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GREAT EXPECTATIONS

A REALITY CHECK

The Pyramid of Gamblers

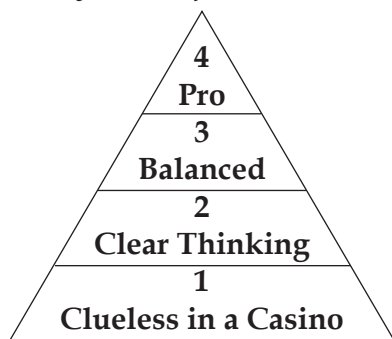
For years, skeptics have been buttonholing Brad and me about our gambling. "You must lose a lot of money to be treated like VIPs," they say. "Otherwise, how could you get all those free rooms and meals? The casinos always win in the long run; how else could they pay for all those lights?" They simply cannot believe that we do what we say we do.

Other people have genuinely wanted to learn from our experiences, but they're looking for a 25-words-or-less answer to their questions. It was our frustration over the people seeking the quick road to casino riches that was most responsible for this book being born.

I began thinking about all the people who go to casinos and why they go there, and I came up with two fundamental reasons: monetary gain and entertainment. Considering these goals, I came up with a four-level pyramid, which I've found useful for sorting out types of gamblers. This pyramid has helped me show others how to go into a casino as smarter

gamblers, which often leads to coming out of a casino as happier gamblers.

Pyramid of Gamblers



Level 4 – Room at the Top

The pointed apex of the pyramid – Level 4 – represents the few professional gamblers who’ve made the casinos their place of employment. This includes some extremely knowledgeable computer-savvy race and sports bettors, some skilled blackjack card counters, and live poker and video poker experts. For these true professionals, gambling is their only source of income: they work very hard and often put in much more than the standard 40-hour work week.

Still on Level 4, but under the full-time pro, is a group of casino customers who play at a professional level, but don’t rely on gambling winnings for their sole support. Most in this group think of gambling as their part-time job, using winnings to supplement pensions or income from other sources. These people may enjoy their “job” and, thus, are also entertained, but their main purpose in the casino is to make money. This book may give someone who aspires to be a peak-of-

the-gambling-pyramid professional a few starter ideas, but it's not written for Level 4 players. It's written to help those in the lower levels who want to move higher.

Level 1 – The Broad Base

Let's skip down to Level 1, which contains the largest group of gamblers. I call them "The Confused." You see them in every casino, wandering around in a wild-eyed daze, frustrated in their search for a "win." Some sit stoically at one machine for hours, muttering that the machine has to hit because it has so much of their money inside it. Others rush from table to table, hunting for a "lucky" one. Others are up in their rooms where they're trying to figure out how they could have lost so much money so fast.

You could also call these gamblers the "I-Don't-Know-Why-I'm-Here" bunch, because they have never really thought about their goals when they enter a casino. You can ask anyone who goes into a casino if he wants to win and you'll get a strong "Of course." But ask him if he usually does win, and he'll probably start laughing too hard to even get out a "No." Investigating further, you ask, "Well, if you usually lose, then why are you here?" At this point, most people are at a loss for words. They might stutter something like, "Well, I'm hoping to get lucky this time," or mumble, "I feel a jackpot coming on."

You really have to pin people down to get them to admit that they are in a casino because they're having fun, in spite of the likelihood that they'll lose. I believe this comes from the traditional image of gambling as a vice. Many people still feel guilty when they lose money in a casino.

We have a couple of friends who go to Las Vegas, stay in nice \$35 hotel rooms that would cost them more

than \$100 in any other major city, eat \$25 prime rib dinners for the cost of the tip to the waiter, and spend three days enjoying spectacular pirate battles, exploding volcanos, laser-light shows, circus acts, and unlimited drinks — all free. Then they moan about “wasting” (losing) \$100 in the nickel slots. They just can’t admit that having fun was their primary goal.

Level 2 — Enlightenment Strikes

All it takes is a little shift in perspective to climb the short ladder to Level 2. *Winning* isn’t the name of the game. *Entertainment* is. I think we all know that, at heart. You’ve heard the same comments that I have: “I spent all evening on the riverboat and only lost twenty-five dollars—I had a great time.” And “We spent an entire week in Biloxi, MS, this year and even though we lost \$1,000, the vacation cost us much less than three days at Disney World.” Recently, Brad talked to a couple from California who’ve been going to Las Vegas for 20 years. “We’ve never really won,” they told him with good humor. “But we just love it there.”

So the first thing you must do to raise yourself above the confusion of Level 1 is to analyze your goals for your casino excursions. Although beating the casino might be at the forefront of your thinking, take care to factor in entertainment and give it its proper value.

“Okay,” you say, “I admit that, for me, casino gambling is a recreational activity.” Now, by keeping it within the entertainment context, you can better consider the money factor. That is, you realize that you get a lot of entertainment value for your money, but you would like your bankroll to provide more hours of this entertainment—which means winning more often and/or losing less during your time in the casino.

A warning note is in order here. We’re assuming

your gambling bankroll (the money you take to the casino to gamble) is money you can afford to spend (lose) on casino entertainment. This is not the rent or mortgage payment. This isn't the baby's milk money. This isn't money you've borrowed or should be saving. Your bankroll should come from discretionary funds — money that, if it's lost, will not negatively impact your lifestyle or cause a financial hardship to you or your family, now or in the future. No gambler at any level should enter a casino and risk money that's needed for living expenses. To do so is to court disaster, not just financially, but emotionally as well. One can never be truly "entertained" when gambling with money earmarked for other purposes.

There is another group of gamblers within Level 1 that needs to evaluate closely what they're doing. They're not just confused, they're angry, too. They can *never* lose money gambling and chalk up the losses to entertainment. They cannot accept even a small loss without being devastated. These players have told me, "When I lose, even if I can afford it, I get physically ill. I have this sinking feeling in the pit of my stomach the whole time I'm in a casino." If gambling can provide no entertainment value for you, then you should stay far away from casinos. Even the pros at the top of the pyramid lose for long stretches at a time between their winning sessions. The only sure thing about gambling results is that they are streaky — if you're susceptible to motion sickness, don't get on the roller coaster.

Some Arithmetic

Even though Level 2 players feel that entertainment is their primary goal in a casino, they have monetary goals too — winning more and/or losing less so their entertainment can last longer. But before I can teach

you to be a clear-thinking gambler, you have to know at least a little about odds. Having been a high-school English teacher for more years than I care to disclose, I could always handle words better than numbers. Math was never one of my strong suits. It may not be yours either. But you have to understand some of the basics. The most important thing to understand is the difference between a *negative-expectation* and a *positive-expectation* gambling game. I'll be using these two terms throughout the book, so let's talk about them right off the bat.

First, the math. If you put a hundred dollars into a slot machine, and the machine is programmed, over the long run, to give you your hundred dollars back, you are playing an even game. It has neither negative nor positive expectation. If, however, for every \$100 you put into the machine, you get back only \$97, then the casino has a 3% advantage. This is known as a negative-expectation game (for the player, of course). On the other hand, if you play a machine that, for every \$100 played, gives back \$101 over the long haul, then *you* have an edge of 1%. This is called a positive-expectation game.

Most of the games in a casino are negative-expectation games. This means that no matter what you do, whatever strategy you employ, whatever money-management system you use, in the long run you will lose when you play them. I'm not trying to discourage you from playing them. I'm simply making you aware of the incontrovertible mathematical realities of gambling when it comes to the majority of games on the casino floor. When you gamble at negative-expectation games, *you are the underdog*.

However, there are a few machines or games where you can get into positive-expectation territory. These games are structured in such a way that play-

ing skillfully can reverse the situation and make you the favorite when you play them. You can lose on any one day, week, month, or even year, but if you play a positive-expectation game long enough, eventually you can come out ahead.

Keep in mind that these positive and negative percentages hold true over the long run. The results are often different in the short term. In any session you can

Positive-Expectation Games

When played skillfully, the games listed below may yield positive expectation.

Blackjack
Poker
Race Betting

Sports Betting
Video Poker

Potentially Positive

Any game played in a tournament format.
Any game with a progressive feature or an equity consideration.
Any game played with a coupon.
Any game played as part of a special promotion.
Any game associated with a slot club or similar rebate program.
Any game when comps are factored in.

Negative-Expectation Games

Baccarat
Bingo
Caribbean Stud Poker
Craps
Keno
Let It Ride

Pai Gow
Pai Gow Poker
Red Dog
Roulette
Slot Machines
War

Also, all games listed in Positive Expectation when played at average skill levels.

play a negative-expectation game and win, or play a positive-expectation game and lose. If you play long enough, however, the math will bear out, albeit slowly, to the expected result: positive or negative.

Why is knowing about odds and game expectation so important? Because the casino edge represents the “cost” for your casino entertainment. You have to know the various costs in order to choose the best value for your money. It’s a little like comparison shopping at several supermarkets.

The Price to Play

How much you lose while gambling is not determined solely by the casino advantage. The size and number of your wagers, along with how well you play a game, are equally important. Anthony Curtis once wrote a great article on this subject for *Casino Player* magazine and came up with the invaluable charts that follow. The charts take into consideration all of the factors just mentioned to derive a good approximation of what it costs to play each game. The key word is “approximation.” It was necessary for Anthony to estimate some of the variables; he also rounded the results for user friendliness.

The charts analyze 46 wagers from 10 different games. For a quick assessment of what your favorite game costs to play, locate it, and jump to the far right-hand column in the chart. The figure there is the approximate dollar-per-hour loss you can expect (when playing at a minimum bet level and average speed). For those who want to use these fascinating charts to explore other betting scenarios, I’ve included Anthony’s full explanation of the entries (pg. 23) to facilitate your fiddling.

It’s important to keep in mind that neither the ap-

plication of expert strategies for the beatable games (like blackjack and video poker), nor givebacks (like slot club cashback and comps) have been considered here. We will concentrate heavily on both throughout this book to eliminate some “casino costs.”

BACCARAT					
	casino advantage	hands per hour	standardized measure	wager amount	cost per hour of play
<i>Baccarat</i>					
bank	1.06%	80	.85	\$100	\$ 85
player	1.24	80	.99	100	99
tie	14.40	80	11.49	2	287
<i>Mini Baccarat</i>					
bank	1.06%	130	1.38	5	7
player	1.24	130	1.61	5	8
tie	14.40	130	18.67	1	19

BLACKJACK					
	casino advantage	hands per hour	standardized measure	wager amount	cost per hour of play
<i>Basic Strategy</i>					
1 deck	.0%	60	0.00	\$ 5	\$ 0
2 decks	.3	60	.18	5	1
4,6 decks	.5	60	.30	5	2
8 decks	.6	60	.36	5	2
<i>Avg. Player</i>	2.0	60	1.20	5	6
<i>Poor Player</i>	3.5	60	2.10	5	11

SLOTS					
	casino advantage	hands per hour	standardized measure	wager amount	cost per hour of play
nickle slots	9.0%	400	36	15¢	\$ 5
quarter slots	7.5	400	30	75¢	22
dollar slots	4.5	400	18	\$ 3	54

CRAPS

<i>casino advantage</i>	<i>hands per hour</i>	<i>standardized measure</i>	<i>wager amount</i>	<i>cost per hour of play</i>
Line/Odds/Place				
pass/don't pass 1.4%	30	.42	\$ 5	\$ 2
w/single odds .8	30	.24	5	2
w/double odds .6	30	.18	5	2
place 6 or 8 1.5	30	.45	6	2
Field				
pay 2x on 12 5.6	100	5.55	5	28
pay 3x on 12 2.8	100	2.77	5	14
Multi-roll Prop				
hardway 6 or 8 9.1%	30	2.73	1	3
Single-roll Prop				
any 7 16.7%	100	16.67	1	17

VIDEO POKER

<i>casino advantage</i>	<i>hands per hour</i>	<i>standardized measure</i>	<i>wager amount</i>	<i>cost per hour of play</i>
Jacks or Better				
5¢ (6/5) 5.0%	500	25.0	25¢	\$ 6
25¢ (8/5) 2.7	500	13.5	\$1.25	17
25¢ (9/6) .5	500	2.5	1.25	3
Bonus Poker				
25¢ (8/5) .8	500	4.0	1.25	5
Atlantic City				
25¢ (Joker) 2.8	500	14.0	1.25	18
Average Player				
25¢ (Jacks/Bonus) 3.0	500	15.0	1.25	19
25¢ (Wild Cards) 4.0	500	20.0	1.25	25

KENO & SPORTS

<i>casino advantage</i>	<i>hands per hour</i>	<i>standardized measure</i>	<i>wager amount</i>	<i>cost per hour of play</i>
Keno				
1 spot 25%	7	1.75	\$ 1	\$ 2
2-15 spot 30	7	2.10	1	2
Video Keno				
5¢ 15%	300	45.0	20¢	9
25¢ 8	300	24.0	1	24
Sports Betting				
Bet \$11/win \$10 4.5%	.5	.02	11	25¢

NEWER GAMES

	<i>casino advantage</i>	<i>hands per hour</i>	<i>standardized measure</i>	<i>wager amount</i>	<i>cost per hour of play</i>
<i>Caribbean Stud</i>					
ante	5.3%	40	2.12	\$ 5	\$ 11
bonus	48.0	40	19.2	1	19
<i>Let It Ride</i>					
base bet	3.5%	40	1.4	5	7
bonus bet	45.0	40	18.4	1	18

ROULETTE

	<i>casino advantage</i>	<i>hands per hour</i>	<i>standardized measure</i>	<i>wager amount</i>	<i>cost per hour of play</i>
single zero	2.70%	50	1.35	\$ 5	\$ 7
double zero	5.26	50	2.63	5	13
<i>Atlantic City</i>					
outside (dbl. 0)	2.63	50	1.32	5	7

Casino Advantage — The casino advantage for most games is known. In places where the advantage is variable (blackjack and video poker), there are multiple assignments. In the case of slot machines, the payback percentages were extrapolated from published win figures for Las Vegas casinos. Slot returns in Las Vegas are traditionally higher than in other casino areas, so you might have to increase the casino edge by a percentage point or two when evaluating machines in other parts of the country.

Hands Per Hour — This measure will be affected by playing conditions, most significantly the number of players on the game. Crowded conditions produce the slowest rate of play, which is desirable on negative-expectation games, since every bet you make adds to the cost of gambling. The chart estimates hands per hour according to full-table conditions and for a casual rate of play on machines. If you find that you're playing faster than the speeds listed, you'll be losing

at a rate faster than the charts indicate in the “Cost per Hour” entry.

Standardized Measure (SM) — The standardized measure combines the effects of the house edge and the speed of the games (it’s derived by multiplying those two figures). The lower the SM, the less costly the game is to play *assuming the bet size is the same*. A player who wants to wager a set amount per hand, say \$100, can go down the chart comparing SMs to determine that craps (.42) is better than baccarat (.85), that keno (1.75) is better than Caribbean Stud (2.12), and so on. The lowest SM on the chart is 0 for single-deck blackjack with basic strategy. The highest is 68.75 for the progressive sidebet on the video version of Caribbean Stud.

Wager Amount — The wager amount listed in the chart is the minimum that the game can generally be played for. In some games (craps with odds, Caribbean Stud, Let It Ride), you will frequently have more money in action than the listed minimum. Don’t worry about that; it’s been accounted for in the calculations.

Cost Per Hour — This is it. The bottom line. Your ticket price for one hour’s worth of gambling entertainment. The cost per hour is calculated by multiplying the SM by the “Wager Amount.” You can easily calculate the cost for betting more than the minimum by multiplying the SM by the amount of your average bet. Example: If you bet \$3 one-spot keno tickets, the cost per hour is $1.75 \times \$3 = \5.25 per hour.

What to Play

You decide on your personal goals. No one can tell you what you ought to play. If the game you play isn’t particularly important to you and you just want to soak up the casino ambience as long as possible, you might choose sports betting with its low 25¢-an-hour cost. Or

maybe you like the high of knowing that if you play Megabucks, for example, you might hit a life-changing jackpot; you don't care that you won't be able to play as long (because the casino advantage is higher for slots with enormous jackpots). Or perhaps you want to play only video poker, but as long as possible on your limited bankroll; so you choose a machine with a better payback schedule. Or you love the excitement of the dice table, but you go broke too quickly; so you decide to switch from field betting to the pass line to make your gambling sessions last longer.

If you study the charts and start choosing better bets, you will put yourself solidly on Level 2 – the area of clear thinking.

Money Management

Now is a good time to discuss money management. Almost every gambling book you read has a big section on this subject. Some of the information can be useful, but much of it is little more than a cruel hoax. Proponents of money-management often promise something that's impossible: using a betting system to turn negative expectation into positive expectation. Some of these systems sellers would have you believe that you can trick the math and turn a losing game into a winning one simply by making a complicated series of wagers. Many money-management systems have the characteristic of enhancing your chances of winning (small amounts) over the short term, but in the long run they're still losers. Skill in playing, not betting, is what determines your expected result.

The one kind of money-management system that does make some sense is dividing your gambling bankroll to avoid losing everything in one session. Remember, at this stage we're taking steps to make our

gambling stake last longer. If your bankroll is limited, there's nothing wrong with dividing it by some predetermined number to correspond with the number of sessions you think you'll play. For example, let's say you're going to Biloxi. You'll be staying three days and you're bringing \$3,000. You could divide first by the number of days. On the first day, take \$1,000 and put the other \$2,000 away. Now, let's say you plan to play once in the morning, once in the afternoon, and once in the evening. You can further divide your \$1,000 into \$333 for each playing session. As far as I'm concerned, it's all right to take the whole grand and risk it in the morning. If you blow it all, you'll just have to find something else to do in the afternoon and evening of that first day. But I believe most people would rather divvy up the money into three piles of \$333 so their scheduled gambling sessions are ensured.

If you lose the first \$333 pile in the morning, your next move is pretty clear cut: you quit playing and spend your time eating, lying on the beach, sightseeing, or engaged in some other non-gambling activity. But what if you come back in the afternoon with the second \$333 and break even after three hours? Some people quit and put that \$333 away and never touch it, figuring that they've "won" it (or at least haven't lost it) that session. If one of your goals is to not lose the entire bankroll for your trip, then go ahead and lock it up to take home. Otherwise, add it to your remaining trip money as a sort of gambling reserve.

You do the same in the evening, and on the second day, and on the third day. Remember, this "system" will not improve your chances of winning in any way. It just provides some discipline in managing your bankroll and making it last, so you can gamble the whole time you're at the casino. It's no fun to be broke and still have two days of your casino vacation left.

Gambling purists might scoff at this suggestion, but remember, we're still at Level 2. Consider the following story.

Husband-and-wife friends of ours once planned a three-day trip to Las Vegas. They sat on the airplane for four hours, then caught a taxi to their hotel where they encountered a long line at check-in. The wife agreed to wait in the line while the husband went to shoot craps (a negative-expectation game). About half an hour later, he returned to find his wife at the counter, ready to check in. "Never mind getting the key," he said. "I just lost all our money." They left the hotel, went back to the airport, put their names on a stand-by list, and flew home the same day. They never even made it to their hotel room! Even the purists would find it hard to argue that our friends' vacation wouldn't have benefited from some sensible money management.

Level 3—Getting Your Balance

You may be forever satisfied to stay at Level 2—many people are. They budget their gambling bankroll carefully. They know what casino games they enjoy and the costs of playing them. When they have a winning session, they're thrilled. When they lose, they say, "We had fun—that's what's important."

But some of you may want to go up to Level 3. I call this the "Balanced" level, the level at which the monetary goal becomes as important as the entertainment goal. Maybe, as in our own case, you want the "fun factor" to last longer than it should given your bankroll. Or maybe the fun for you comes from the winning, not just from playing the game.

Regardless, to reach Level 3 you'll have to work a bit. You'll have to study. You'll have to bother with details. There's no magic pill that will instantly vault

you to this playing status. But don't despair. The next several chapters of this book are chock full of helpful hints that we have discovered on our successful 20-year journey into the land of endless casino "fun." Take my hand and I'll guide you to the top of Level 2 and, if you're serious, up to Level 3. We'll take it slow – the incline is too steep to go fast.

SLOT CLUBS JOIN OR ELSE

Editor's Note: Slot club (and promotion) particulars are in a constant state of flux, and many that are covered here have come, gone, and/or changed. The coverage in these chapters is meant to provide a general understanding of the strategies.

This chapter is for every gambler, no matter what casino game you play. Slot clubs were invented for machine players, but more and more casinos are hooking their table games into the same system. The most powerful weapon in your war against the mighty casinos is a little seven-square-inch piece of plastic that the casinos give you for free: the slot club card. It looks like a credit card, but with a wonderful difference: *It pays you.* Playing *any* machine in a casino without using a slot club card is like going up to your hotel room after each gambling session and throwing a fistful of dollars out the window.

If you've mastered the strategies for the over-100%-payback video poker games, you're already solidly

on Level 3 of our gambling pyramid. Adding slot club benefits will take you higher, perhaps even up to that exclusive tip of the triangle. If you're not quite so discriminating and your game choices include less-than-100% payback options, your slot club membership can reduce your losses and perhaps even put you into breakeven or positive territory.

For most of you, joining slot clubs will be the best way to climb out of the despair of Level 1 up to the satisfaction of Level 2, where you'll begin to notice your losses getting smaller. Using slot club benefits is a must for all casual slot and video poker players; it's the only way to keep the negative-expectation games from eating you alive.

The Basics

Slot clubs are complicated, and understanding their inner workings and all the tricks that the knowledgeable players employ to take advantage of them is a never-ending study for the serious gambler. In *More Frugal Gambling*, I go into great detail about exploiting the club systems, promotions, and benefits. In this chapter, my aim is to provide the basic building blocks for your foray into the world of slot clubs.

If you've never joined a slot club, here's how to go about it.

First, you have to find the slot club booth. If you're energetic, wander around the casino until you see a manned counter with a big sign saying something like "Connection Card" or "Cash Club" or "VIP Club" or "One Card." If you don't want to meander and prefer to march right up to the booth, simply ask a casino employee where to find the slot club.

Once there, look around for an application form; they're usually sitting out in a plastic holder. Fill one

out, truthfully (though on most, providing your Social Security number and other private information is optional), then wait your turn and hand it, along with your valid identification (which is now required everywhere to join), to the next available booth attendant, who'll input the information into the system and hand you your credit-card-size slot card. That's all there is to it.

Then insert your card into the card reader of any slot or video gambling machine that you play. That's how you start earning points. Be sure to pay attention to the digital read-out on the tiny screen next to the card slot. You're looking for it to read, "Hello [your name]," or "Welcome" or "Card Accepted." If it reads "Unable to Read" or "Please Reinsert Card," keep trying until your card is accepted. If you don't, you'll lose any points you might have earned during that session.

Periodically, return to the slot club booth, hand the attendant your card, and ask what comps, or cashback, or both, you're entitled to. If that's all you do—and never give another thought to the slot club—you'll still outdistance everyone who doesn't get even that far. You'll be earning and collecting comps and/or cashback for your play, which puts you way ahead in the gambling game. And, just as important, you'll get into the casino database, which means you'll start seeing the miracle of casino mail, which can bring unbelievable comps and other benefits.

If you want to kick up your knowledge of slot clubs another notch or two, there's much more you can do. Definitely read the slot club brochure. It should explain whether you can earn cashback or comps or both; each casino has its own system. Often, it delineates how much points are worth: how much play is required to earn a point and how many points you need for comps and/or cashback.

For example, it might say, “\$1 of coin-in gives you one slot club point.” So, if you’re playing a \$1 machine with a five-coin maximum bet, you now know that for every hand you play you earn 5 points. If this is a club that gives cash for points, the brochure should also say how many points equal \$1 in cashback. If it’s a comp-only club, it should have a “menu” listing how many points you need to eat at various restaurants and redeem for other benefits. So now you can calculate how much money you’ll have to play through the machine to earn what you want.

Unfortunately, not all casinos put all the information you need in their brochures. So your next step is to ask specific questions at the booth. And sometimes the math is a complicated puzzle. One resource to help you here is the *Frugal Video Poker* software I talked about in the last chapter and have included in the resource section at the back of the book. It has a very useful feature, no matter whether you play VP or slot machines, that helps you figure slot club benefits.

After you’ve played enough to get the required points for what you want, return to the slot club booth. You’ll have to hand over your card and a photo ID. The attendant will hand back a slip of paper that you take to the restaurant (if it’s a food comp you’ve requested) or to the cashier’s cage (if it’s cashback you want).

Those are the basics for sizing up and using a slot club. Everything else—covered in this chapter and in the big slot club chapter in *More Frugal Gambling*—is nuance and fine-tuning. Still, the more you know about slot clubs, the more your gambling experience is enhanced. That’s why between the two books, you’ll find nearly 70 pages on slot clubs.

Choosing Your First Slot Club

Different clubs for different rubs!

The requirements of a slot club in the view of an expert video poker player who's out to make a profit in Las Vegas casinos will be very different from a vacationing slot player who gets his biggest kick out of getting his hotel rooms for free in Atlantic City. A local slot player who never needs rooms but hates to cook might look for a slot club that offers the highest payback in food credits, while a video poker player who can only visit a gambling destination during the busiest times of year might try to find a slot club that's best at providing special handling for room, restaurant, and show reservations. After a while, you'll become adept at sizing up slot clubs for what they offer in relation to what you want. But for starters, my advice is to join the slot club at your favorite casino.

When I say your favorite casino, I assume that you're being realistic. You can't expect to waltz into a fancy Las Vegas Strip casino with \$40 in quarters and get the world handed to you on a platter. If your goal is to play enough 25¢ video poker to get food and room comps, you'll need to join the slot clubs at the mid-range or second-tier casinos. These aren't the most luxurious resorts, but they do have slot clubs that award good cash rebates and/or offer generous room and food comps for low-roller play.

The Stardust's slot club, you may recall, launched Brad and me on our path in 1990. After we discovered video poker, we found that the Stardust had many of the machines that we wanted to play. Soon we learned that the slot club paid cashback for play. Joining was a no-brainer. In fact, if cash rebates had been the only thing we got from the slot club, we would have been satisfied. Actually, in the beginning we thought that cashback was all we were entitled to. Our big surprise

came after we returned home and started getting fabulous offers in the mail, things like coupons for free buffets, vouchers to stay three or four nights free, and invitations to attend shows and special parties. Most of these offers had monetary value. And while the rest of the benefits didn't save or earn us money, they made our Vegas experiences more enjoyable. That was, and still is, important to us.

Becoming a regular customer at the Stardust served us well in our early low-roller days. I recommend you follow a similar strategy of selecting one favorite casino and putting enough points on its slot club card to become an established member. I call this primary selection the "core club."

The number of points needed to achieve regular club status is different at every casino. The Stardust started giving us comps early on; that will happen at many other casinos, too. Some places will absolutely shock you. We've joined slot clubs where we put no more than a single roll of quarters through a machine and the first mail we got from that casino was an offer for three free nights. Usually, though, there's some required point level that you have to reach.

Some casinos have a tiered membership structure — the longer you play, the more the casino will reward you, upgrading your comps at each level. Some will actually increase your cash-back percentage after a specified lifetime point total is achieved.

According to slot club specialist Jeffrey Compton, activation levels are dropping slowly as competition gets more intense.

The Buddy System

It used to be that you could earn comps faster if two of you played on one person's card, thus earning

points at double the usual rate. But it's a little dicier these days. Casinos now discourage two people from playing on one person's card. In fact, if you're playing a promotion where the rule is you must have your card inserted, you'd better have your own card inserted; otherwise the casino is within its rights to withhold any winnings.

I recommend using the buddy system only if two people share the same address, the same last name, the same bankroll, or any combination thereof. There's nothing unethical about a couple that's married or lives together having one slot club account per casino.

A slight variation on this theme is to start out with a single account, then add a second account in the other partner's name later. Using this strategy, one of you signs up for the slot club and gets two cards in one name initially. Both of you play on the same card for a visit or two, in order to accumulate enough points to get the card activated. On a later trip, the other partner picks up two more cards with a separate membership number. Now you have two cards for each name at one casino.

In our case, Brad got a card at the Stardust first. After we'd put about 1,000 points on it, we got a mailing for three free nights. When we went back to use our free nights, we put 200 points a day on his card to keep it qualified. Then I got two cards in my name and we proceeded to accumulate points on that account. Soon we were getting duplicate invitations. We would stay three days in his name, then three more days in mine.

Of course, we were always careful to stay qualified in each name. We both used the card in my name when the room was in my name, and switched when it was in Brad's. Some casinos still insist that married couples share one account. If you bump into one, gently remind the attendant—and her supervisor, and the supervi-

sor's supervisor, if necessary — that we're now in the 21st century, where many married couples have separate last names, phone numbers, bank accounts, and bankrolls, if they even bothered to get married at all!

Be gentle but insistent until you're given separate accounts. That way you can often earn up to twice the benefits that you would with a single account for both of you.

Adding Core Clubs

When the time comes to branch out to your second casino, you simply employ the same strategy all over again. Now you can stay in Casino A for six days (three in each name), then move to Casino B for six days. All of a sudden you're staying in Las Vegas for 12 days free and you only have to move once. You're starting to flex your low-roller muscles.

Having at least one core casino is such a strong strategy that I recommend you make sure you're well established before splitting your play to earn benefits at another. And keep in mind that you have to maintain a certain amount of play at your core casino (or casinos) to keep the free rooms and special invitations coming. This is called "keeping qualified," and each casino has its own maintenance requirements. If we stayed six nights at the Stardust, then went over to the Riviera for six nights, we played at the Stardust while we stayed there and played at the Riviera while we stayed there. That way, we knew they'd both invite us back for another round of freebies. Some people spread their play around in so many casinos that they never qualify for much at any one of them. Although we belong to more than 100 or so slot clubs around the country, we play regularly only at seven or eight of them. Sometimes we get invitations to participate in

something special at a casino where we don't usually stay or play, but on the whole we patronize our regular set of casinos in each gambling venue.

Did you notice that figure of 100 slot clubs above? Those take into account all of our "fringe clubs" (discussed next), and they pay sporadic dividends. In Las Vegas, for example, as many as 20 casinos might send you free-room offers for the slow times of year, particularly December and January. Las Vegas is famous for giving away the store the week before Christmas. That week we can get 20 rooms for ourselves, or one each for 20 of our closest friends. Almost every casino in which you belong to the slot club and have played minimally will give you a free room that week.

But to stay free any time of year, you need to concentrate your play. Playing extra heavy in one or two casinos will help you get comped rooms over Christmas, New Year's Eve, the Super Bowl, and other holiday weekends throughout the year. When the town is full because of a large convention, you'll be able to find a room easier in the casinos where you've played the most.

Fringe Clubs

Prior advice notwithstanding, it never hurts to just join the slot club, even if you never plan to play in that casino. I've received valuable mailings from slot clubs at casinos where I've never put a single quarter into a machine. Right after you join, they might send you one or two mailings before giving up on you. Sometimes they'll court you with a free night (or two or three). Other casinos will keep you on their mailing list forever, even if you don't play. I've been on one casino's list for eight years and I haven't played there yet! They've never given me a free room, but they send

a monthly newsletter that sometimes contains coupons for discounted or free food.

When do I join a new slot club? If I walk by a slot club booth where I'm not a member and there is no line, I'll usually sign up. If there's a long line, I usually won't wait, unless I have some time to kill.

Often I'll join a new slot club because it's offering a sign-on bonus of some kind. It could be just a small souvenir — a keychain or a deck of cards — but often it's something more valuable. We've received an expensive logo sports bag, a fanny pack, sports drink cups, a shot glass, a beach towel, and a number of T-shirts. Often the bonus translates into money in our pockets. Some casinos offer double points for play during the first 24 hours after you sign up.

How do you find out about these new-member bonuses? As I'll detail more in the chapter on promotions, you must look everywhere — in the local newspapers, in the freebie tourist magazines, on the casino marquees, on banners near the slot club booth. One time at Caesars in Atlantic City, I picked up a casino newsletter from a rack just inside the entrance and in it was a coupon for a free pull on Megabucks when you joined the slot club. (No, I didn't win the \$4.1 million, but I grabbed the free opportunity to go for it.)

Should you refrain from joining new clubs in order to wait for some sort of sign-on bonus? I'd say no; I've found that joining as soon as possible speeds up the chance of getting lucrative offers by mail that tend to be more valuable than the typical sign-on bonus. A possible exception is Atlantic City. The competition there is fierce, especially when it comes to the bused-in day-trippers. These players, many of them senior citizens with time to ferret out the good deals, are savvy consumers. They wait until a juicy promotion comes up before they join. And juicy many of them are. In

November 1996, Harrah's offered new members up to a \$250 reimbursement for losses during their first hour of play. Wow! That was the best sign-on bonus I'd ever seen, up till that point. Since then, I've seen others in Atlantic City that were good for more than \$1,000.

Knowing Where You Stand

At some casinos, the printed literature, which explains how the club operates and what points are worth, is very clear. One casino in Las Vegas, for example, used to be a good example of a slot club that gave you all the information up front. They told you that as soon as you earned 1,000 points, you were entitled to two free nights every month on a Tuesday, Wednesday, or Thursday. When you reached 2,000 points, you could stay on a Sunday and Monday as well. At 20,000 points, you could stay any night of the year, even holidays, and at 50,000 points, you were entitled to a suite. They also told you that to keep qualified, you had to put at least 300 points on your card per free day. All that was very clear. You knew that if you earned the 600 points during your two free days, you could stay there again for free the next time. If you didn't, you had to pay.

Most casinos aren't nearly as straightforward as that casino used to be. It's often hard to determine just how much you have to play to stay on the comp list. This is inconvenient, but it's not always bad. It actually works both ways. Some slot clubs have dropped us from the mailing list after only half a year of not playing there. Others keep sending us offers for free nights even though we never play there. One couple I know has stayed two or three nights free every month for two years at one casino and never spent a nickel keeping qualified. Of course, most casinos aren't that

generous. And, for me, there's a loyalty issue here. By my way of thinking, it isn't right to stay for free and not play. If a casino gives me my free days, I'll give them some play in return. The only exception is if we get to the casino and they've taken out all the high-return machines we were expecting to play. Then we won't play there; we don't play bad machines for comps of any kind. But we also won't plan on staying there for free again.

How much play you need in order to know where you stand varies. And that's something you can only learn by doing. We used to play a lot at one casino, until they took out most of their high-return video poker machines. Now, instead of the free-room offers they used to send us, our invitations are for low-priced rooms. This casino has a slot club that isn't forthcoming with the important information about point-redemption requirements, so the only thing I know for sure is that we're below the free-room level.

Sometimes you can get the information you need about different levels of status by asking at the slot club booth, or even by calling up and talking to casino marketing. But in most cases they just won't tell you. They act as though it's some big corporate secret. Jeffrey Compton calls these "don't ask, won't tell" systems. I prefer the casinos that keep you informed right up front, and thankfully, many casinos are heading in that direction.

Because we always have separate memberships, Brad and I sometimes get inadvertent clues about secret rating systems. During a visit, one of us may put a lot more points on a particular casino's slot club card than the other, which results in our receiving two different promotions in the mail. One of us gets an offer for four free nights and the other gets an invitation for three. One gets 50 tickets for a drawing while the other gets

only 10. One gets \$50 credit at the logo shop while the other gets \$20.

Other variables factor into determining what you get. Some casinos seem to send out blanket promotions to everyone. Others vary their promotions according to how many points you have, how long you've been a member, what denomination machine you play, where you live, how old you are, and whether you play slots or video poker. Lots of clubs have higher comp standards for quarter players than dollar players. Many slot clubs in the recent past didn't award slot club credits for nickel play, but that's changing fast, now that nickel and even penny machines are becoming so popular.

A few casinos don't differentiate between slot and video poker players, but most do. You often have to play twice the amount through a video poker machine as you do through a slot machine to get the same number of points. Most casinos give their slot players much better benefits than they do their video poker players. Why? Because the casinos know that the slot player will probably lose more money. (This difference in slot club payoff might motivate slot players to switch to video poker—even the casinos are telling you that video poker players lose less.)

Cashback from Machine Play

Do you recall the example I gave in the video poker chapter illustrating that even if you play quarter full-pay Deuces Wild slowly, you can earn a \$2-per-hour profit? Let's expand on that idea. But first, you need to understand that there's a difference between the money you put *into* a machine and the money you put *through* a machine. Here's the difference. Let's say you play one roll of quarters; that means you've put \$10 *into* the machine. Maybe you hit a couple of 3-of-

a-kinds, a flush, and a full house and you now have 65 credits. You wouldn't go buy another roll of quarters, would you? No, you'd play off the credits. As you do, you're putting more money *through* the machine. It doesn't matter whether you drop an actual quarter into the machine or use one credit, you are still putting 25¢ through. You could conceivably put \$10 into the machine and play \$400 through it if you were hitting well and the credits kept building up.

Say Casino A gives you back \$1 in cash for every \$400 you play through its machines. That calculates out to one-quarter of one percent (.25%) that Casino A will rebate you on your video poker action. That's on top of your .5% profit for playing the positive machine. So now you're earning .75% profit and you're no longer making \$2 an hour, you're making \$3 per hour (\$2 from the machine and \$1 from the slot club).

Now, consider a slot club that pays a .5% cash rebate. Let's do the arithmetic for a double-point day on a 9/6 \$1 Jacks or Better machine that returns 99.5%. If you play very fast and use the bill feed, you can get in 600 hands per hour. This means that you're putting through \$3,000 per hour. You'll incur a \$15-per-hour loss ($\$3,000 \times -.5\% = -\15) on the machine. But now add the 1% cash rebate (1% because of double points). That's \$30 back. Simply having a slot club card in the machine's reader raises the expected return to 100.5% ($99.5\% + 1\%$), which is a \$15-per-hour *profit* instead of a \$15-per-hour loss. That's a stunning turnaround!

So, in comparing one casino to another, you have to add the payback from the video poker machines and the cashback from the slot club. Before you get too excited (and really do quit your day job), keep in mind that it's rare to find full-pay machines in a casino with good cashback opportunities. Some casino slot clubs pay no cashback at all, only comps. Others pay a small

percentage, .10%-.25% in cash, and the rest in comps. But if you keep your eyes and ears open and combine the good machines with cashback from a good slot club, you'll often find yourself in positive land.

That's for video poker. Slot machines, of course, are rarely, if ever, a positive play. Still, many casino slot clubs return more in comps and cashback for slot play than for video poker play. No matter what kind of gambling machine you like to play, you'll always do better with a slot club card inserted.

A Textbook Case in Tunica

An experience we had at the Hollywood Casino in Tunica will give you an idea of how you can gather information to analyze the potential of a new slot club.

Things were made easier, since the Hollywood's slot club had a brochure at the booth that provided a lot of the information we needed. It told us that at sign-up, we'd be given a qualifying card called the Screen Test card. As soon as we earned 400 points, we could go back to the booth, where they'd give us a T-shirt and the Marquee Card, signifying that we'd become full members.

The brochure also revealed exactly what we needed to know about redeeming points, including how much they were worth. We saw that every 10 points at the Screen Test level were redeemable for one dollar. At the Marquee level, points were worth \$1.50. The one thing it didn't tell us was how much money we had to put through the machine to earn each point. So we tested the card in different machines. We tried 25¢ video poker and found that we had to play 120 quarters (or \$30) to get one point. The 25¢ slots only required 100 quarters (\$25) to get that same point. Then we checked the dollar slots (\$20) and dollar video poker (\$25).

We now had enough information to go off into a corner and figure out what percentage this worked out to. At the initial Screen Test level, 25¢ video poker paid back a .33% cash rebate, while \$1 video poker paid back .4%. At the Marquee level, video poker paid .5% and .6%, respectively (a relatively small difference between quarters and dollars). We also noticed a sign advertising double points during the week we were there. So instead of 25¢ machines adding .5% to the payoff and dollars .6%, we could earn a full 1% for quarters and 1.2% for dollars.

Then we looked at the choice of video poker machines. The Hollywood had no machines that returned over 100%. The best quarter video poker was an 8/5 progressive, but the royal flush had just been hit causing the royal flush jackpot to reset at \$1,000. At this level, the return was a dismal 97.3% that no slot club rebate could save. There were 9/6 Jacks or Better machines at the dollar level.

We had already checked out the video poker schedules and slot club benefits in all the other Tunica-area casinos and found nothing on the 25¢ level that would give us any better than a breakeven or slightly positive game. Although we preferred to play quarters, we decided we could not pass up this positive opportunity for dollars. The .8% slot club rebate at the Screen Test level put the 9/6 Jacks or Better at 100.3%. And when we achieved the Marquee level (which we'd do quickly, with both of us playing dollars on the same account), we'd earn a 1.2% slot club rebate and be playing at 100.7%. In addition, we knew we'd accrue enough points playing dollars to get our room free, along with full food comps wherever we wanted to eat. We would have been happy with our \$42-per-hour theoretical expected return (600 hands x \$5 per hand = \$3,000 per hour through the machine x 100.7% expected return

= \$21 x two players = \$42), but Lady Luck decided to give us a \$4,000 royal flush this visit, which meant we “earned” quite a bit more.

As Good As It Gets

As I discussed earlier, the Stardust was one of our core slot clubs when we first became low rollers. Every month, like clockwork, the mail brought us some sort of great offer from them – free food, free rooms, free merchandise. We always looked forward to the invitations to their car giveaways, which they conducted several times a year. In late 1994, the Stardust sent us an offer for three free nights and 500 drawing tickets for the January contest. There were hundreds of thousands of tickets in the huge drum, all given to reward long-term slot club members for their loyal regular play. Nine of ten tickets pulled would receive cash prizes from \$500 to \$1,000. The tenth, the first ticket drawn, would win the car.

I’d been sick in bed all that day, but since you had to be present to win, I dragged myself down to the casino and leaned against a wall, trying to keep from being smothered by the hordes of people milling around waiting to hear those lucky numbers. I figured it would turn out to be a waste of my energy – there were thousands of tickets in the drum. But persistence does pay. I got the ultimate slot club benefit when one of my tickets was the first drawn and I won a 1995 Mercury Mystique, plus \$3,000 cash to help pay the taxes. It doesn’t get much better than that!

“48 Hours” Interlude

In early 1995 the television newsmagazine “48 Hours” was planning a show on gambling and chose

Brad and me to represent the “little guy” gambler — the low roller. This was our “15 minutes of fame” (actually, it was only 10). Two cameramen and an assistant producer flew from the CBS offices in New York to our home in Indianapolis where they started taping our every move as we packed and went to the airport. They documented our efforts to get bumped from each connecting flight, then flew with us to Vegas. They stayed in the same hotel we did, though they paid \$70 a night, while our room, of course, was free.

Because the casinos are deathly afraid of negative publicity, most would not grant the crew permission to film us in action, so we all went “undercover.” The cameramen had tiny cameras in their caps and I was given a special pair of glasses with a camera in the nosepiece. They fitted me with what I called my “terrorist” vest, the inside pockets full of wires and recorders. Two more producers joined us, plus the on-camera correspondent, Susan Spencer.

We led them on a five-day casino assault mission into our world of positive-expectation video poker, comps, and couponing. They filmed us day and night, right up to the time we fell into bed, exhausted, each night! They said we “spoiled” Vegas for their after hours — they wanted to gamble but they’d learned just enough that they knew they would be making “bad” bets.

On the last day they followed us as we checked into the Stardust. I was so tired that I was giddy. With the hidden cameras rolling, I pranced around a Mercury Mystique in the lobby area and jested, “Film me with this car. I’m going to win it in the next drawing.”

Two days later it was time for the drawing. I was sick, but determined to attend. Brad said I was out of my head. We’d been in many of these big-ticket drawings and hadn’t even won a small “last-place” prize.

The “48 Hours” people weren’t even there — blessedly, the whole crew had left town to go back to New York.

The “impossible” happened. My ticket was pulled out first and that shiny new Mercury Mystique was really mine. When we notified “48 Hours,” they flew out two cameramen who taped our limo ride from the casino to the dealership to choose the color of car we wanted, and to take delivery.

It was an ending worthy of a made-for-TV story, titled “Lady Luck.”

“48 Hours” Inside Edition

Editor’s Note: The following, excerpted from the March 1995 Las Vegas Advisor, provides an inside look at how Jean Scott wound up on national television and what happened during the taping. It’s written by Anthony Curtis.

I was contacted by “48 Hours” point people in November 1994. They’d heard about Max Rubin’s [book] *Comp City*, and wanted to make comps one of their show’s primary topics. A meeting was arranged at Luxor with Max, me, and the segment’s producer in attendance. The idea coming in was that Max would discuss comps on camera, then play in the casino and bag a gourmet dinner or a show. The producer wasn’t completely sold that this was a story for America. “How,” he asked, “would the average tourist relate?”

“People will relate,” I said. “Comps are for everyone; that’s why Max wrote the book. There’s a comp for every man and every budget.”

“Every man? That’s what we need here, an ‘every-man’ to demonstrate that this really can be done by someone who’s not a pro.”

“The Queen?” Max looked at me.

“Yeah, the Queen.”

We described a few of Jean's exploits and the producer was sold. In an instant, comps became an aside, and the Queen was contacted to see if she would trade a little of her Las Vegas anonymity for a true 15 minutes of fame. She was willing and the timing was good (her annual holiday trip was scheduled for the week of the taping.)

A camera crew was dispatched to her home in the Midwest to tape her packing. They then accompanied her to the airport to record her (unsuccessful) attempt at getting bumped off the flight to Las Vegas. In Las Vegas, the cameras followed her through 48 hours (actually pieced together over several days) of her best moves: coupon plays, special invites, drawing entries, slot club benefit redemptions, and the maintenance of her slot club accounts via expert play on video poker machines with high-yield schedules.

Here, though, the Queen ran into trouble. As fate would have it, she came up against a particularly nasty dry spell (she was down more than \$2,000) and the cameras were rolling.

The Queen was depressed. "Why now?" she lamented over the phone.

"There's nothing you can do about it," I told her. "Besides, it doesn't hurt for the public to see a down side."

Easy for me to say. I wasn't the one getting my bankroll kicked on national television, and I wasn't the producer of a program showing people how to contribute to the building fund of the next megaresort. I did, however, know the Queen's track record. And I could, in good conscience, support her methods and attest to her long-run success.

Of course, it ain't over till it's over, especially in Las Vegas. Just when it looked like she would book a sure loser — POW! — the Queen popped a drawing at

the Stardust to win a 1995 Mercury Mystique (sticker price \$16,000) and \$3,000 cash. "48 Hours" got its story. The Queen got her glory (and a Mystique).

Was she lucky? Sure she was, at least in terms of the timing. But the car, or a car somewhere down the road, was part of the Queen's expected result. Her master plan includes entering contests and getting her name in drawings, then following up any way she can to enhance her chances. At the Stardust, for example, she'd done everything the rules would allow to get as many tickets in the drawing drum as possible. And she remained diligent, even in the midst of a losing streak compounded by a debilitating flu, by dragging herself downstairs at drawing time because entrants had to be present to win. By constantly putting herself in a position to win things and get things, she ultimately does.

What happened between the Queen and the car is another whole story. After long days of advanced maneuvering, she managed to resell the Mystique, earning (after taxes) \$1,200 more than the \$9,000 cash offered by the Stardust in lieu of the car. In her typical fashion, she managed to parlay a big win into an even bigger win.

ETHICS AND GAMBLING

ODD BEDFELLOWS

Think back to the story I told you in the Introduction about playing Uncle Wiggley, when my mother told me to spin for her and take her turn. I never once thought of giving myself an extra hop, or shorting her one. Being raised in a strict religious home, I knew from the time I was tiny that it was wrong to cheat. This ethic has never left me, as it did many of my friends. I know people who were raised the same way I was and they've had no problem cheating. Believe me, I've played with them and caught them at it. But I have a built-in standard against cheating of any kind. I could never cheat at a game for another reason: it would be no fun winning if I had to cheat to do it.

Some people may think this is an odd section to be in a book on gambling. However, you'll run into situations that require an ethical judgment time and time again in the casino, so you should be prepared to make the call.

The Casino as a War Zone

After I'd been gambling for a while, I realized that very little in a casino is black and white, ethically speaking. Going into a casino is kind of like entering a war zone. It's you against the house, and it starts to seem like the house has a license to steal. So if you get a chance to steal something back, you rationalize that it's only fair. When I started thinking that way, I knew I had to formulate a code of casino ethics. I'm not going to tell you what that entire code is, because it's a personal thing. You'll have to come up with your own code if you intend to "fight" in this battle zone.

My code is always being tested; I have to make ethical decisions in a casino all the time. Of course, some issues don't take any thought. If it's against the law, it's not even an option: for example, past-posting in blackjack (trying to increase your bet after you've seen your cards), or using an assumed name to avoid having to pay off your markers. But these no-brainers don't come up very often; the answer is rarely so cut and dried. So my personal standards are not static. In fact, writing this book has led to some changes in my behavior. There is nothing as sobering as opening up your actions to the bright light of public scrutiny. If I'm not willing to recommend a course of action in my book, then I'd better re-evaluate whether I should be doing it at all. The experiences in the sections below fall within my code. When you encounter these issues, you'll have to make your own decisions.

Coupons

If the casino gives you a funbook that has a 7-5 gambling coupon and specifies that the user is entitled to play "one coupon per person per day," it means you're only entitled to play that coupon that day. But what if

you're with a few friends who give you their coupons to play? Does this mean that you can't use them all at the same time at different tables or in different pits? Does it mean that you can't use them all on the same day, but during different shifts? This is a gray area.

Some casinos restrict certain promotions to "one per visit." Talk about a gray area! What do they mean by a "visit"? A visit to southern Nevada? You have to go home and come back? A visit to Las Vegas? What if you take a day trip to Laughlin? A visit to the casino? What if you visit the casino in the morning and return that evening? We finally defined "visit" as follows. If I visit a casino in the morning and I come back again in the evening, I count that as two visits. If I have ten coupons that specify "one per visit," I feel that I can use one of them each time I walk into that casino. This is probably a light-gray area.

Back when I first started going to Vegas, I was such a coupon freak that I probably abused them. I didn't take "one per person per day" too seriously. I felt that it was one per person as often as I could get away with it. Different dealers, different pits, different shifts, whatever it took. Only if the casino took my name and put it in a computer did I respect the limits, because I knew then that I could easily get caught. I felt that since the casinos are allowed to do anything they can to suck you into all these games with their built-in casino advantages, using a coupon any time you could to grab a couple of dollars wasn't so bad. At least that's the way I rationalized it.

I don't want to sound like I've suddenly seen some kind of light, but nowadays I'm not so ravenous. I don't play coupons as much as I used to, so I often don't even use my one per person per day. Maybe I'm trying to make amends for when I used to go wild; maybe I'm letting it all even out now. Or maybe I've

found that I can use my time better by participating in more profitable promotions. I'm not trying to imply that coupon freaks are unethical because they bend the rules whenever they can. It's a gray area, one that you'll have to deal with for yourself. And it usually involves such small dollar amounts that the casinos probably don't sweat it too much.

Tipping

A tip is a gratuity for services rendered, or for services that are about to be rendered. We all know that when you eat a meal in a restaurant in the U.S., it's standard to leave a tip that's equal to 15% of the bill. When a bellman delivers your bags to your room, when a valet brings your car from the parking lot, when a taxicab driver drops you off at the airport, you tip them. That's for services rendered.

You also tip in advance to get good service. You tip a showroom maitre d' in the hopes of having him take you to a better seat than you'd get if you didn't tip. Is that a tip or a bribe? There may be a fine line here, but no one thinks anything about it in a casino. When you arrive at a restaurant on a Saturday night and there's a waiting list, it's amazing how long it'll take to get a table if you don't tip the host or hostess, and how fast it goes if you do. If you pull up to the valet parking area on a Friday night and a sign says "Valet Full," it's miraculous how another parking spot appears, as if out of thin air, if you duke the attendant a ten.

Many casino promotions are handled by floor personnel and tipping will take you far fast. Whether it's a promotion that involves tickets for a drawing, stamps on a flyer, holes in a punchcard, or what have you, a well-placed dollar token in the hand of the issuer is an efficient way to earn more tickets or stamps or holes.

Once again, you have to use your own judgment to determine when a tip actually becomes a bribe.

Truth is, the whole casino comp system is ripe for abuse. Almost all casinos are set up to reward players for the amount of money they put at risk, not whether they win or lose. However, since many of the comps are distributed by fallible humans, it becomes a very subjective process. Many people will tell any made-up sad story about their losses in order to get sympathy from their slot hosts, which often leads to more comps. Table players will pocket chips; video poker players will pull their slot cards when dealt winning hands. I've heard of many people who have the most generous pit bosses and slot hosts on their Christmas gift lists. I'm not putting a judgment on any of this. I'm merely pointing out that everyone will have to draw his own line in the sand.

Malfunctioning Machines

This has rarely happened to me, but I've heard of many cases where video poker machines malfunction in the player's favor. Of course, this occurs infrequently, because the machines are well manufactured and the slot mechanics do good work. But one time a friend of mine landed on a video poker machine that was paying out more money than it should have.

Now, if I found a machine that malfunctioned in my favor, I would have to think long and hard about whether it was ethical to take the extra money.

One time on an Illinois riverboat Brad was playing a progressive video poker machine with the meter at \$2,000 when he hit the royal. The progressive was supposed to reset to \$1,000, but it didn't. For some reason the meter stayed at \$2,000. The casino executives shut down Brad's machine after he hit the jackpot, fearing

that if the same machine hit again, the meter might not reset for a second time. But they couldn't shut down the whole bank of progressive machines, because that would've upset a lot of people who'd been playing a long time trying to hit the progressive jackpot.

So the meter stayed at \$2,000 and started climbing from there. Brad and I went to two other machines on the other side of the carousel and continued playing. Amazingly, less than an hour later I hit the progressive at \$2,080! This is an example of a machine malfunctioning, but because the casino knew about it and allowed us to continue, it was no gray area for me.

Well, that second time the meter reset at \$1,000, where it belonged, so we quit. And I don't mind telling you: those riverboat execs seemed awfully relieved to be rid of us!

Other People's Money

Sometimes you'll see a slot or video poker machine that already has credits on it and there's no one in sight. People leave machines with credits on them all the time. They're either drunk, disoriented, disgusted, or they simply don't know any better. Sometimes a machine runs out of coins while people are in the middle of cashing out and they don't want to stick around for ages to wait for a slot attendant to come and refill it, so they leave the remaining six or twelve or sixteen credits on the meter.

In most gambling venues, you can sit right down and play off those credits as if they were yours. In Illinois, on the other hand, all the riverboats have big signs in the casinos saying that you cannot take any money from a wagering machine or table that you did not put money into or onto for purposes of wagering (or something to that effect!). The fact is that in Illinois,

even if you find money in the tray or on the floor, it's considered the casino's. To me, this is a little bit of a stretch. If I found money on the floor, it'd go into my pocket pretty fast and I'd defy anyone to tell me it wasn't mine. Here again, I feel that these places already have a license to steal, and now they want to steal the loose change off the floor!

One time I was in a casino in Las Vegas and I found this set of machines that malfunctioned by not accepting all the coins fed into it. It's not uncommon for a machine to miss accepting a coin here and there, which it shunts down to the coin return. Some coin returns are in non-obvious places, and with all the noise of the casino, players don't hear the coins drop out, then walk off without collecting them. This bank of machines kicked out more coins than normal, so by checking the coin returns and collecting the quarters, I walked off with quite a haul.

Well, the casinos have a name for this, I found out later. They call it "silver mining." They don't like it. One day a security guard spied my activity and said, "You can't do that." I told him that I found this money fair and square and no one was sitting at these machines. Then he told me that the unclaimed money belonged to the casino. Again, I don't buy it. I still look for coins in hoppers, but these days I'm a lot more subtle. At the time, I just said OK and left, but now I sit down, pretend I'm playing, and feel around in the coin return.

Queen of the Ziploc Bag

To take food out of a casino buffet or not — that is a burning question for me. For years I've carried Ziploc bags in my purse. They're good for all sorts of things. When I had little kids, I always had a wet washcloth

in one to clean up dirty faces. These days I carry my slot cards in one Ziploc bag and I carry my coupons in another; you can see right through the bags and know which card or coupon to grab. You just never know what kind of situation you'll find yourself in where you'll need a Ziploc bag.

Well, buffets raise an interesting ethical question. Some buffets have signs that say, "Take all you want, but eat all you take." Well, what if your eyes are bigger than your stomach? Can you take the "leftovers" with you in a Ziploc bag you've brought in so as not to be "wasteful"? Does "eat all you take" mean eat it here, or can you take it with you and eat it later?

Of course, if the sign says, "Do not remove any food or drink from the dining room," it's pretty clear what the rule is. But what if there's no sign that says something to the effect that you're not allowed to remove food? Here's the gray area.

I've seen lots of people walk out of a buffet with an apple or orange in their hands. They make no attempt to hide it in a purse or a pocket or a daypack. It seems to me when casino buffets put whole fruit out, they're saying that it's all right to take this apple or orange with you.

What about if you've been comped to the buffet? When we're comped to a buffet, all I can say to the food and beverage managers is, "I would rather you not look in my purse when I leave." I might never have cheated at Uncle Wiggley, but you're apt to find a nice piece of ham or roast beef or turkey and a bun for a mid-afternoon or late-night snack, or strawberries to put on my cereal in my room the next morning. Maybe I rationalize a little bit here and think: well, I could go to the buffet in the morning on another comp and get a piece of ham and a bun, but I don't like getting up too early. I've got so many points in my slot club ac-

count at this casino that I could have three buffet comps every day for the rest of my life, so I'm actually doing the casino a favor by taking a little ham sandwich out of one buffet so I don't have to go down and do the whole buffet thing an extra time. You'll have to come up with your own answer to this dilemma, but they don't call me the Queen of the Ziploc Bag for nothing!

Taxes

The good old IRS! The reason that gambling and income tax is such a gray area is not only that you'll constantly be tempted to make an illegal move, but that you might not even know how to do the legal thing. How the IRS views gambling is a murky, swampy, stinky cesspool, so wide that it's extremely difficult to maneuver around. And at the same time the maps to help you get through it are inadequate.

Here are the basics. Technically, *any time* you win *anything*, you're supposed to declare it. This means that if you put a quarter into a slot machine on the way to the buffet and you get eight quarters back, you've won \$1.75, and the IRS defines that as income. But it doesn't take a genius to realize that it simply isn't practical to try to keep track of every quarter you win in a casino. Even the IRS is sensible enough that it doesn't expect that sort of accounting.

Still, the IRS is savvy enough to recognize the potential for abuse in such a cash-crazy business, so it assumes that people will be lax in reporting their winnings. Accordingly, they've made some rules whereby the casino has to report how much you've won. The rules vary according to the game. If you play slot machines, video poker, or video keno and hit a jackpot of \$1,200 or more, the casino gives you the dreaded W-2G, the form that documents your winnings. You

now know that the IRS knows you've won. If you hit a jackpot of \$1199.99, you're still required to report it to the tax authorities, but the casino is not. For some reason, the IRS is a little less stringent about live keno and bingo jackpots, which have to be \$1,500 before a W-2G is issued.

You can write off your losses up to the amount of your winnings. This means that if you hit a \$1,200 royal flush and can prove that you have at least \$1,200 in gambling losses for the year, you don't owe the government any money. (However, if you lost \$5,000 that year and won \$1,200, you cannot deduct any loss for the amount over \$1,200.) How do you prove it? Well, you have to keep records of your wins and losses. This is another ugly and murky swamp creature! I'll go into it in more detail below. For now, suffice it to say that if you can show you lost \$1,200, then that will wipe out your win.

This doesn't mean you don't have to declare your win as income, especially since the casino files a W-2G on it. Also, to write off losses, you have to itemize your deductions (fill out a Schedule A). In other words, if you take the standard deduction and your gambling losses aren't enough to justify itemizing, then you have to pay taxes on the full amount of your winnings. Generally, one or two \$1,200 jackpots won't make it worth your while to itemize if you don't in the first place. It's tax-paying time on gambling income for you.

My advice? If you don't itemize and you don't keep records of your gambling wins and losses and you happen to hit a jackpot of \$1,200 or more, put 30% of it in an interest-bearing account and turn it over to the IRS the following April 15 (or make quarterly estimated tax payments if your winnings, plus other income, require it). That part's pretty black and white.

But if you play as much as we do and hit a lot of

jackpots, then you'll have to keep as accurate and detailed records as you can. To keep truly accurate records, you would have to list all your winnings and losses by the day (some even do it by the session), and it's entirely up to you how truthful to be, especially with regard to those winnings that aren't reported to the IRS by the casino. Here's the gray area, the ethical consideration. Will you underreport your winnings?

Some people don't keep records. They simply let the casinos do it for them. When you put your slot card into a card reader in a slot or video poker machine, the casino is not only reading it for points you're accumulating, it's also keeping track of how much money you're putting in and how much money you're cashing out. Most casinos will give you a print-out of those records at the end of the year.

That might sound convenient, but sometimes it isn't practical. Most casinos don't track your play year by year. In our case, for example, we'd been playing for several years before we started winning big and had to itemize our wins and losses. We didn't have many W-2Gs, so we didn't itemize and we didn't try to knock down our winnings by taking losses on Schedule A. Thus, we didn't have to ask the casinos for our slot club records.

Then one year we hit quite a few big jackpots and lost enough to make a difference against our winnings. We wanted to write off our losses, so we asked the casinos for our records. We thought they'd be broken down by the year, but they weren't. The records ran back to the day we first joined the slot club. The first year we wanted our records, we'd been members of the Stardust slot club for five years. All the Stardust gave us was a form saying that over those five years we'd put so many thousand dollars in and taken so many thousand out. We had to average out the wins and

losses over five years, which the IRS may or may not consider acceptable record keeping. It usually wants personal records that corroborate the casino records.

So my suggestion is this. If you're going to gamble, you should start keeping a gambling diary. If you happen to get lucky and hit some big jackpots, you'll have a record of losses to subtract from the wins. A good way to keep a diary is to do it by the day, writing down your wins and losses, the casinos you played at, the games you played, the names of people you were with, what you ate in the restaurant (just kidding) — in short, every little detail that might matter if the time ever comes to “prove” to the IRS that your records are accurate and truthful. Some people are so detailed that every time they change machines they write down the machine's serial number and how much they put through.

These are just general hints. You really need to seek professional advice, preferably from a lawyer or accountant who's especially knowledgeable about the tax picture for gamblers.

If you keep a truthful diary of your wins and losses, then it's no longer a gray area. Only if you fudge the results of your gambling does it become an ethical question.

For full coverage of this vexing issue of taxes and gambling, you can buy *Tax Help for the Frugal Gambler*, an extensive special report written by Marissa Chien — a tax expert and a gambler herself — and me. See the Resources list for a description; it's available from Huntington Press for \$25.

A Personal Postscript

After working on the various chapters of this book at different times, one night I read the first completed

draft from beginning to end and I became slightly uneasy.

I'm keenly aware of the rapid spread of legal casinos over the past several years, and I've read and heard much discussion on whether or not this is a good thing. Are the economic benefits as positive as they are touted to be by the casinos? Is the number of addicted gamblers growing as fast as anti-casino advocates claim? Is gambling causing heartache in too many homes? I don't know the correct answer to these questions, but I do know that I don't want to encourage even one person to start out or continue on a path that will lead to negative factors in his or her life.

Gambling, although it plays an important part in our lives, is not an all-consuming passion. We have so many other interests—our families and friends, our volunteer work, travel, and education for self-improvement. Too much of anything is never good—and that's especially true of gambling. I want to stress the value of balance in one's life. I have touched on this subject in other places in this book, but I want to emphasize it again: Never let your gambling hurt yourself or anyone you love.

BREAKING EVEN IS A TERRIFIC THING

Gambler's Prayer:

"Lord help me break even, for I need the money."

"So, how did you do?"

That was the most common question we were asked after we returned home from extended stays in Las Vegas before we moved here. Very often, we said that we broke even on the gambling and got all our expenses paid. People tended to turn up their noses and make some remark like, "What's the point of going?" They expected to hear a dramatic story that involved large sums of money changing hands. Breaking even is about as undramatic as it gets.

But here's how we figured it then, and figure it now. At the end of the year, we spent up to five months in casino towns. If we stayed free most nights, ate free once or twice a day, saw a few free shows, played up to eight hours a day, and recouped what we did spend out of pocket, we actually *made* money by breaking

even. We didn't have to spend any of our own money, so our ordinary income continued to go into the bank and pile up. Anything we didn't spend was the same as winnings, and it was tax free to boot.

Look at it this way. If someone told you that you could take the kind of vacations that I've described in this book and you could do it all for free, would you also insist that you had to make some money while you were at it? Take home a profit from a free trip to paradise? Maybe, but that sounds a little greedy to us. If you spend half the year away from home with no expenses, it means that the other half of the year you have twice as much to spend at home. That was — and is — plenty “dramatic” for us.

This is the good life! And you can have it by playing quarter video poker and belonging to slot clubs and never being afraid to ask for what's coming to you. You can do it by being low rollers, just like we are.

Breaking even at gambling is a terrific thing, and we wish you luck in your quest to succeed at it.