the cards in the slots. Other players or casino personnel find them and turn them in at the cage or "club" desk. At the Gold Coast we observed players retrieving these "lost" cards. "That's just today's stack," remarked the employee searching through a box of approximately 100 cards.

You also have to insert the card correctly to get bonus credit. One lady inserted the card backwards and didn't bother to read the display, "Insertion Error." She played for about half an hour before another player pointed out her mistake.

CHAPTER 11

Superstitions

Superstition, the belief in a supernatural force that can change or predict a course of events, is a part of all of our daily lives in one way or another, whether we are conscious of it or not. How often have you "crossed your fingers" to hope you get the job before or after an interview? When we fail in an attempt to do a difficult task, we might say, "It just wasn't in the cards."

People who claim not to be superstitious repeat superstitious customs every day. Did you ever wish upon a star or make a wish before blowing out the candles on your birthday cake? Did you ever break a chicken's wishbone with someone to see which of your wishes would come true?

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Have you thrown a penny into a wishing well or into Trevi Fountain in Rome to make sure you return again? Did anyone throw rice at your wedding? That belief stems from an ancient custom to assure that the union would prove to be a fruitful one with many children.

How many of you avoid walking under a ladder or opening an umbrella in the house? Ever scratch your nose when it itched and said, "Company's coming"? And, of course, if you accidentally put your underwear, your pajamas, or your socks on wrong side out, you don't dare change them; that's bad luck!

If your left palm itches, you will be receiving money from an unlikely source, but you must scratch it on wood to make it good. If your right palm itches, you're going to shake hands with a stranger. If the bottom of your foot itches, you're going to take a trip or walk on new ground. Have you ever escaped a minor or major catastrophe and knocked on wood to make sure your good luck continued?

Gamblers may be more superstitious than anyone. And their beliefs or methods of influencing "Lady Luck" are as varied as the fish in the sea. Let's categorize some of them.

Charms, Amulets, and Fetishes

You all know that a rabbit's foot is lucky (except for the rabbit). And any horseshoe is lucky as long as you hang it properly on the wall, that is, with the open end up so your luck won't run out, or with the open end down, so the luck will pour out to you. We've heard both versions.

One slot player gets angry when someone sets a coin cup upside down on top of his machine when he's playing. He

sets it right side up before inserting another coin. Another player insists the cup must be upside down on top of the machine, so the luck or "phantom" coins will somehow pour out of it through the machine and into his tray.

Finding a four-leaf clover is a sign of impending good fortune. Also, "See a penny, pick it up; all the day you'll have good luck. See a penny, let it lay; bad luck will follow you all day." Remember the penny loafers? It was bad luck to wear them without putting a lucky penny in the special slot on top, preferably a coin minted in the year of your birth.

One slot player carries a keychain with a small silver horseshoe. Imbedded in plastic inside the horseshoe are his lucky penny on one side and a four leaf clover on the other side. How can this guy possibly lose?

The Fitzgerald Casino/Hotel in Las Vegas stresses this lucky motif to its utmost. Their "Luck of the Irish" theme is carried out in carpets with four-leaf clovers and a "Lucky Forest" exhibit described as "an adult petting zoo to help gamblers become luckier." There is a water-filled wishing well complete with Blarney stones and an "imprisoned leprechaun" echo. There is a display of 15,000 genuine four-leaf clovers. Employees wear leprechaun uniforms. A special "Blarney Castle" slot area features genuine stones from the legendary Irish Castle. If you're an O'Mally, O'Reilly or even an O'Schultz or O'Smith, how can you be unlucky in such surroundings.

Remember when St. Christopher medals were worn to ward off danger? Now we hear that St. Christopher is out. Seems that after re-examination, his "miracles" fell short of the required qualifications and he was stripped of his "sainthood."

Barney Vinson in *Las Vegas Behind the Tables* tells of

the lady who played frequently at the Dunes, always bringing her lucky *Rosary Beads*, "each bead a small dice complete with little numbers on it."

In Lottery & Gaming Review, a full page advertisement offered a 24 karat gold plated Cross of Fatima which also contained a bit of the Hallowed Earth of Fatima, the site in Portugal of many alleged miracles. For \$10 you can buy this good luck charm together with certificate of authenticity for your personal miracle of health, wealth, love, etc. A portion of the ad reads, "You receive the GOLDEN CROSS OF FATIMA, and almost immediately you become a 'winner' — winning at bingo, at the lottery, at the race track, at casinos, (wherever you go, you hit the jackpot!)." Of course there is the disclaimer: "The question is, when will these things REALLY happen to you? It depends on you. It depends if you're ready for a Miracle. It depends if you REALLY want a Miracle."

If your lucky cross brings your miracle, you are supposed to write and get it inscribed in their "Good Works Book." The ad includes some quotations from "winners" reports, but none have names "revealed."

Lottery Players Magazine (LPM), had a similar advertisement by the same company but with a New York address instead of New Jersey. This time the "hallowed earth" is in a medal instead of a cross, but with similar claims and disclaimers. The other difference was a place on the order blank for your signature, promising to "report" your miracle.

Is Fatima not your favorite miracle? Maybe it's Lourdes. If so, you can spend \$15 for a gold and diamond cross with "genuine" holy water from Lourdes. In the same issue of LPM you'll find a similar ad with different address, same claims, same disclaimers, same promise of report required.

This "entrepreneur" is covering all bases. And he's getting rich on other people's silly superstitions. I don't know how much "hallowed ground" there is at Fatima, or "holy water" at Lourdes, but if these charms work it may turn into a big "hole" and the waters of Lourdes may run "dry."

One avid video poker player from the Orient was sitting next to a lady in a Las Vegas casino whose quarter machine was paying four-of-a-kind every few minutes. Her own machine was "cold" and she remarked about her neighbor's "hot" machine. They struck up a conversation and the lucky lady from Tennessee, the heart of the Bible Belt, pulled out her lucky "charm."

"Here, rub the tummy of my lucky Buddha," she offered.

"Why not," replied the Oriental lady, who was a Catholic and somewhat sceptical of this lucky charm. She shrugged and stroked the chubby tummy. About one minute later she hit a royal flush on her "cold" machine. Unfortunately though, she only played four coins instead of five and received \$250.00 instead of \$1,000.00. Oh, ye of little faith! A Bible Belt Buddhist and an Oriental Christian — now there's a pair to draw to!

In case you haven't guessed, that "lucky Buddha" is also available in some magazine ad for ten bucks, probably from the same guy or a copycat capitalist.

That same Oriental lady also stated that she never takes her winnings from the tray until she is ready to quit playing. Her husband, who stated that he's not the least bit superstitious, often reaches into his wife's tray to "borrow" her lucky coins. His money always runs out first and he claims he can never win until he plays with "her" money.

Lucky Clothes

"Something borrowed, something blue." Every bride tries to follow that custom. An heirloom wedding dress, veil or piece of jewelry and a "blue garter" are favorites.

One lady player reported that she had attended a wedding at the Circus Circus chapel and was still wearing white gloves when she stopped to drop a few coins in a machine. She hit a jackpot and has never failed since to wear white gloves when she plays. She buys about five pairs a year because the coins turn them black so fast and they wear out from washing so often. When her gloves get dirty, the machine goes "cold." So if she intends to play for very long, she carries a spare pair in her purse.

Then there are the "little old ladies" in tennis shoes and black gloves. When Gamex Industries had their slot machines on trial at Caesars Palace, the jackpot was hit twice in the same month. That's right! Each time it was a different lady, but she was wearing the "tennies" and black gloves. It got to be a standing joke at Gamex that these "little old ladies" would surely hit their machines.

The "same clothes" theory is common with gamblers as well as with many sportsmen like golfers and bowlers.

We know a bowler whose game was consistent and high until he took his dirty bowling towel home and had it washed. His game went into a terrible slump until his towel turned black again from wiping the oil off the bowling ball. Then his slump ended. The towel is still black and so old and ragged it's about half the size of when he started, but he refuses to get a new one.

One amateur golfer who was good enough to have joined the professional tour, wore a favorite pair of yellow

trousers in every tournament. They got pretty threadbare over the years and his wife finally threw them out. He swears his golf game has never been the same since.

A fisherman walked out into a mountain stream. After about a half hour without a nibble his waders sprung a leak. As his feet and legs turned cold from the water seeping in, a big trout struck his line. He reeled in the biggest trout he ever caught. Did he buy new waders? Not on your life. He kept bringing home the limit and suffering through the bad colds afterwards.

In Lottery Players Magazine another enterprising salesman combined the lucky clothes and the lucky number superstitions to make his own fortune. He advertises a "Lucky Tee shirt." It carries a chart of scientifically arranged numbers on the back. Someone is supposed to "scratch your back" until you feel the "itchy urge" to say "Stop." The number you call "stop" on is supposed to be lucky. The theory claimed is that the mind sends signals to your back when the lucky number is "scratched."

And people actually buy these things?

Astrology, Horoscopes, and Biorhythms

Many players wear or carry a charm that includes the zodiac sign for their birth month.

Casinos, recognizing the superstitions of players, also cater to them and capitalize on as many as possible. Slot machines often have the lower "logo" glass displayed with zodiac signs, names and shapes of states, or pictures of other symbols of luck.

Many newspapers and magazines run syndicated columns with horoscopes which are extremely popular with

gamblers and non-gamblers alike. These horoscopes often include advice on financial, romantic and practical matters that are supposed to be influenced by the stars. And advertisements abound, in gaming magazines especially, that offer your "personal horoscope" with lucky and unlucky days identified to help you with your "game plans."

Some players believe in their personal biorhythm charts, which track the days of the month that are supposed to be most lucky, unlucky or neutral on a scale of one to five, one to ten, or whatever. These biorhythms are charted for the emotional, intellectual and physical ups and downs. When all three lines converge on a high point of the chart on a given day, you're on a "triple high," supposedly your luckiest day. (That's probably the day you go out and get hit by a truck!)

One player we interviewed believes in biorhythms so strongly that she only gambles on triple high days and claims to win consistently. On "triple low" days she won't even leave the house. She also claims to be part "gypsy" and, therefore, somewhat psychic about her luck. When she goes to a casino, she wanders around until a machine "winks" at her.

Right.

Give and Ye Shall Receive

One man was playing video poker with no luck while a Mexican lady beside him was winning something almost every hand. She hit four-of-a-kind, and while the machine was paying, she scooped up a handful of coins, gave them to the change girl, and threw another handful into his tray.

He was shocked at such generosity from a complete stranger.

"What are you doing?" he protested.

"When I win, I always give some away. Then I keep winning. Maybe they'll be lucky for you," she replied.

A few minutes later she hit "4's" again and repeated the "giveaway." The gentleman played the "free" coins and bought more from the change girl. Twice more the Mexican lady hit "4's" and continued to "feed" the loser whose luck didn't change. Then she hit a Royal Flush. She tipped the change girl and the floorman twenty dollars each, filled a coin cup full, threw the last dozen or so coins in the loser's tray and walked away. The loser played those few coins and on the last five finally hit four-of-a-kind. Did he give any away? Nope. He played them all back and left, a loser.

One religious player reported that she cannot win unless she contributes more than her "tithe" to the church on Sunday. After church she has brunch at one of the casino-hotels and then plays slots. If she doesn't contribute extra at church, she doesn't win. If she gives extra, she wins and the amount of her win is anywhere from ten to several hundred times the "extra" contribution. She developed her "system" or "belief" even further. She tries to contribute the "extra" money from at least 10% of her winnings each time. She confesses that these calculations are not *always* correct and she doesn't win *every* time she uses this approach. But this method makes her slot playing enjoyable and she doesn't feel "guilty" about gambling.

Numerology

What's your lucky number? Most people answered this

question by naming their birthday or a portion of it. Most popular numbers given otherwise were 3 and 7.

Special significance (good or bad luck) has been attached to different numbers probably since man first learned to count the dinosaurs or his children. Numbers become special because of association with a particular event, place, or personality. Some take on universal meanings and some have multiple meanings. Some are positive, some are negative, and some are both depending on the individual or the group attributing the magical power.

For instance, three has much religious significance such as the Trinity (Father, Son, and Holy Ghost). Jonah was in the belly of the whale three days; Christ arose from the grave in three days. On the other hand, three cigarettes lit on a match is considered unlucky. "Three's a crowd," and sneezes, deaths, or disasters seem to occur in threes. The first slot machine had three reels, and that number of reels is still the most popular on today's variety of machines.

Four is a "whole" number. We have four seasons, four winds, four main compass points, Four Freedoms, and four suits in a deck of cards.

Five is often associated with Satanism and witchcraft. Pentagrams and pentangles are used in secret rites.

Six and twelve are symbolic to Jews and Christians alike. There are six points on the Star of David, twelve tribes of Israel (named for the twelve sons of Jacob), twelve days of Christmas, twelve months in the year, and twelve signs of the zodiac. Many products are measured by the dozen. But in gaming, two sixes or twelve (boxcars) in craps is a loser on the come-out roll.

Thirteen is considered unlucky by many, but people born on the 13th consider it lucky. After all, there's not much they can do about it. Many hotels are built without

a floor numbered 13, but a baker's dozen is 13, better than an "even" dozen. Thirteen original American colonies were first represented with thirteen stars on the flag, but are now represented by thirteen stripes. In a deck of cards there are 13 cards in each suit rather than 14, because the ace counts as the "number 1" as well as the high card in most games. Always remember this double duty card if you play video poker or 21.

Seven is especially symbolic with both positive and negative attributes. The world was created in seven days (six really, God rested on the seventh). There are seven deadly sins, seven virtues, seven seas, seven continents, seven hills of Rome, seven wonders of the world, seven angels in the Book of Revelations, and seven days in a week. Numbers on opposite sides of a dice always add up to seven and all sides then total twenty-one. Twenty-one, a multiple of seven, is the winning hand in the game of blackjack or "twenty-one." It also seems appropriate as well as ironic that there are 21 different meetings of Gamblers Anonymous in Las Vegas.

If you line up 3, 4, or 5 sevens on most slot machines, you will have received a small miracle, and if the jackpot is big enough, you could be in Seventh Heaven. But 7-card stud poker machines were a bust. Probably not because of superstition, but because fewer people are familiar with the game and don't care to lose money trying to learn it from a machine.

Slot players often look for a machine containing as many of their lucky numbers as possible. Others will avoid a machine with the number 13 or any other number they consider especially unlucky. Some players look for machines whose numbers match their street address, apartment number, or their hotel room number. Other players

look for a progressive jackpot whose total contains their lucky numbers. Some players will play on days of the week or month that they consider lucky and refuse to play on those they consider unlucky.

Bigotry and Prejudice

Believe it or not, some players transfer their personal prejudices (based on race, sex, age, nationality, etc.) into a superstition about luck. Some forms of this transfer are:

"I won't buy change from _____ change persons because I can't win with it."

"I never play a machine next to a _____ player. If one starts playing next to me, my luck goes bye-bye! I move on immediately, before I lose my luck."

"I never play a machine _____ has been playing. It would definitely be unlucky."

This type of superstition is absurd. Again, machines are not influenced by "who" plays them. Also, the way one machine is being played (whether it's paying or not) has no effect on the adjacent machine being played.

Other Superstitions

We were playing quarter poker one day without any luck. When we bought more quarters, the change girl told us about one of her steady customers who frequently plays quarter poker. She buys coins from this "favorite" change girl only and will accept only rolls of quarters that have "heads" showing at each end of the roll. She claims she can't win if she accepts rolls with "tails" showing at either or both ends.

So the change girl picked out rolls with "heads" for us to see if our luck would change. It didn't. Maybe we should have tried rolls with two "tails," and sort of test the old adage, "one man's meat is another man's poison." But we didn't think the theory worth losing any more money on. *When you're on a losing streak don't keep losing, expecting your luck to change. Quit and try another time.*

Several players stated that they consider it bad luck for a person who is losing or has lost to *touch* their machine. They fear that the bad luck will somehow turn their hot machine cold. Others believe the reverse. If they are losing, they may ask another winner to rub their machine or touch their hands to pass on the good luck. Then there are those who will refuse to "pass on" the good luck in this manner for fear they will lose it. Still others believe that if they don't pass it on and share their luck, they will lose it. Athletes very often "give each other five," to accept or give congratulations for a good performance (i.e. a strike in bowling, home run, basketball score, touchdown, etc.) but also to "pass it on."

Several players said they never play when there is a full moon. Others will not play during the dark phase of the moon. It might be interesting to check if the moon is full or is waxing or waning when all the big jackpots were hit, just to see if there is any "coincidence." We didn't think it worth the time it would take to do so.

Does the weather affect luck or the operation of the machines? Some players think so:

"If it's a gloomy day I stay away."

"When the sun shines, I feel good and I usually have good luck."

"I never play when it's raining. It always puts a damper on my luck. One day my machine was really paying off.

I was near the door and looked out to see it suddenly start raining. My machine never paid another nickel.”

Said another, “I like to play when it’s raining outside. It cheers me up and I seem to have better luck, especially during thunderstorms. Maybe it’s the electrical energy in the air that affects the machines, but for me they seem to pay out more then.”

We don’t believe that the weather has any effect on the machines. Most players couldn’t care less about the weather when they gamble. One July a flash flood washed away 300 cars from Caesars Palace parking lot. Across the street at the Flamingo, players were standing in flood waters creeping into the casino, pulling those handles as if nothing were wrong.

What is even more frightening is to see players calmly plunking in coins while smoke and fire alarms are blaring at deafening levels. They appear confident that the noise is “just a test” whether announced or not. Many players think such alarms are merely the sound of a jackpot being hit. There was a period after the disastrous MGM and Hilton fires in Las Vegas the same year when players would run for the doors at any noise resembling a fire alarm, but how soon they forget!

Superstition will always play a major role in gambling. Try to influence the Goddess Fortuna to spin her wheel in your favor, trust to blind luck, or believe in charms and spells, whatever you wish. We have to concede that “Luck” often defies logic, especially with slot machine playing.

If we said otherwise, who would believe us?

CHAPTER 12

Manufacturers

A Brief History

Credit for introducing the crazy contraption called a slot machine is given to Charles Fey. The San Francisco Chronicle of April 15, 1887 describes it:

“A group of owners of Saloon and Restaurants of Market, Mission, Embarkadera and Barbary Coast gathered this morning in the small machine shop of Charley Fey at 631 Howard St. to view Mr. Fey’s entirely new Liberty Bell, a machine featuring 3 reels mostly hidden with Horseshoes, Spades,

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Diamonds, Hearts, and Bells symbols on the reels. The device is operated by depositing a nickel in a slot to release the handle. When the right combination of symbols stop in the window, the player is awarded coins ranging from 2 on 2 Horseshoes to 20 for 3 Bells. Most of those present agreed the machine should be a great success."

That last line turned out to be the understatement of the century between the machine's introduction in 1887 and the phenomenal importance of slots in the gaming industry today. Incidentally, one meaning of the word "fey" is "clairvoyant, visionary." It certainly fits Charles Fey, the inventor.

Interesting to note is the influence of poker on the colored "payout" on Fey's machine:

Three Bells	10 drinks
Flush of Hearts	8 drinks
Flush of Diamonds	6 drinks
Flush of Spades	4 drinks
Two Horseshoes and Star	2 drinks
Two Horseshoes	1 drinks

Although the chart listed drinks as the reward, the machine actually paid out nickels as noted in the "Chronicle." Since Fey used playing card symbols on his reels, he also bought the Federal Tax stamp for his machine to cover the two cent Federal revenue tax on each deck of playing cards. Incidentally, the Federal revenue tax on gaming devices was repealed on July 1, 1980.

Fey did not sell his machines but placed them in the gambling saloons on a 50 percent rental basis, thereby

becoming the first slot route operator as well as inventor and manufacturer.

Forty-two years later in 1929, Fey also built the first slot machine to take a silver dollar. That machine featured three reels with fruit and bar symbols and a top jackpot of \$100.

Both machines built by Fey are currently on display at the Liberty Bell Saloon and Restaurant in Reno, Nevada, which is run by Fey's grandsons, Marshall and Franklin Fey.

Fey's success was unchallenged by other manufacturers until one of his machines disappeared from the marketplace and later appeared at Herbert Mills' factory where it was thoroughly dissected and obviously used as the model for Mills' "Operators Bell" machine. Mills, who manufactured arcade machines in Chicago, produced the "Operators Bell" machine in 1910. Because its case was made of iron, it was nicknamed "The Iron Case." Mills' machine had 20 symbols (bars, bells, plums, cherries, and lemons) per reel whereas Fey's had only 10. Mills' machine also had a larger window so that three lines of symbols (nine total) could be seen. But payout was on the three center line symbols only. It should have been called the "teaser" or "carrot" because you could see the winning symbols you just missed and might catch on the next spin. That "carrot" dangling before the eyes of the proverbial jackass player kept him plunking coins into machines whose average payout was only about 50%. There were no gaming regulations in those days and machines were shipped all over the country. And that "teaser" or "carrot" became standard in the industry and is definitely part of the continuing "lure" that keeps players trying "just one more coin" again and again and again "*ad infinitum*."

Mills started his company in 1889 with his "Three For One" machine. This simple slot consisted of three coin tubes. When you dropped in a coin, it would roll down one of the three tubes. If it rolled into the winning tube, you won three coins for one. If it rolled into the other tubes, you lost. Mills refined that machine into the "Owl" and later the "Dewey" named for the Spanish-American war hero. Both machines were so successful that he was able to finance a string of arcades from the Midwest to New York. Some of his arcade machines were grip testers, weight lifters, peep movies, fortune tellers and music boxes. One of the music boxes combined the playing of a violin and a piano and became an international success. One was purchased by Kaiser Wilhelm. Incidentally, the "Dewey" machine can be seen in the Gambling Museum at the Stardust Hotel-Casino in Las Vegas, along with many other antique slots and arcade machines.

Meanwhile, an associate of Mills, O.D. Jennings, split from Mills and formed his own company in 1906. His company introduced the first electrically powered slot machine called the "Electrojax" in 1931. Even though it was a popular novelty at first, it was not a complete success because players did not trust automation.

Jennings produced his "Little Duke" in 1933 with its candy vending attachment on the side and the "Duchess Vendor" in 1934 with the candy dispenser built directly into the machine. Incidentally, since gambling was illegal at the time, many early slot machines included these gum or candy attachments to circumvent the anti-gambling laws. When the candy dispenser became empty, the machine would not play. To keep from having to refill the candy dispenser, many owners soaked the gum or candy rolls in kerosene. Players soon learned not to turn the lever

to collect the candy. The practice was harmless but "distasteful" in more ways than one, but kept the machines operative and profitable.

Many of these early machines were used as "trade stimulators" rather than gambling devices. Merchants would sometimes allow the winnings to be exchanged for merchandise such as cigars, cigarettes, drinks, etc. Where else do you think "close, but no cigar" came from. Now we have green stamps, bingo games, sweepstakes, drawings, and other premiums offered at the gas stations, the supermarkets and the fast-food joints throughout the country. Now arcade games are for amusement only with prizes to winners being additional "free" games. Sound familiar? The most common prize on a lottery ticket is another "free ticket" which usually turns out to be another loser.

Jennings' "Duchess Vendor" was a very compact machine, making it easy to move around and hide when a police raid or gambling crack-down was imminent. The same year he produced the "Century Vendor" with two forerunners of today's popular machines — optional coinage and player's skill. A braking button under each reel could be pushed to stop the reel at the player's discretion. A year later Jennings introduced "The Chief" with the format that became basic in the industry for the next 30 years. Its Indian Head logo became the symbol for all Jennings slot machines. It also included a "slug rejector" and an anti-overlap coin return device, both deterrents to cheating.

Other innovations by Jennings were the first multi-line machine (Tic-Tac-Toe) in 1951 which paid on two diagonal lines as well as three straight lines, and the popular four-reel (Buckaroo) introduced in 1960.

In 1954 the Jennings company was purchased by TJM

Corporation which combined three big names in slot machines at that time, Jennings, Mills and J. H. Kinney, maker of a console-type machine. Ultimately these companies and rights to trademarks were purchased by OTX Corporation which later changed its name to the Mills-Jennings Company. It was then sold in 1980 to private individuals. The products produced by the current company bear no resemblance or direct relationship to the original products.

Today's Major Manufacturers

The major manufacturers of slot machines are Bally Manufacturing (Bally) and International Game Technology (IGT). With their fingers in all aspects of gaming, it's no wonder they occupy the top ranks in their industry. They are first in production, sales and distribution of slot machines and other gaming paraphernalia in the U.S. and are rapidly gaining ground in the world-wide market.

Bally is one of the oldest manufacturers of slot machines, but it also owns casinos in Atlantic City, Reno, and Las Vegas. It owns several health spas and the Six Flags theme parks around the country. At this writing, Bally had agreed to sell the seven Six Flags parks for \$450 million. This sale reduced their debt of \$350 million and gave them \$100 million profit on this venture alone. They were also negotiating to sell the health spas.

On the other hand, IGT is a relatively new corporation enjoying phenomenal prosperity. Its history begins with a veteran in the gaming industry, William S. "Si" Redd. Redd built and ran Bally Distributing in Nevada for years.

In the 70's, Walt Fraley of Fortune Coin Company in

Las Vegas, created one of the first successful lines of video machines. At the same time Si Redd founded A-1 Supply in 1975, in Reno, Nevada. A-1 Supply was also working on a poker slot machine. In 1979, Redd bought Fortune Coin and combined it with A-1 Supply into a new company called "Sircoma" for SI Redd COin MAchines. In 1981, he established International Game Technology (IGT) and opened stock for public purchase and trade. IGT's main manufacturing facility is in Reno but it still maintains a facility in Las Vegas for sales and service.

At a recent International Gaming Exposition, IGT had the largest display. Their video poker machines are certainly the "success story" of the industry, rapidly becoming the number one game for slot players.

Electronic Data Technology (EDT) is a wholly-owned IGT subsidiary based in Las Vegas. It specializes in gaming software, player tracking data and slot information systems for casinos (described under Slot Promotions), mechanical ticket dispensing machines and other gaming related equipment.

(This co-author worked in the engineering department of Sircoma and was instrumental in the computer programming of the video slots and video pokers. Later, as a consultant he helped EDT develop the credit-card bonus and player tracking system installed in a number of casinos. In 1974 he designed one of the first slot monitoring systems for Gamex Industries.)

IGT owns a substantial equity in Syntech International, Inc. supplying equipment for the mushrooming lottery business. It also has an exclusive distributorship agreement with Atlantic City Coin and Slot Service Company handling sales and service not only in New Jersey but in other areas of the world market. With the re-legalization of slot

machines in Puerto Rico, they recently sold 675 IGT machines to the Puerto Rico Tourism Company. IGT also has a major manufacturing/assembly plant in Sydney, Australia.

IGT, the brainchild of Si Redd, has been successful in capturing the majority of the video gaming machine market. Redd entered into a unique written agreement for five years with Bally that gave IGT exclusive rights to the manufacture and sale of video machines. In return, IGT agreed not to manufacture reel type machines, Bally's largest line. Consequently, the introduction of the video slots and especially the video poker machines which became so popular had little competition in Nevada.

In Atlantic City, however, gaming regulations prohibited a manufacturer from supplying more than 50% of the machines in any one casino. Because of Si Redd's ties with Bally, Atlantic City counted IGT machines in Bally's 50% limitation. After a lot of legal maneuvering, IGT was finally considered a separate manufacturer and allowed to place its machines in the Atlantic City casinos independent of Bally's 50%.

The agreement between Bally and IGT ran out in 1984. Bally is now producing its own line of video slots and poker machines. They provide interesting varieties of choices for players but have not yet received the wide popularity enjoyed by IGT's machines. However, Bally was recently awarded a \$7.5 million contract to provide video poker machines (their 5000 series) for the U.S. Army and Air Force bases in Germany, Korea, and Japan. The order was for 2,300 units. That's about \$3,260 per machine. Don't worry about your tax dollars though. The purchase was made from non-appropriated funds, that is, revenue from military personnel exchange stores and clubs.

Si Redd started his career with a coin-operated jukebox and amusement machine route in the South which he expanded into the Midwest and New England. Moving to Nevada in 1967, he became a major distributor of slot machines and gaming devices. In a Las Vegas Sun article, Redd was referred to as the state's "slot machine king" and the "father of video gaming."

According to John Morrissey, in Las Vegas Business Press, IGT has placed over 45,000 gaming machines around the world in the past twelve years. They manufactured nearly 10,000 machines last year alone. Morrissey quotes Charles Mathewson, IGT's president, telling of IGT's phenomenal success: "The company was founded by a real genius in the gaming machine business, (referring to Si Redd) I don't know how else to say it. He was innovative with a lot of new ideas. Ten years ago, there were 40,000 to 45,000 slot machines in Nevada. Now there are more than 100,000 and they produce more than half of the state's gaming revenues."

Because of the booming slot machine business, new manufacturers are entering the market every year and many older manufacturers are developing new lines. Some of the new machines introduced at a recent Gaming Exposition in Las Vegas are covered briefly in the section describing the different types of machines. Besides IGT and Bally, prominent exhibitors at the show included Games of Nevada; Sigma Game, Inc.; Status Game Corporation; and Aristocrat, an Australian firm trying to open a market in the United States.

Sigma Game, Inc. is a Japanese owned and based company that is rapidly expanding its field. Along with its slots and version of video poker, it has "Sigma Derby" the most successful horse racing machine, which is described

elsewhere. Sigma's holding corporation purchased the former Holiday International Casino in downtown Las Vegas. That large casino-hotel had been closed for several years, and after a \$15 million renovation it reopened as the Park Hotel-Casino.

Another Japanese owned company, Universal, is making great strides in the casino market with its slot machines. It offers something that other manufacturers do not, that is, casino layout and a total promotional concept which most casinos normally do with their own personnel.

Casino Electronics, Inc. (CEI), another up and coming manufacturer, produces 21, Keno and Video Poker machines. It has also received approval from the Gaming Board to manufacture a new line of slots called "Hot Slots" featuring 15 different varieties. CEI is a sister to United Coin Company, one of the largest slot route operators in Nevada, which places machines in establishments with restricted licenses. Gaming and Technology is the financial parent of CEI and United Coin.

New companies, old companies, mergers, and splits, you name it. The manufacture of gaming devices appears to be so lucrative that many inexperienced entrepreneurs enter the field and are soon plowed under by the veterans in the industry. Only a few reap the golden harvest. Trying to include all of them here is beyond the scope and purpose of this book.

CHAPTER 13

Slots' Place in the Big Picture

The Magnitude of Gaming Revenues

The "Slot Machine Mania" that has developed over the past few years is clearly reflected in the overall statistics for gaming revenue. Although statistics are usually boring, you'll be amazed at what you are about to read. The magnitude of dollars spent on legal gambling is awesome. Some of the revenue figures we are about to cite are almost incomprehensible.

Winnings for all Nevada casinos increase every year and now have reached 3.9 Billion Dollars! That's the

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Winnings for all Nevada casinos increase every year and now have reached 3.9 Billion Dollars! That's the

casino's *winnings*. Or put another way . . . all the players' *losses*.

In Clark County (Las Vegas), the total gross gaming revenue for 1986 is approximately 2.4 billion dollars, of which 53 million is paid in taxes to the state. In Washoe County (Reno) the gross gaming revenue is almost 656 million dollars. That tells you where the most action is.

Since gaming started in Atlantic City in 1978 the eight percent tax on each casino's gross winnings has resulted in over \$1 billion to the casino revenue fund, which is used to finance programs for senior and disabled citizens of the state. In 1978, contributions from gaming were \$10.7 million; today, \$190.9 million!

Slots Vs. Table Games

Slot and video game playing accounts for 54 percent of the revenue in Las Vegas, "a percentage roughly equal to that of Atlantic City." This is an increase in slot playing from about 35 percent in the early 1980's in Las Vegas. The distribution was already equally balanced in Atlantic City.

In Laughlin, Nevada, slots account for *more than 70 percent of the win!* A bridge built by Laughlin across the Colorado river to Bullhead City, Arizona, makes for a quicker trip across the state line for many Arizona "Sun-birds" with their rolls of coins ready for the "win" column . . . the casino's win column.

From the 441 slots this year at McCarran Airport in Las Vegas comes \$11 million in winnings. Of that total 76.1% goes to the county for airport projects and 23.9% to concessionaire Michael Gaughan who maintains and foots all

expenses and taxes out of his 23.9%. Michael Gaughan is also the principle owner of the Barbary Coast and Gold Coast Casino-Hotels.

According to Thomas D. Elias in the Las Vegas Sun, table games provided more than 80 percent of casino income in 1967. Today, *56 percent* of Nevada casino proceeds came from machines of various types. Also, Charles Lombardo, assistant manager for slots at Bally's stated, "The take from table games is stagnant, craps is even down. Slot players are the gamblers of the future. The Space Invaders generation has arrived."

As you can see from the following table comparing revenues for table games and slots, only on the Las Vegas Strip do table games show a higher percentage than slots. From early indications and our observation of the recent changes in the Strip casinos, we think that percentage will probably fall in line with the other areas as new figures come in.