

FREE  
FOOD

FREE  
GOLF

FREE  
SHOWS

FREE  
ROOMS

FREE  
DRINKS

COMMP

CITY

**A Guide to  
Free Casino  
Vacations**

Second Edition

**MAX RUBIN**

FREE  
SHOWS

FREE  
FOOD

FREE  
DRINKS

FREE  
LIMO

FREE  
AIRFARE

FREE  
ROOMS

FREE  
GOLF

# **Comp City**

**A Guide To  
Free Casino  
Vacations**

**Second Edition**

**Max Rubin**

Huntington Press  

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Las Vegas, Nevada

*Comp City*

*A Guide to Free Casino Vacations, Second Edition*

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*Dedicated to Don Speer, who bridged the gap between gamblers' needs and technology's promise by keeping one foot in the golden age of Las Vegas and the other on the possibilities of tomorrow. The result, to the envy of the entire gaming industry, is the best gambling house in the world. Barona.*

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And we're all indebted to the casino companies that have placed their leadership in the hands of the accountbots and management-by-option executives who unwittingly set the table for our nightly feasts.

# Contents

<b>Foreword</b> .....	<b>X</b>
<b>Author's Note</b> .....	<b>xii</b>
<b>Introduction</b> .....	<b>xv</b>
<b>1. The Evolution of Comps</b> .....	<b>1</b>
Grind Stores and Google .....	1
The Feds to the Rescue.....	3
Sin City Steps Up Its Play.....	4
Junkets and the First Comp Wizards.....	5
Playing to Your Line .....	9
False Drops and Marker Churning.....	10
The End of the Beginning .....	12
The New Formula .....	15
VIPs on Their Own.....	16
The Way It Is .....	17
<b>2. Today's Comp System: Ratings, Formulas, Equivalencies</b> .....	<b>21</b>
A Comp for Every Budget.....	23
The Comp Hierarchy .....	24
<b>3. Bracing for ACES</b> .....	<b>32</b>
But First, a Word About Asking .....	33
Blackjack is Your Vehicle .....	33
Bankroll is Your Fuel .....	41
The Casino is the Avenue—Scouting the Joints .....	42
Establishing Your Worth.....	44
Know Your Host.....	53
Know Your Floorman .....	59
Where to Sit .....	75
Big Brother .....	78
<b>4. The Mechanics of ACES</b> .....	<b>81</b>
Play Slow .....	81

Pick Your Times .....	88
Play During the Count, Breaks, and Shift Changes.....	90
Look Like a Loser.....	100
Hide Chips .....	101
Be Nice.....	105
Tipping.....	108
Play With a Partner.....	114
Play to Your Bankroll .....	118
Use Markers.....	130
Regulation 6-A and Suspicious Activity Reporting.....	133
Getting Money .....	147
Living With the Losses.....	149
Living With the Wins .....	151
The First Time.....	153
<b>5. Other Games.....</b>	<b>155</b>
Slots, Video Poker, and Slot Clubs.....	155
Why Craps is Dying .....	171
Roulette .....	174
Baccarat .....	178
Race And Sports Books.....	179
Poker .....	180
Pai Gow Poker.....	181
Other Other Games.....	182
<b>6. Everything You Always Wanted To Know About Comps     (But They Were Afraid To Tell You).....</b>	<b>185</b>
Comp Classics .....	189
Low-Level Comps.....	194
Soft vs. Hard Comps.....	195
Room Comps .....	196
Food Comps.....	198
Getting the Most From Room Service .....	204
Beverage Comps .....	207
Off-Premises Comps.....	208
Show Comps .....	210

Limos.....215  
 Airfare And Walking Money.....216  
 Golf Comps.....221  
 Free Whiskey.....223  
 Specialty Las Vegas Comps.....226  
 Use Comps You Want.....228  
 What They Don't Comp.....231  
 The Next Trip's Free—The Absolute Cheapest No-Risk  
 Good-Time Weekend on the Planet.....234

**7. In The System..... 235**

Wendy Fools The Weezer—A Play In Three Acts.....235

**8. Other Jurisdictions ..... 252**

Comps Across America.....252  
 Arizona.....252  
 Atlantic City.....254  
 California.....258  
 Colorado.....262  
 Connecticut.....264  
 Dakotas.....267  
 Florida.....267  
 Internet.....269  
 Iowa.....271  
 Kansas.....272  
 Louisiana.....273  
 Michigan.....274  
 Midwest—Indiana, Illinois, and Missouri.....275  
 Minnesota and Wisconsin.....279  
 Mississippi.....280  
 New Mexico.....284  
 New New York.....286  
 Oregon.....287  
 Texas.....289  
 Washington.....291



<b>9. For Locals and Day-Trippers Only.....</b>	<b>294</b>
Take 'Em Out and Keep 'Em Happy.....	294
Eats on the House.....	295
Special Pointers For Locals.....	300
Party in the Room.....	302
<b>10. Superstitions and Admonitions.....</b>	<b>304</b>
The Great Myths.....	304
Where Women Stand .....	310
Comp Counters Who Count Cards.....	313
Safety Tips.....	318
<b>11. Haul of Fame.....</b>	<b>333</b>
<b>The Lingo .....</b>	<b>347</b>
<b>Appendix .....</b>	<b>356</b>
<b>Sport or Stiff? .....</b>	<b>360</b>
<b>Vital Statistics .....</b>	<b>362</b>
<b>Resources.....</b>	<b>365</b>
<b>Bankroll Index.....</b>	<b>367</b>

## Foreword

by Michael Konik

**N**ot long after reading the first edition of Max Rubin's *Comp City*, I strolled into a well-known Las Vegas casino with a wad of money in my pocket, a nicely tailored jacket upon my back, and what appeared to be a naive smile plastered across my face. Except my smile wasn't born of blissful ignorance, as the casino eagerly supposed. It was the product of knowing I was about to be treated to a weekend of debauched gluttony—compliments of my gracious hosts.

Or at least I hoped it would be. This was a test of sorts. *Comp City*, I thought after my first read-through, was funny, enlightening, and delightfully naughty. But was it practical? Would Max Rubin's techniques work in the real world, under the scrutiny of surveillance cameras, pit bosses, and Vice Presidents of This and That who had to sign off on the golf and airfare and heavyweight championship fight tickets to which a "high roller" such as myself would be entitled?

They worked. And they continue to work.

To this day, I do not gamble anywhere, for any amount, without getting something back—even if it's an inedible roast beef dinner I plan to give away to a bum on the street.

Though you may not be consciously hustling for ill-begotten perquisites, merely knowing how the comp system operates is a beautiful thing. This knowledge allows you to evaluate how good (or bad) a deal a casino is willing to extend to earn your business. Had I not read Max's book, I wouldn't have understood that, like the slot machines that clutter their floors, some Strip properties are loose with comps and others are tight. On several occasions since I first read *Comp City*, I've had to conceal my amusement when various hosts and marketing executives attempted vainly—and often erroneously—to explain to me, their fresh new customer, how comps "really" work.

The timid worry that they might not be entitled to all the free-

bies a properly managed casino might be willing to throw their way. Don't fret. The next time pangs of guilt impede on your fully comped RFB weekend, remember this: The casinos are not your friends, and they do not love winners and losers equally. Their goal is to extract as much money from as many people as possible.

So get yourself a little refund along the way.

Enjoy the second edition of *Comp City*.

## Author's Note

It's been nearly eight years since the first edition of *Comp City* hit the bookshelves. *Comp City* was the first book to reveal, in massive detail, the intricacies of the policies and procedures behind the table-game complimentary system, as well as proven methods for exploiting that system's flaws and weaknesses. Players read the book and, judging from my mail, rejoiced in their newfound knowledge of how to get way more than their fair share of the booty the casinos are serving up. The casinos, in typical fashion, read the book and—well, more on that in a minute.

Many gamblers believe that the casinos have tightened the screws on comps. They haven't. Why not? Because they can't. Over the last few years in Las Vegas alone, staffing the new megaresorts has meant hiring and training hundreds of new pit bosses and floormen. And most of them don't know squat. In the good old days, the industry was run by wise and crafty bosses who often laughed at accepted accounting principles and relied on instinct, intuition, and experience to make money. Today's casinos are managed by highly educated executives with no concept of what crafty means. They rely on techno-weenies and live and die by their voluminous reports in an attempt to maintain their bottom lines. Make no mistake, this new breed makes the casinos more money. A lot more. But their systems leave gaps that can be exploited by the *new* comp crafticians. That's us. And I'm here to tell you that there has never been a better time to get free stuff from the wannabe wiseguys who run the joints.

That's why the casinos hate *Comp City*. Always have, always will. In fact, I've got a lot of ex-pals in this business who don't like Max anymore, due to what this book has done to their profit margins. And they can't do a thing about it.

The techniques in this book work anywhere gambling is legal,

which leads to one of the major differences between *Comp City I* and *II*. The first edition focused almost entirely on Las Vegas; *Comp City II* covers the whole country with thumbnail sketches of every gambling jurisdiction. Fact is, though, they're only marginally necessary. The rudimentary comp-hustling maneuvers tend to work regardless of where you apply them. Some jurisdictions give away comparatively more (or less) than Las Vegas—and I tell you about them—but for the most part, the systems are basically the same.

This isn't to say that tweaking a good Nevada move won't produce better results in Illinois, Indiana, or Iowa. It just might. And you have to be aware of that. In fact, this is true of the whole wide world of comps. Perhaps the biggest complaint about the first edition was that something described didn't work exactly as advertised at this or that casino. That's to be expected. Different joints have their own idiosyncrasies, and that's become more prevalent as casinos have proliferated around the country over the past several years. Accordingly, scores of comp wizards have refined and improved some of the techniques I presented in ways even I never dreamed of. Many have kindly shared those methods with me, and I share them with you from time to time in these pages. But the point is, you'll always make out better as a wizard when you become an expert in the places where you like to play.

Another important development since I wrote the first edition of *Comp City* is the emergence of slot clubs and slot club promotions as key components of casino marketing. Casinos earn most of their money in the slot and video poker departments and that's where the most comps—even cash, known as “cashback”—come from. Where the table-game environment requires personal interaction and a dash of chutzpah, besting the machines requires minimal confrontation, but a bit more discipline. The wizarding strategy with machines and slot clubs has evolved into something much more mechanical and mathematical, particularly in video poker. Strategy-card perfect play on video poker machines can be employed with surprising ease thanks to some good new products on the market. This provides even casual gamblers a positive expectation on certain schedules; it's kinda like comp counters who count cards. I'm not promising accidental wealth—state governments do a good enough job of that

with their lottery-hustling—but I can guarantee that it's possible for you to actually be the favorite against the house. Not by a lot, but still the favorite, every time you play certain video poker schedules.

Yeah, we're out to get them. But remember, *we're* doing it for all the right reasons. The joints send leggy cocktail waitresses to seduce us with free top-shelf whiskey, they twinkle their lights, turn off the clocks, turn up the sound, and even pour hired smells across the casino floor to make us play more. They prey on our greed, our lust, our fear, and our souls while they infiltrate our wallets of hope with their fingers of doom. The mortality rate is high and we must fight back.

The intent of this second edition of *Comp City* is the same as the first: to expose the entire who, what, when, where, why, and how of the great multi-billion-dollar casino complimentary feast and to teach you—the average recreational gambler—how to grab a bigger piece of the pie. After reading this book, you'll know how to recognize the subtle and not-so-subtle ploys that every casino uses to try to take every dime you've ever made. Now you'll know how to retaliate and, best of all, win. The casino nation is our oyster. We cannot be denied.

## Introduction

**W**ho wants to live like a millionaire? Me. And I do. So can you if you play off of the casinos' *greed* and make them *the weakest link*.

Imagine you're on "Wheel of Fortune." I know, as far as anyone other than your close friends or family is concerned, you don't even know who Pat Sajak is, right? But let's face it; watching "Wheel" is one of those mindless pleasures that even the slickest of us have found ourselves doing at one time or another. Okay. You're on the show. A new superprize goes on the wheel. It's "Free Casino Vacations for Life." The announcer does a gushing voice-over for a video of a happy couple flying first class, cruising to a luxury hotel in a limo, checking into a deluxe suite, watching star-studded shows, dining on gourmet meals, and gambling the nights away.

The category is "Clue." You spin. The wheel lands on \$400. You say, "T."

Pat says, "Yes. There are six T's."

You spin again. The wheel clicks onto \$500. You say, "R."

Vanna starts turning letters—four R's.

Yeehaw! You're on the right trail. You spin again. The wheel lands on the superprize, Casino Vacations. You say, "F!"

Pat cries, "Yes! Two F's."

You're sweating now. You buy a vowel. "O."

"Yes! Five O's." Now you look at the board. You study it hard.

T	R					T	O		
T	O			T	O	R			T
T	O			F	O	R			
F	R								

Your knees buckle as you tell Pat you're going to solve the puzzle. "Travel To Top Tourist Towns For Free?"

"That's right!" Sajak screams over the roar of the crowd. "You've just won the cash and a lifetime of romping in glittering gaming emporiums that never sleep."

You? Winning a lifetime's worth of vacations on a game show? Farfetched? Not at all. *Impossible* is more like it. No one's ever done it and no one ever will, because no game show could ever afford to let the likes of you and me loose in casinos for the rest of our lives—on its nickel.

What's not impossible, farfetched, or even improbable, however, is traveling all over the United States or even the world for the rest of your life as the guest of the casinos. What's more, you can live that life for less than the taxes you'd pay if you won your new lifestyle as a prize. Coast-to-coast vacations. Freer than free.

How? Just start turning the pages of this book and you'll find out how easy it is to get the best of the two-headed beast every time you play—and it won't take long to learn the ropes.

The premise is simple. Until now, the casinos dangled comps to lure your bankroll. After reading *Comp City*, you'll know how to dangle your bankroll to lure the casinos' comps.

Here's why it works. In virtually all full-service casinos, impersonal computers determine a player's comp rating. The computers are programmed by the number crunchers upstairs, who decide what comps a customer is entitled to. The front-line casino personnel—floormen—have little, if any, decision-making authority concerning a casino's comp policies. But it's the floormen who compile the *data* that the computers analyze. That creates flaws in the system. First, it's easy to pull the wool over the eyes of the floormen who evaluate you. Second, it's even easier to delude the mavens in casino marketing who interpret the information the floormen send upstairs.

The trick is to make it appear that you're betting more, playing longer, and faring worse than you really are. I mentioned that you wouldn't have to wait long to discover the method that'll provide you with unlimited vacations, but we should slow down a bit to make sure we all understand exactly what comps are and who gets them.

Comps occur on two levels: the comps that anyone can get

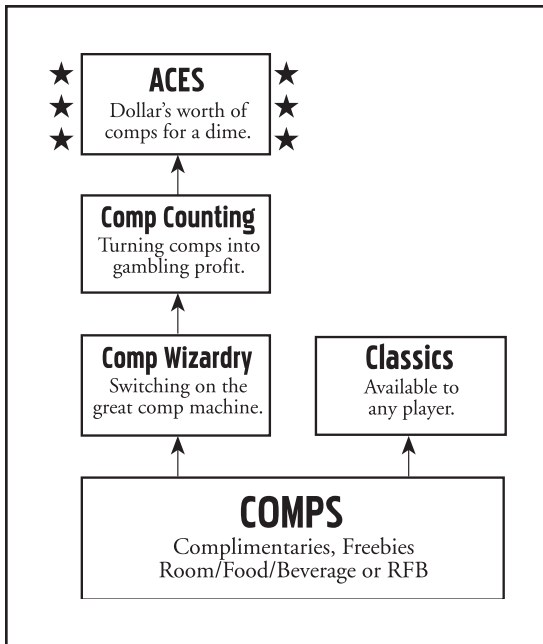


and the comps that are given only to qualified players. We'll begin with what I refer to as the "comp classics." The classics include free parking (garage and valet), free cocktails, and casino funbooks, coupons, souvenirs, and other low-end giveaways. These comps are offered by most casinos to everyone who gambles (and some who don't), and taking advantage of their availability requires no special skills or knowledge on the part of the customer. There are virtually no qualifying criteria for obtaining these comps, except for showing up and looking like you're at least 21 years old (or 18 in some jurisdictions).

The comps we're most concerned with include meals (from buffet to gourmet), rooms, shows, airfare, limo rides, golf, and invitations to special events. The only people who get this kind of stuff are players from whom the casinos think they'll win a lot of money. Hustling a casino for these comps understandably involves financial risk on the part of the hustlers, but the risk can be minimized by knowledgeable "comp wizards."

What's a comp wizard? A comp wizard is someone who is conscious of comps and plays with the intention of taking advantage of the incentives and rewards that casinos offer gamblers. This doesn't imply that he's skilled at playing the games or even knows everything about how the comp systems work. But all comp wizards know how to throw the switch on the great comp-providing machine. How? In a word, they *ask*. The first objective of *Comp City* is to teach you how to become a comp wizard.

Once you've mastered the technique of asking for comps, you'll begin your apprenticeship as a "comp counter." Comp counters have a specific and direct understanding of how to profit from the comp game. They know how to factor in the house advantage on table games versus what they earn in comps so that they always have a substantial edge over the house when they gamble. Not to be confused with *card counting*, which requires having everything but a good time, *comp counting* is an easy and fun way to beat the joints at their own game. Comp counting also works with special promotions and has become more and more valuable for slot and video poker players over the past few years. We'll cover these topics as well. Scores of comp counters today capitalize on the comp system, but they never quite seem to



sink their hooks in deep enough to draw blood.

The highest form of comp counting is employed by the practitioners of “ACES” (Advanced Comp Earning System). Teaching you ACES is the ultimate goal of this book. When you’re done, you’ll be able to develop your own unique, original, and artistic modus operandi for beating the casinos at their own game by getting a dollar’s worth of comps for every *dime* you lose.

By the time you finish reading *Comp City*, you’ll be thanking the casino owners for building these sparkling monuments where you can set up your own little free-vacation business. And the most laughable thing is, they’ll treat you like royalty while they’re paying you to play! Heh heh heh.

I’ve spent 30 years banging around the industry as an amateur gambler (sucker), dealer, pit boss, casino owner, and eventually professional player to develop ACES. This system is quick and easy to learn, it’s fast and fun to perfect, and—best of all—it, too, is free. *Comp City* is the only gambling book ever written that will pay for itself with your first two hours of play after only a single reading.

Guaranteed!

Welcome to a lifetime's worth of casino vacations that are freer than free.

## **My Life as a Comp Wizard**

I sat back, took a deep breath, and watched the Las Vegas Strip sweep by as the airplane rumbled down the runway and eased to a stop. Halfway down the escalator to baggage claim, my guest saw a uniformed driver standing next to the luggage carousel and holding a sign with my name on it. She squeezed my arm and whispered, "This is like a dream."

"No dream, darlin'." I laughed. "This is the real deal." The driver, Horatio, recognized me and hustled over. I was feeling pretty smug, but being a classy guy, I tried not to show it. Horatio hoisted our luggage and ushered us to a white stretch limo parked curbside. Iced cocktail glasses awaited on a burnished wooden table. Automatic dispensers holding call-brand liquors beckoned. I poured two stiff ones and we slipped back into the plush velour cushions as the headliner at our casino crooned on the stereo.

We pulled underneath the hotel's portecochère. A snappy doorman assisted us out of the limo and directed us to VIP Services. We bypassed the jammed hotel lobby. A VIP hostess approached and handed me our keys.

We went upstairs to a lavish suite. Our host, Artie, had been kind enough to send up a fruit basket. He even remembered my favorite champagne. I popped the cork and pulled back the curtains. The Strip glittered and hummed. We had three nights of luxury ahead of us, and all it was going to cost—well, we'll get to that later. Suffice it to say, I'd already won and I hadn't even played yet.

Sipping the bubbly, we reviewed the menus from the hotel's many restaurants and decided on Northern Italian. I called VIP Services and was told that a table would be ready in 20 minutes. When we entered the restaurant, the maitre d' shook my hand warmly and the waiter welcomed me by name. After three appetizers, a Caesar salad, and a light pasta dinner washed down with three different wines, I signed

the tab and left a nice tip. Maybe it gets better than this somewhere. If you ever find out where, let me know.

After dinner it was off to the blackjack tables. I spotted my favorite floorman, who welcomed me as I handed him a small gift. Then I settled in for a couple hours of comp wizardry, and we finished the evening with a Jacuzzi, more champagne, and sleep.

The next afternoon, after a double Bloody Mary and a steak-and-eggs brunch in bed, I spent a few more leisurely hours playing blackjack while my guest got pampered, powdered, and poodled in the spa. A French gourmet dinner followed, then it was showtime.

With Artie the host leading the way, we sashayed past the 600 people waiting in line. He introduced us to the showroom captain, who personally escorted us to the best seats in the house (at least that's what he said when he stuck out his mitt). After the performance, it was off to the lounge show, where drinks—of course—were free.

This gluttony went on until everything became a blur. On our last morning, just before checkout time, I called Artie to ask how much I owed for the weekend. He laughed and said it was all on the house. No surprises there.

While the limo took us back to the airport, I tried to recall the whole 72-hour cholesterol and champagne slugfest. As we pulled to the curb and the driver handed our luggage to a skycap, I looked back at the Las Vegas skyline and marveled to my guest that we'd just enjoyed a ridiculously opulent weekend for what a single gourmet meal would have cost in any non-gambling town.

We got on the plane and just as we were taking off, she asked me when I was visiting another gaming resort. "Next week," I said matter-of-factly.

"You do this every week?" she asked.

"Yeah."

"How can you live like this every weekend?"

"Easy. It's free."

"You're addicted to those comps, aren't you?"

"Yeah," I admitted. "I'm a regular comp junkie."

She was right. I *was* addicted. I was hooked on free suites, free food, free booze, free limos, and free cross-country airplane rides. I was also addicted to bellmen, waiters, dealers, and bosses groveling

before me every time I walked into a casino.

Am I in recovery? Recover this, chucko! I'm still one of the world's foremost comp junkies—and proud of it. Comps are my life. I eat 'em, I sleep 'em, and I drink 'em. Hell, I even ride around in 'em.

Don't get me wrong. Gambling is hard work if you have to win to pay the mortgage. I've done that, too. But that's not what this is about. This is about going first class and not breaking a sweat getting there. This is about comps—wizardry, counting, ACES. This is about sitting down at a blackjack table or in front of a video poker machine—games that more and more people are playing as a form of entertainment and recreation—and grabbing the share of amenities that you're entitled to simply for being there. All I'm going to do is show you how to claim what's rightfully yours.

# The Evolution of Comps

## An Irreverent and Original History of the Rating Game

**B**efore we delve into the preparations for and practice of comp hustling, it's instructive to review just how the gambling business has come to define and embrace the concept of giving away comps to entice gamblers to give away their money.

### Grind Stores and Google

In the early 1900s, illegal gambling flourished in Kansas City, New Orleans, Miami, Newport (Kentucky), Hot Springs (Arkansas), Steubenville (Ohio), Saratoga (New York), and—to a lesser but significant degree—almost every other major city in the United States. It was controlled by a loose-knit band of organized criminals and protected by crooked cops, corrupt judges, and winking attorneys general. Despite its illegality, gambling was so far-reaching that at its peak, Al Capone's live wire broadcasts of horse racing results (even when the races themselves were wired) from scores of tracks around the country had roughly 1,000 off-track bookmaking subscribers. Las Vegas gambling (also illegal) was minuscule then, and barely noticed on the American gambling scene.

Legalized casino gambling in the United States was first approved in Nevada in 1931, and when Hoover Dam was completed in 1935, the southern part of the state was assured an unlimited supply of water and electricity. The Las Vegas boom was inevitable, but the first gambling entrepreneurs were mostly small-time backroom crap

and bingo operators from Southern California. They took over some of the downtown clubs and brought their best customers with them. A few big-time owners of offshore gambling ships followed, and Las Vegas began to become known as a place to go to gamble.

Still, Las Vegas was considered the stepchild of Reno, where most of the state's money and power—and almost all of its notoriety—had been firmly entrenched since the early part of the century. In addition, Reno was home to both Harold's Club and Harrah's, the two most famous casinos in the country. Las Vegas boosters were desperate to build an economic base that would enable the town to compete with Reno. But up until the mid 1940s, the only gambling attractions that Las Vegas could boast of were the downtown grind stores and the El Rancho Vegas and Last Frontier Hotel, two hacienda-style casino playgrounds of the stars located at the edge of town.

Enter Bugsy Siegel, in 1944. Bugsy had been dispatched to Southern California by his East Coast partners to organize the underworld there (and, incidentally, to evade a murder rap). That accomplished, he turned his attention to moving in on the legal gambling in Nevada. Reno, his first choice, was controlled by Raymond and Harold Smith, Bill Harrah, and several established ranching families. They all had bedrock political alliances, plenty of money, and at that time the toughest bunch of fist-fighting sharpshooting security guards in the country. Bugsy and his hoods showed up flashing their bankrolls and .38s, but after a couple of nasty nose-to-nose skirmishes, organized crime's advance guard wisely decided that Southern Nevada would be a softer spot in which to set up shop.

When Siegel's Fabulous Flamingo opened in the middle of the desert in 1946, it was Las Vegas' first joint designed to cater to the criminally chic. Employing what came to be known as "Google," or glorified coffee-shop architecture, the Flamingo was a casino that everyone, especially old-time gamblers, could identify with, only bigger and brighter. There was one problem: The concept didn't work. Southern Nevada was simply too far away, too obscure, and too hot and dusty to attract the wise guys. Someone had to figure out a way to lure gamblers to Las Vegas.

## The Feds to the Rescue

You've read stories about Benny Binion, Howard Hughes, Kirk Kerkorian, Steve Wynn, and the other so-called fathers of Las Vegas gambling who are credited with making the city what it is. But their impact pales in comparison to that of another man who, though reviled by the old-time gamblers and feared by the Las Vegas establishment, was most responsible for turning Las Vegas into the gambling capital of the world. If the city ever erects a monument to the real father of Las Vegas, it would have to honor a rabble-rousing U.S. senator from Tennessee named Estes Kefauver.

What did E.K. do to deserve such a lofty place in Las Vegas' history? In the late '40s and early '50s, Kefauver's Senate Committee to Investigate Organized Crime brought so much heat on the illegal gambling trade that it managed to shut down virtually all the back-room casinos across the United States. After that, dozens of smart, tough, rich crooks were looking for a place to muscle (with cash and firepower) back into action. Las Vegas was the only place to go.

The timing was right because Las Vegas was welcoming any and all comers. Moe Dalitz showed up in 1950 with his Cleveland partners and built the Desert Inn. Houston gambler Jake Freedman built the Sands in 1952 and sold limited points in the club, but only to other illegal gamblers who had connections to players in areas of the country not already covered by his staff. To qualify as a Sands point holder, an individual had to be willing to work at the property, he had to know a lot of high rollers, and he had to be responsible for collecting unpaid markers. As evidenced by the enormous success of the Sands (until Howard Hughes bought it in 1968), this formula worked and was copied again and again at new properties that were opening up and down the Strip.

Freedman's system at the Sands was the first effort at organized casino marketing. Remember, this was a time when the club operators relied little on advertising, preferring to foster one-on-one relationships with their customers. But even with the buddy system, the concept of grand-scale giveaways (full comps) was not familiar to gamblers, since the operators relied more on loyalty than bribery. Up until this time, the only comps that even the sportiest of the early



Las Vegas casinos offered were cheap whiskey and bad cigars. Then, as the postwar migration of wise-guy money to the desert got under way in earnest, the newer and classier joints began giving customers better perks, such as cigarettes, meals, and hookers. Incredibly, a lot of clubs still had selective policies that limited free cocktails to only their better bettors, while penny-ante players paid for drinks. (It wasn't until the late '50s that Las Vegas casino managers finally figured out that alcohol promotes reckless gambling. Once they wised up, every gambler in town was treated to free booze.)

## Sin City Steps Up Its Play

While Senator Kefauver's committee was inadvertently concentrating the criminals in Las Vegas in the early '50s, the Las Vegas Chamber of Commerce was working to attract the general public. First, the Chamber commissioned the Las Vegas News Bureau to take pictures of any and all events around Las Vegas. Then it distributed the photos, along with press releases, on a regular basis to all but the smallest newspapers. One winter day an editor in Amarillo would get a photo of busty bikini-clad showgirls shooting dice on a crap game floating in the Sands pool. (Floating crap game, get it?) The next week the editor would open his mail and see a shot of an atomic bomb's mushroom cloud rising above Fremont Street. A week later the editor would receive a press release about Frank Sinatra punching a gangster casino boss in the nose.

Cheesecake, A-bombs, and the mob. Not a lot of other cities had that kind of public-relations trail mix. No sirree. In addition to enhancing a slightly sinful image, the Chamber of Commerce took a step in a different direction in an attempt to bring legitimacy to Las Vegas. In the mid '50s, the Chamber created the Convention Authority and started wooing conventioners. A room tax was imposed to build the Convention Center and to finance a full-bore nationwide marketing assault. The Convention Authority sent reps on the road and engineered huge quick-hitting media blitzes aimed at travel agents and convention coordinators.

While the Convention Authority was pumping up the overall

Las Vegas visitor volume, each hotel was targeting its own marketing niche. Since visitor volume was increasing, the hotels weren't budgeting on their comp policies. Then it happened (trumpets, please)—the best month ever in the evolution of comps in Las Vegas. April 1955. In those four glorious weeks, the Riviera, Dunes, and New Frontier opened. As the new joints and the old joints tried to steal each other's customers, the floodgates of comps were released. Food, booze, shows, and—for the first time—rooms were lathered on all but the worst slugs.

It got better. In 1956 the Hacienda and Fremont opened, the Tropicana and Stardust were being built, and if you couldn't get a free meal, it meant you weren't in Las Vegas.

I'm telling you, it was hog heaven, and I mean hog. A player would check into a hotel, put a thousand or two on deposit, and hit the town with his hands out. In those days, there was no player tracking, no ratings, and no auditing. If you wanted to see a show across the street, any pit boss in your joint would "make a call" and you'd be all set up. When the bosses across the street called your boss for the same favor, he'd reciprocate. It was hunky-dory. And speaking of hunky, there were some other "fringies" that came with the deal.

Showgirls. Cocktail waitresses. House hookers. This was not Gloria Steinem's kind of town. If you put up, say, \$2,500 and bet \$50 to \$100 a hand for an hour or two, all you had to do was call over your pit boss and the joint would send a live one up to your room for your entertainment pleasure. The house picked up the tab, and if you were lucky, you didn't pick up something to take back home to the missus.

## **Junkets and the First Comp Wizards**

In 1961, a new Flamingo stockholder threw a party and flew in a planeload of wealthy friends from Florida to show off the hotel. While his guests were there, the hotel recorded its biggest "drop" (buy-ins at the tables) ever and decided to pick up the tab (room, food, entertainment, even the chartered jet) for the whole group. This inaugurated the era of the junket—a planeload of gamblers who qualified for free

airfare, room, food, and beverage by putting up a required amount of front money. The junkets were run by junket masters, who were paid by the casinos for every gambler they brought in.

The first customers to come out on these junkets were mostly criminals. We're back to crooks again, but you've got to remember,

## Whacking Out and Dumping Off

While it wasn't exactly Marquis of Queensbury marketing, the casinos had another way of making payroll. They cheated. In the bad old days, when the owners were former bootleggers, gangsters, and cheaters from all walks of life, most of the joints had a "chopper" in the blackjack pit, a smooth-as-silk card sharp who would whack out drunks making a run at the house's bankroll, and a boxman or two on the dice games who were adept at switching in loaded dice under the high-rollers' noses.

A lot of times the house wasn't even aware that they were cheating the customers. It worked like this. Mr. E.Z. Mark would come in and put \$5,000 in the cage. He'd get liquored up and the choppers would whack him out of his money, then "dump off" about 80% of what they'd stolen from the mark to their own outside agents who'd "win big" on the tables (long before video cameras taped all the action), go to the cage, cash out, and vanish.

When the unsuspecting (or otherwise) casino manager reviewed the night's take, the joint had made a healthy 20% return on the \$5,000 cash drop, the poor slob got entertained by a showgirl or two, and the chopper and his agents cut up the rest of the money, which was nearly always spent wisely on booze, broads, and dice as soon as they got off work.

A couple of those mechanics became casino managers at the most prestigious hotels. Others continued to ply their trade against the house and became wealthy landowners. Sadly, a few wound up as cactus fertilizer when they finally got caught practicing their lifelong professions.

A smattering of the old-time crossroaders are still playing against the house from the outside, which is probably safer now than it has ever been, because the new-guard college-grad staffs in the casinos are as woefully ignorant of cheating scams as they are of comp wizardry.

Las Vegas was built not only by criminals, but also for criminals. Not just mobsters, but also small-time bookies, numbers runners, knee breakers, con men, land swindlers, and the usual assortment of all-around bad guys. But by far the most common type of “criminals” were good-guy legitimate businessmen, who were deft at handling cash-register receipts, but somewhat lax in their civic duty when it came time to remember their silent partner, the IRS. They were, and still are, the backbone of gambling in America. With a delicious twist, the businessmen would snag the money the government had earmarked for something incredibly brilliant like tobacco subsidies and blow the dough on the tables while getting free smokes.

The Flamingo owners soon began experimenting with chartered junkets from cities around the country and before long the four-day group freebie was a mainstay at Bugsy’s former joint. The Dunes quickly followed suit, then the other premium Strip hotels. Junkets flourished through the 1960s.

Up until 1962, women were not especially welcome on junkets. But the wives, being wives, still wanted to come along. The casinos always stocked a few slot machines around the joints to keep them busy while their husbands gambled, but other than attending shows and eating, pulling handles on low-limit low-payoff slot machines was about all the women had to do. When the Dunes installed a topless show, the wives started insisting on accompanying their husbands on the junkets. Dunes management capitulated and, amazingly, the women started going to the topless shows, too. Imagine going to a strip joint and taking your wife ... because she *wants* to go. What possessed these wives to accompany their husbands while the men stared at six-foot-tall 22-year-old showgirls is beyond me. But it worked. Sin was in. Maybe it was because after seeing all those leggy tomatoes wiggling on stage, the old men turned into horn-dog casino love gods and actually paid a little attention to the women who came out with them on the airplane.

It was hands-on back then. The Tropicana had a golf course. It also had dealers. In order to deal at the Trop, the dealers had to play golf. With the customers. On their own time. The dealers kept their own tips and were allowed to eat and drink and golf on the comps of the customers they played with. It was a country club with a casino

inside. The Desert Inn, Dunes, and Stardust operated the same way. Dealers doubled as hosts and business boomed.

About three hours after the first junket hit town, the first comp wizards started plying their trade. They were known as “riders,” guys who put up front money but never really had gambling in mind, only revelry. And oh man, those were the days for revelry! There was no marketing paper trail, no auditing of average bets. In fact, for six or seven years of junketeering, those original comp wizards got an entirely free ride, because no one in accounting had the guts to confront the old-time casino managers or junket masters about the freeloading.

It wasn't until the late 1960s, after Howard Hughes showed up with his MBA bean counters, that Las Vegas finally witnessed the first casino countermeasures designed to stop the riders. What do you suppose these geniuses did when they discovered the freeloaders? With typical Las Vegas knee-jerk mentality, they killed junkets. Revenues fell. So they reinstated junkets. Then the riders hopped on the charters again. What to do?

In the late '60s, Caesars made the first move by reimbursing individual airfares instead of chartering junkets, but it didn't work; since individual travel costs were much higher, these gamblers were required to deposit about twice as much front money as that exacted from traditional junket gamblers. When faced with this proposition, the players just went to other casinos where they could get a better deal.

So casinos tried something else, equally futile. The organizers informed each customer, before the junket left for Las Vegas, that the hotel reserved the right to charge him for the RFB bill and airfare if his gambling action didn't warrant the comps. While this did discourage many riders from getting on the planes, the disclaimers were virtually worthless once the persistent riders landed, for two reasons. First, federal law prohibited charging a person airfare on a hosted charter. Second (you're gonna love this one), the Nevada Gaming Control Board, to prevent the appearance of its licensees engaging in deceptive advertising, expressly prohibited hotels from charging invited guests unless they had been issued, in writing, clearly defined comp-qualification criteria. The house's only fail-safe

method of ensuring that a customer paid his bill if his play didn't warrant a comp was to have each customer, prior to checking in, sign a statement that he had read the established comp criteria. Nice try. A better system was needed.

## Playing to Your Line

The first attempt at creating an efficient all-encompassing comp formula was made by Hughes' auditors who, being auditors, had a terrible aversion to simply giving away so much in comps to junket participants, especially with no concrete policies and procedures. So they came up with a means for evaluating players that took into consideration two pieces of the comp jigsaw puzzle: the size of a credit line (or front money) and the number of markers taken. This early formula was primitive; the auditors didn't need to know how long you played or how much you bet. All they cared about was how high your line went and if you played to it. The better junkets required a \$5,000 minimum credit line. To qualify for the free room, food, and beverage to which the junket entitled you, you had to take markers (draw money against your credit line at the tables) for the whole \$5,000. That was all. Nothing more. Your entire job, during the three or four days of the junket, was to take 10 markers for \$500 each. What? Make a few bets? Sure! What the hell.

Actually, the few bets did come into play. Every time you took a marker against your line, the pit boss would write down your first few wagers on the back of the marker. And that was really it. Ten markers, 10 or 15 bets, and the rest was free—free room, probably some free food, maybe some free entertainment, and definitely plenty of free time. Did I mention that the minimum bet was \$25? Good God.

All the auditors cared about was that the comp recipient take a lot of markers, and they installed a simple rating system based on that. After each junket, the junket master received a report based on the value (A to D) to the house of each player. "A" players were the first to be invited back, then "B" players. If the plane still wasn't full, "C" players were contacted, as well as the friends of "A" and "B" players. "D" players were taken off the list entirely.

It was in the junket master's best interest to make sure that all his players understood—and exploited—the system, so the fix was in on nearly every junket that came to Las Vegas. It happened every hour of every day for many years. A junket participant took a marker for \$500 worth of chips, made a few token bets (losing, say, \$50), and cashed out the remaining \$450 in chips at the cage. Then he sat down in another pit on another shift with a new boss, took another marker, played a little more blackjack, and traded the rest of the chips for cash. If the player had put up actual front money, at the end of the junket he'd turn in his markers and get a little of the remaining cash back or just zero out his account. If, as was usual, the junketeer was gambling against a line of credit, he'd turn in the cash and have his markers ripped up. The casinos referred to this practice as “marker churning,” and it caused all kinds of problems, as we'll see.

A few of the joints tried to limit marker churning by stopping people from cashing out large amounts of chips at the cage if they owed markers. How? Someone wanting to cash out, say, \$450 in chips was asked by the cashier, “Do you have any outstanding markers?” Some unscrupulous souls, to sidestep this annoyance, probably lied. Others just cashed out chips for a hundred or two at a time. Many wives cashed chips; strangers were even paid to exchange chips at the cage. I know it's a bit hard to imagine that gamblers could be so deceitful, but trust me, they were.

## False Drops and Marker Churning

The system should have worked, at least according to the way the auditors figured it. First, they assumed that the players would play to their lines. That is, the players would draw down all their credit or money on deposit and gamble with it. Again, it didn't matter how high they bet or how long they played, just that they took out all their money. Second, the auditors figured that the casino would hold about 20% of the drop. They either didn't understand or just didn't consider the fact that a high hold percentage requires extended play on the part of gamblers—play they weren't getting. Based on these erroneous assumptions, the casino would give the players comps

worth up to 50% of their expected losses, which under this system came to 10% of their credit lines. Far too much.

This archaic system created a three-way rift among auditors, junket reps, and casino managers. Most auditors didn't even understand the nuts and bolts of gambling, let alone the mentality of the comp wizard, and they simply couldn't grasp the idea that a player might win enough chips in his first or second session that he wouldn't need additional markers. They didn't understand that if a gambler won \$5,000 on Friday playing off his first marker, he wouldn't take another marker on Saturday or Sunday. Thus, the auditors came down on the junket reps for their players who "weren't gambling," because no distinction was made among players who won, those who gambled conservatively, or those who were freeloading.

Meanwhile, because the riders were scamming the casino by churning all their markers, they were establishing a "false drop" (making it appear as though the table action was much higher than it really was). A false drop, in turn, created a lower "hold percentage" (the money won by the casino divided by the buy-ins of the gamblers). The churned markers were negatively affecting the auditors' almighty hold indicator, but didn't have a thing to do with how much the casino was actually winning.

This situation drove the auditors to rat out the casino managers to the corporation executives, who came down on the bosses because they couldn't achieve the win percentages that the weenies upstairs thought they should. That put the bosses in the middle of a squeeze that they couldn't escape. If a boss wanted to ensure a higher hold percentage to protect his butt on one side, he had to stop all the marker churning; if he wanted to make sure that the comps he was okaying for his players (to comply with the house's marketing policies) weren't out of line, he had to have a lot of markers churned.

In a nutshell, everyone was pissed at everyone.

Another interesting spinoff from this comp conundrum was that it substantially increased the percentage of unpaid credit. Here's why. The casino told a player he had to draw down the full \$5,000 of his line or deposit. As he churned the markers, he played a little, making \$25 bets while getting plied with free booze. After he was well-lubricated, he headed over to the joint next door—with five



grand in his pocket. He jumped into a crap game and got busted. So now he'd lost the money at a casino other than the one he had borrowed it from. Or he skipped the craps and spent the money at the hotel jewelry store on a woman he met in the bar. Or he used it to make payroll on a faltering business back home. Keep in mind that Nevada gambling debts were not legally collectable until 1983.

Who got the grief for the unpaid markers? The junket reps. Not the executives. Not even the bosses in this instance. And certainly not the bean counters. Accountants were (and are) adroit at pointing fingers at everyone else. It's never their fault when something goes wrong, and they've got the statistics to prove it. God bless their calculating hearts.

## The End of the Beginning

Something had to give. By the late '70s, we see the first stirrings of the system that has become prevalent in the casino industry today. Though the actual moments and characters are lost in the mists of history, what probably happened is this.

An old-time accountant at, say, the Desert Inn, who has survived the owner transition from Moe Dalitz to Howard Hughes, is playing golf with a shift boss from Caesars and a junket master from Brooklyn. Now they're at the 19th hole, tossing back a few comped scotches, and the junket master and shift boss are laughing at the accountant for missing a game-losing three-footer (still common among accountants). The junket master starts in on the shift boss, complaining about how the casino has been really busting his chops over freeloaders. Then the shift boss shoots back that by now he can spot a marker churner at 100 yards—without his distance glasses. Not to be outdone, the accountant describes how his chief-financial-officer boss, another of Howard Hughes' Harvard MBAs, is calling him on the carpet about comps.

Accountant (Count): This jerk, who wouldn't know a snake eyes if it was sitting on his head, calls me in and starts asking me, "What the hell are all these comps being slathered around town without so much as a receipt?" Can you believe it? He's been in the rackets for

all of two months and he's bustin' my chops about comps!

Junket Master (Junk)—pursuing his freeloader agenda: Hey, I can see why he doesn't understand it. You know, I've been trying for years to get you number geeks with brown shoes to forget about this playing-to-the-line crap. What you guys need to do is have the floormen watch the players a little more and put down their average bets, not just the minimum, and how long they play. Then you'd have a much better idea of how much you're supposed to win, and you could give them back half of that in comps and get off my case about the fleas.

Shift Boss (Boss): Get off your case? What about me? I get heat from you. I get heat from the president. I get heat from the auditors. For what? Trying to do my job! (He pauses, considering what the junket master is proposing.) Well, wait a minute now. Average bet times hours played. I think you might have something there. Yeah. That'd let us cut out the riders who take all those markers and don't bet squat, and my hold would—hell, I bet it'd double. And I could still take care of the guys who deserve getting comped.

Count (smiling): Yeah. We're on to something here. So I go to my boss and tell him we'll make everyone play, say, four hours a day and bet maybe fifty dollars a hand. What's a guy like that worth to us?

Boss (calculating): Well, let's say we're dealing a round a minute, sixty hands an hour. Four hours. Um, that's two hundred and forty hands times fifty bucks. That's ...

Count: Twelve thousand dollars. Now, you casino guys generally expect to hold twenty percent, right? Twenty percent of twelve thousand dollars is two thousand four hundred. And you junket guys expect us to give back half of that in comps. So your player is entitled to twelve hundred in comps for four hours' play?

Junk (smiling): Yeah!

Boss: Whoa, whoa, whoa! That's terrible!

Count: Of course it is! Because the twenty-four hundred isn't what we're winning! Why? Because the twelve large isn't the drop; it's the action. You guys don't expect to win twenty percent of the action, do you?

Boss: No. It's twenty percent of the drop.

Count: Yeah, but a drop of five hundred can produce twelve

grand worth of action, right? Hell, a drop of twelve grand could give us only five hundred in action if a guy's blatantly churning markers.

Junk (frothing): Wait a minute! You can't tell me a guy with twelve large ain't worth twelve grand in action—

Count (interrupting): Yes, I can! All these years not one wise guy in the entire casino business has ever figured out that the expected win from a gambler is not directly related to his line or how much he drops. What it is related to is ... uh ... give me a second here ... what it is related to is the average bet times the house advantage.

The junket rep and the shift boss don't quite get it.

Count: What's the edge on a blackjack game?

Junk: Gotta be at least ten percent—

Boss: Not a chance! Scarne puts it at about five percent. Two, three percent, we'd be safe.

Junk: Safe! What are you, nuts? You think I'm gonna fill up a plane with gamblers if you're giving comps based on a lousy three percent?

Count: Maybe, maybe not. But let's figure it out. Three percent of twelve grand is three-sixty. Half of that is one-eighty in comps.

Junk: One-eighty! For a guy with a twelve thousand-dollar line? Jesus H—

Count: Don't you get it? A player's line doesn't prove a thing! The markers a guy takes don't prove a thing. What matters is how much he bets and for how long. Hey, you were the one who suggested it in the first place!

The accountant and the shift boss pat each other on the back, laughing. They look over at the junket rep who, knowing his days are now numbered, has suddenly gone pale.

Count (to Junk): What are the odds that a junket rep would come up with a way to keep the freeloaders from beating us up on comps? Wait till my boss hears this one. Even he's gonna understand. Thanks.

Junk (keeling over): Urk!

Bingo! The old-time comp wizards were finished.