

THE YEAR IN REVIEW

# Calling Some Bluffs

BY CHARMAINE COOPER

**T**hey say the days of strong-arm collection tactics on "welshers" (gamblers who don't pay their debts) are over; those sinister threats to break various limbs have been replaced by polite but persistent calls from credit collection agencies.

Conversely, as *The Gaming Journal* celebrates one year of covering Louisiana and Mississippi gaming interests, we've seen several gaming operators never really achieve their aspirations, and not quite deliver on their promises. And while we aren't going to crack any skulls, it's time we called some bluffs.

Whatever became of admission fees and cruising times on the Star and the Queen, and splashy expansion plans for Biloxi Belle? Wasn't Harrah's temporary casino supposed to open in March, and weren't four riverboat casinos going to dock at downtown sites? The Biloxi Star Theatre was expected to herald the accession of Biloxi as the new Branson, Mo., and McCarlie's Gold Coast was the only casino on the Gulf Coast run by Mississippi natives. The Louisiana Lottery was working on a joint venture with Kentucky and Georgia; truck stop video poker parlors were running rampant and rakin' it in; and Louisiana riverboats maintained their boarding times.

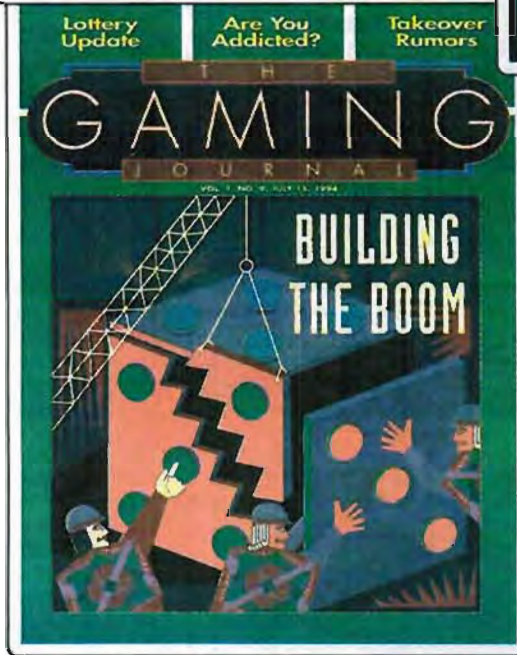
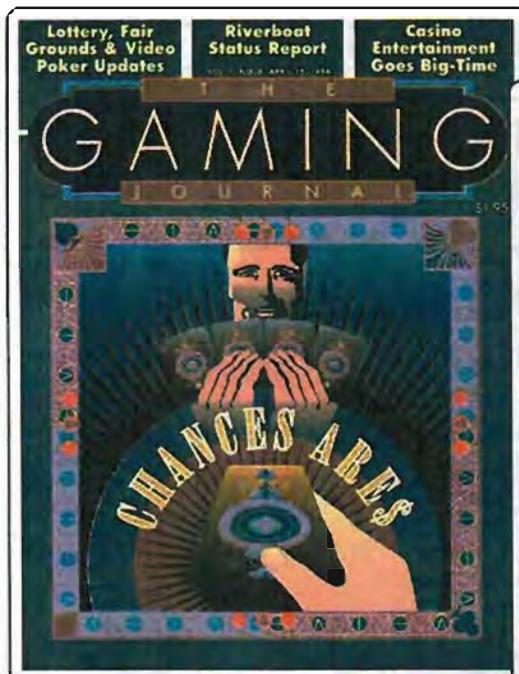
We'll grant that in many instances, defaults and disappointments were beyond anyone's control. Louisiana's Attorney General called for a repeal of Harrah's winning bid, and riverboats were delayed for reasons ranging from safety infractions to neighborhood opposition. Last year at this time, the Fair Grounds was looking forward to its most promising season yet; the fire scorched, at least for 1994, any hopes of a resounding recovery from declining attendance figures.

But many operators held the "high hand" after all. Nine riverboat casinos opened in Louisiana in the past year, and the number of casinos on the Gulf Coast doubled, from seven to 14. The Lottery continues to hold its head above water in a sea of competition, and profits from video poker machines are pouring into operators' pockets, as well as filling the coffers of the state's general fund.

As the town crier for such a dynamic and bustling industry, *The Gaming Journal* has examined all of these events, and more. We took a closer look at some controversial issues, including casino surveillance operations; hurricane evacuation routes; advertising restrictions; marketing strategies; the service of free alcohol; compulsive gambling; sexual harassment; and the battle between smokers and non-smokers. Other, more whimsical features included wacky casino promotions; reviews of casino buffets and more upscale restaurants; tournament mania; child care in casinos; player's clubs; tips on tipping; and slot superstitions.

In this special edition, we'd like to spotlight some of our best issues, and recap some of the most intriguing and insightful stories from the last year. Some of the opinions espoused in our pages assume an amusing irony when dredged up months later; it's our gentle way of calling some bluffs.

They say that placing the past in perspective enables you to look forward with some sense of direction. As *The Gaming Journal* and the casino industry in Louisiana begin our second year, it is our hope that both of us know where we're going, and that wisdom comes with maturity.



### November 1993: "Fair Grounds Enters Pivotal Season"

This feature, written just days before the devastating Dec. 17 fire that destroyed the Fair Grounds' grandstand and clubhouse, takes on a brutal irony when looking back one year later. When asked to forecast the tone of the impending 1993-94 season, Fair Grounds General Manager Bryan Krantz admitted that although attendance had been declining, "if we're smart enough, and lucky enough," the race-track would be able to hold its own against an impending onslaught of casino openings. Krantz hoped that "casino fever" would have "died down" by the time the 1994-95 season began, and he predicted that tourist-packed casinos would drive locals back to the races. Other recent expansions and additions that Krantz believed would help were a large bank of video poker machines on-site, broadcasts of Fair Grounds races throughout nationwide off-track betting outlets, and larger daily purses paid to winning owners and trainers.



"I think this is a pivotal year," Krantz said. "If we can hold our own or improve our position this year, we'll be here for a long time."

### December 1993: "Pushing the Limit"

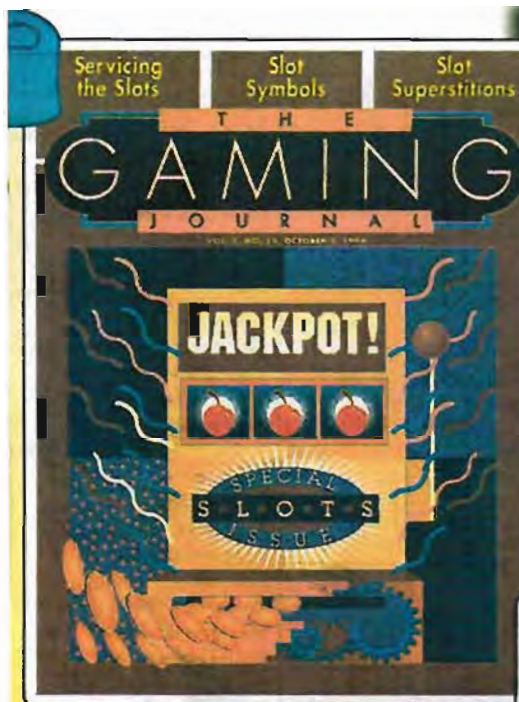
Does the practice of serving free drinks to casino patrons precipitate a party atmosphere — or is it their true intent to encourage illogical bets? A controversy erupted from many sides questioning this once-seemingly innocent amenity.

The first tremors of trouble were felt in Atlantic City, when a sore loser and ex-high roller sued the Sands Casino, claiming that the property had intentionally sought to incapacitate him and impair his judgment by plying him with free alcohol. In response, the casinos claimed that there were extensive check-and-balance systems in place to monitor intoxicated gamblers, but other players sued because they felt their free drinks had been "cut off" prematurely. Repercussions on a local level included a rising number of DUI arrests made by Gulfport police; an Ocean Springs, Miss. attorney accepted three cases involving sticky questions of liability for drunk driving fatalities; and a Gulfport compulsive behavior counselor noticed a rising relapse rate among alcoholics, who fell off the wagon while gambling.

Gulf Coast casinos appeared to be doing their best to "act responsibly," going so far as to provide transportation for impaired guests. But the future effects of this continuing practice, and further ramifications, remain to be seen.

### January 1994: "Rating the Gulf Coast Casino Buffets"

One weekend of gorging in January produced a smorgasbord of "totally subjective" observations regarding selection, quality, layout and price of five Gulf Coast casino buffets. The Bananas Buffet at Grand Casino Gulfport won the "Totally Subjective Award" for Best Buffet Layout and Best Selection, and Casino Magic Biloxi's Odyssey Buffet was named Best Tasting for bountiful seafood and extravagant desserts. Calypso's at the Isle of Capri Biloxi limped



away with the Best Roll Award; Biloxi Belle's Belle Buffet brought home the Best Sleeper of the Bunch; and the newly-opened Buffet Royale at Bayou Caddy's Jubilee Casino hit the jackpot by providing Best Service.

Despite the fact that buffets qualify as an "ancillary activity," surveys have shown that the quality of a buffet is one of the most significant factors by which gamblers judge their overall experience.

#### February 1994: "Keno Defies the Odds"

It's just like the lottery, really. Just pick your numbers and hope they're drawn. But strategies and strange terminology often confound casino patrons when confronted with those roaming runners calling "Keno!"

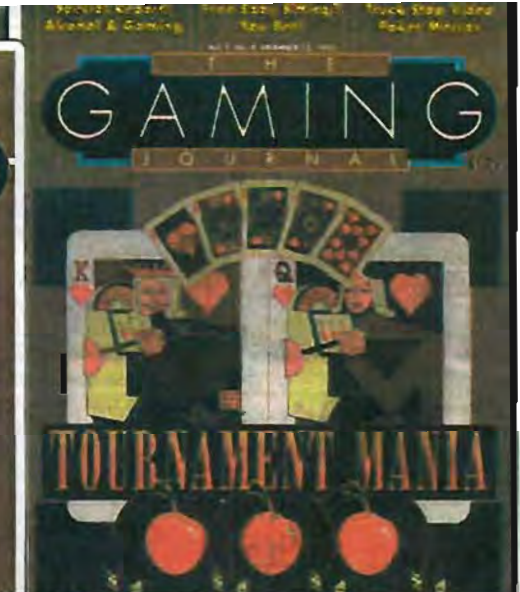
The game, which proceeds at a leisurely pace, promises enormous rewards for minuscule bets. But before you start planning for an early retirement, you should know that your chances of winning never rise above 25 percent, and most gambling authorities have unequivocally selected keno as the "worst sucker game in the house."

Despite the horrid odds, keno remains relatively popular, and to keep things interesting, there's a spate of different ways to place your bets. For those who hate to miss anything, it's possible to put in bets for a year's worth of drawings. Keno tournaments allow bettors to race against each other, hoping to score the most picks, and there's an infinite number of methods to mark the keno cards.

Keno revenues often don't justify the square footage taken up by a keno lounge, and many casinos, rather than waste the space, offer video keno machines as an option for those who itch to pick.

#### March 1994: "Lotto at the Crossroads"

This feature, one of a series of updates about the Lottery, included the announcement that plans for a tri-state lotto with Kentucky and Georgia were "currently at a standstill," hinging on approval by a legislative committee. Also delayed was "Cash Lotto," an in-state weekly drawing slated for Wednesdays, that Lottery officials hoped would appease players who



felt their chances of winning the huge tri-state jackpot were one in a gazillion. In the meantime, Lottery officials were busy churning out new scratch-off games every two weeks, and hoping to wrap up older games by advertising the number of still-unclaimed prizes. (See related story in this issue.)

Lottery President Bonnie Fussell noted that sales figures for the year-to-date, at \$2.4 million, were higher than originally projected, but he bemoaned the increasing amount of competition from other gaming industries. "It was easier when we were the only kid on the block," he admitted. "But we realize that we, like any form of entertainment, have to fight for the discretionary dollar."

#### April 1994: "Deciphering the Odds"

Our April cover story provided a rundown of the theoretical odds for winning at casino games versus what the house pays to winners. Because the casino usually pays less than fair odds, its constant advantage over the player is expressed in a percentage called the house edge. For example, if the house edge is 14 percent, the casino will, on

▶ 14

◀ **13** average, take \$14 from every \$100 bet. And while there are several variables, including special game rules, player skill, total bankroll and betting amounts, below is a list of the approximate house edge, from best to worst, for each game in the casino.

Baccarat (bet on the banker's hand)	1.05 %
Bet on the player's hand	1.24 %
Bet on a tie	14 %
Craps (even-money bets)	1.4-1.5 %
Any-seven option (next roll will come up seven)	16.2 %
Blackjack	2 %
Following basic strategy	3 %
Counting cards	-1 % to -1.5 %
Roulette (American-style, with two zeros)	5.26 %
Roulette (European-style, with one zero)	2.7 %
Five-number bet (both zeros, 1, 2 and 3)	7.89 %
Video Keno	13 %
Slot Machines	varies between 0-17% for each individual machine
Keno	20-25 %
Big Six Wheel (depending on the bet)	11-40 %
Video Poker	varies with player skill and pay tables
Poker	none, since players oppose each other

**May 1994: "Is the Truck Stop Party Over?"**

The advent of Louisiana's 1994 legislative session saw no fewer than 10 bills designed to — by taxing and placing other harsh restrictions — sharply curb the growth of a poorly-regulated truck stop video poker industry.

Beleaguered truck stop owners cried fowl, claiming that they'd fulfilled their end of the bargain with the state to generate revenue for the general fund, and that video poker had created intrastate jobs, revenue and business, and revitalized the truck stop industry.

The "industry" was, keeping in line with the way things happen in Louisiana, created accidentally. Within the bill legalizing video poker, the clause to include truck stops as potential sites was mistakenly inserted into the "racing" category rather than the "bar" category, allowing truck stops to offer up to 50 video poker machines and not the 9-machine limit in bars.

The State Police and the politicians felt that the industry needed a strict definition of what constituted a "truck stop," but the 19th Judicial District Court did not agree, saying current regulations were "too broad and too restrictive." Another problem was that there was no limit on the number of licenses that could be granted, and veteran truck stop owners feared oversaturation of the market by upstart operators hoping to make a fast buck.

Perhaps in an attempt to stop this bickering, and because he has never been in favor of truck stop video poker, Governor Edwards threatened

**In**

- Blackjack tournaments
- Continuous boarding on non-cruising riverboats
- Flamingo Casino New Orleans
- Weathering a hurricane with the help of moorings
- Lottery tickets in vending machines
- Player's club perks
- Louisiana casinos targeting the locals
- Polace Casino's American Superstars revue
- Non-smoking areas
- Video poker at Crazy Johnnie's Steakhouse
- Hotel and land-based expansions
- "Can't Lose" Tuesdays at the Queen
- Wacky promotions
- Involving the safety exception to the Gaming Control Act
- Themed casinos
- The Belle of Baton Rouge
- Mudge bar slot machines
- Progressive slot machines
- Video poker
- The Monkeys at Casino Magic Bay St. Louis
- Studying gaming strategies in books
- Placing a bet for the dealer
- Docking at the Orange St. Wharf
- Halting your grandiose expansion plans
- Bill acceptors
- The Fair Grounds
- Barges

**Out**

- Slot tournaments
- Pretending to cruise
- Hilton Queen of New Orleans
- Getting the heck out of there
- Tri-state Kentucky/Georgia/Louisiana Lottery
- Playing without the card for superstitious reasons
- Louisiana casinos marketing to the tourists
- Boxing matches
- Relying on air-filtration systems to do the trick
- Video poker at Tipitina's
- Building up floating facilities
- Admission fees at the Queen
- Meal coupons
- Braving the high seas
- Gambling halls
- The Catfish Queen
- Plain boring slot machines
- Plain boring slot machines
- Poker rooms
- Billy Ray Cyrus at the Biloxi Star Theatre
- Studying gaming strategies at the tables
- Tipping after the game
- Docking at the Julia St. Wharf
- Announcing your grandiose expansion plans
- Changepersons
- The Fair Grounds
- Paddlewheels

to abolish the industry outright and revoke all of the licenses. But, given the number of politicians and wealthy

owners involved, don't bet on it; the battle over truck stop video poker is currently at a draw. ▶ **16**

# A Quality Employee Benefits Program Will Stand the Test of Time

Poor employee benefit design can cost you — cost you in the quality of your employees, and cost you in the exposures you face every day. John Stuart & Company can help you to design a "total" program — a program that limits your exposures and helps to attract quality employees so necessary to gaming success. A benefits program that combines the best in employee benefits, risk management, and human resources systems will never go out of style.

Specializing in Employee Benefits and Risk Management Services for the Gaming Industry

*John Stuart & Company, Inc.*

**1-800-723-8644**

4427 South Polaris Avenue, Las Vegas NV 89103

June 1994: "Tips on Tipping"

Novice gamblers are apparently expected to have ESP when it comes to knowing when, how and how much to tip in a casino, because the employees certainly aren't going to tell. But in the event that you lack psychic gifts, here's a guide to what's appropriate.

Casino Employees	Standard Tip Amounts
Valet Parking Attendants	\$1 or \$1 in and \$1 out
Bus Drivers/Tram Drivers	\$.50-\$1
Cashiers	A portion of your casino check or winnings (15-20%) or \$2
Change Persons	\$2-\$4 or 5% of a jackpot
Dealers:	
Poker	\$.35 a hand per 17-hand session/\$.25 per game
Blackjack	\$.55 minimum bet \$1 a round \$.75 minimum bet \$.55 a round The minimum bet of your table or 15-20% of winnings or 5% of a jackpot
Cocktail Waitresses	1-cent slots: \$.25 per drink 2-cent slots: \$.50 cents per drink \$1 slots: \$1 per drink \$.75 minimum bet table games: \$.55 per drink 15-20% of the total bill
Bartenders/Restaurant Staff	\$1 per order
Keno Runners	Appropriate amounts for actions above and beyond the call of duty
Security Guards/Housekeeping/Doormen/Guest Service Representatives	

July 1994: "Fun and Games — Or Road to Ruin?"

In this feature, the psychological profile of the compulsive gambler was explored, as well as local efforts to treat this "disorder characterized by debt, deception and depression."

Phase one of the addiction is referred to as the "winning phase," when people who are often under a great deal of stress or who are experiencing personal problems experience a thrilling "high" when gambling, causing them to forget their troubles. In phase two, the "losing phase," the gambler rationalizes that at this point,

it is necessary to gamble in order to recover losses incurred during a recent "streak of bad luck." Phase three is the "desperation phase," when addicted gamblers turn to criminal acts in order to sustain their habit. At this stage the gambler may even consider suicide — pathological gamblers have the highest attempted suicide rate of all addictive disorders.

Mental health agencies don't fault the casinos for creating the addictive environment; the compulsive personality of addicted gamblers is often pre-existent. Treatment methods are similar to those for other addictive disorders. Locally there are 15 chapters of Gamblers Anonymous, and several local hospitals, including River Oaks, Tulane Medical Center, DePaul, Methodist, and Ochsner have established gambling-dependent sections within their addictive disorder units.

Unfortunately, the expense of treatment, which the gambler is often unable to pay, and a high relapse rate are two of the greatest stumbling blocks to a full recovery.

August 1994: "Hurricane Watch"

The recent threat from Tropical Storm Alberto stirred up an already heated debate between Gulf Coast Emergency Management officials and casino operators, as they vacillated between two not-so-great options for protecting the properties in the event of a hurricane. The original plan, which entailed moving the barges to Back Bay through a maze of narrow waterways and drawbridges, proved illogical when considering the number of boats evacuating in a short period of time, the size of the boats, the possibly rough weather conditions and especially the interruption of normal evac-

uation routes with the raising of drawbridges.

With the governor's approval, the Mississippi Gaming Commission decided instead to require that the casinos install mooring systems able to hold the barges in place through 155 mile-per-hour winds and a 15-foot storm surge. In addition to incurring this expense, the casinos must also attempt to reinforce their superstructures, now only built to meet the Southern Standard Building Code, which requires that structures be resistant to winds of 110 miles per hour.

Although all of the casinos lining Beach Blvd. have detailed hurricane-preparation plans in place, they differ significantly from one another. Some plan to stay, others plan to move, and still others have both moorings and tugboats on standby in case they want to evacuate. Fortunately, it hasn't been necessary to put any plans into action — yet.

September 1994: "Technical Difficulties"

Casinos nationwide are challenging an outdated federal law — enacted in 1827 to curb the growth of the Louisiana Lottery — which prohibits the depiction or mention of gambling in television and radio ads. Words like "luck," "play" and "win" are forbidden, as is the appearance of any table games or slot machines; that's why ads for local casinos such as the Boomtown Belle and the Grands concentrate instead on the non-gaming amenities, such as valet parking or, in the Grand Biloxi's case, the opulence of its restrooms. The penalty for violation of the law can be as much as a \$1,000 fine and one year in prison.

Broadcasters argue that the law is unfair, as print ads, billboards, and direct mailings are not limited by such restrictions; neither are Indian casinos. Advertising agencies are forced to waste time, and sometimes money, when their copy is deemed unacceptable.

Lawsuits brought by regional broadcasting associations are pending in Louisiana, Mississippi and Iowa, and Nevada broadcasters won their suit in 1993, when a judge declared the law unconstitutional. However, the FCC, which has "vigorously defended" the law each time it is challenged in court, still has the right to appeal.

October 1994: "Slot Symbols"

Slot machine manufacturers look to pop culture, player requests, and even news events when creating those crazy themes that decorate the reels and glass. Fickle players demand a constant stream of innovations, and manufacturers hold regular meetings of their design, graphics, marketing and art departments to brainstorm for new ideas.

"Sequels" are often created from very popular games; other themes are culled from tried-and-true symbols such as gems, sevens and that old standby, fruit. Even "gender-specific" colors and designs are employed to lure players. Once the prototype is completed, games are tested in-house or in selected casinos; the decision to mass-produce is based on the carefully-monitored performance of the machine.

Aside from artistic concerns, slot manufacturers are also responsible for the hottest trend in the industry: game variations. Nudge bars, when slot symbols jump to the payline after the reels have stopped spinning, diamond-shaped paylines and especially progressive links have all proven to be highly profitable. Beyond that, Bally's, one of the leading manufacturers, recently introduced its "Game Maker," which combines video poker, video keno, slots and other games all on one machine.

Despite the frequent debuts of new themes and game varieties, there is one feature that slot manufacturers have found players want to keep constant: the cacophony heralding a jackpot.

GREATEST HITS The Biggest Slot Jackpots

1. Grand Casino Biloxi	\$3,387,912.84
2. Casino Magic Bay St. Louis	\$1,500,000.00
3. Harrah's Casino Shreveport	\$1,093,166.00
4. Grand Casino Gulfport	\$1,013,101.25
5. Isle of Capri Casino Biloxi	\$906,637.80
6. Palace Casino	\$414,000.00
7. Grand Casino Avoyelles	\$267,987.67
8. Biloxi Belle Casino	\$230,000.00
9. Lady Luck Casino Biloxi	\$216,149.00
10. The President Casino	\$76,929.00
11. Showboat Star Casino	\$32,000.00
12. Bayou Caddy's Jubilee Casino	\$29,800.00
13. Treasure Bay Casino	\$28,000.00
14. Boomtown Belle Casino	\$25,000.00
Flamingo Casino New Orleans (Formerly the Queen of New Orleans)	\$25,000.00
16. Boomtown Casino Biloxi	\$12,000.00

\*Figures indicate jackpots reported in previous editions of The Gaming Journal's "Winners" department. All are the largest jackpots paid since the individual casinos' opening dates, and are current as of Oct. 19, 1994.

FASHIONABLY LATE

Well, Rome wasn't built in a day. And they do say everything moves more slowly in the South. But getting these riverboats open has taken as long as an Elvis truck parade on Mardi Gras afternoon. Here's a comparison of projected opening dates provided by the 15 licensees for the premier edition of The Gaming Journal — under the ironic headline "Riverboats Race to Get Up and Running" — and the actual opening dates. . .

	Projected Openings as of 11/93	Actual Opening Date
American Entertainment Corp./Circus Circus riverboat in St. Bernard Parish	Undecided	Still unopen
Bally's Belle of Orleans	Unconfirmed	Still unopen
Belle of Baton Rouge	June 1994	September 30, 1994
Boomtown Belle Casino	June 1994	August 6, 1994
Casino Rouge	July 1994	Still unopen
Crescent City Development Corp./Capital Gaming International riverboat in downtown New Orleans	Unconfirmed	Still unopen
Crown Casino	Unconfirmed	Still unopen
Grand Palais Riverboat Casino	Unconfirmed	Still unopen
Harrah's Shreveport Rose	April 1994	April 18, 1994
Hilton Queen of New Orleans	February 1994	February 10, 1994
Lady of the Isle	March 1994	May 20, 1994
Players Riverboat Casino	December 1993	December 8, 1993
Queen of the Red	Spring 1994	July 8, 1994
Showboat Star Casino	November 1993	November 8, 1993
Treasure Chest Casino	February 1994	September 5, 1994