

# “Playing to Extinction”: The Design, Technology and Marketing Behind Modern Slot Machines

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## Predatory Gambling:

The practice of using gambling to prey on human weakness for profit.

Electronic gambling machines  
represent predatory gambling  
in its purest form.

Nearly 800,000 electronic gambling machines in the U.S. today –  
one machine for  
every 395 Americans.

Yet few know how the machines  
work or are familiar with the  
marketing behind them.

The most remarkable truth about electronic gambling machines is that nearly all of their biggest advocates don't use the machines they relentlessly promote.

When it comes to slots, everyone debates “revenues” and “jobs” but virtually no one talks about the product itself.

There's little understanding  
of the machines that drive  
the predatory gambling trade  
because if there was...  
most people would  
strongly oppose them.

# MIT Professor Natasha Schull:

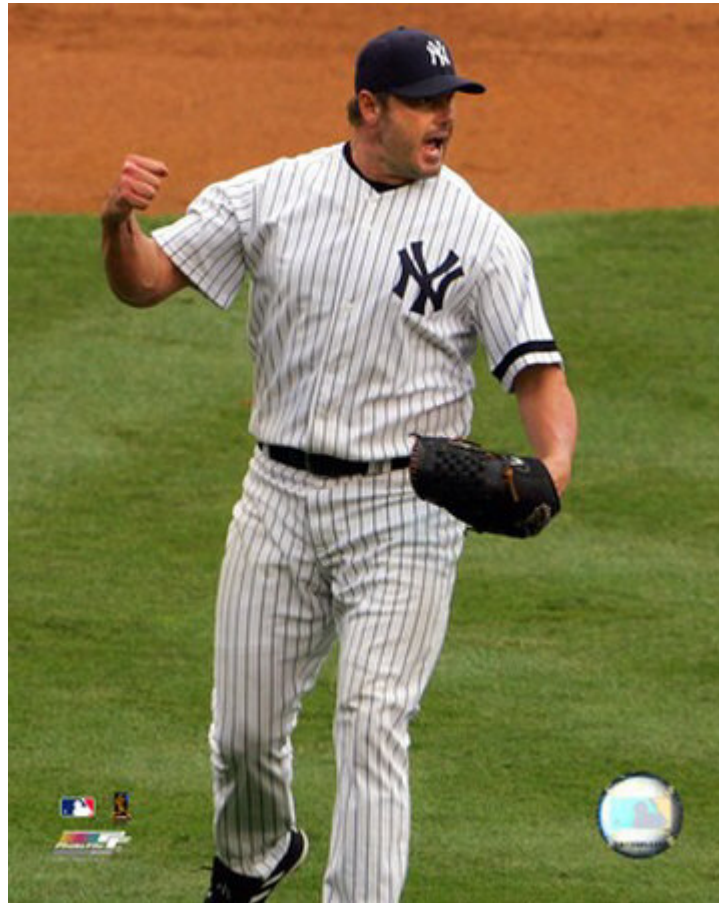
The goal of the technology is no secret: how to get people to play longer, faster and more intensively. Every feature of the machine- the mathematical structure, visual graphics, sound dynamics, seating and screen ergonomics- is geared, in the language of the predatory gambling trade, to get gamblers to “play to extinction” – which means until their money is gone

A modern slot machine doesn't have a handle to pull or use reels – they use buttons and video screens. Instead of coins, they take player consumer cards. And instead of a few games per minute, hundreds can be played.

Instead of actual reels, they have virtual reels that rely on complicated algorithms and virtual reel mapping, concepts that few people in the casino trade itself understand – much less policy makers and citizens considering these machines in their own communities.

According to Dr. Schull, when you look at what these algorithms are doing, it's a high tech version of "weighting the deck" or "loading the dice." Using a weighted deck or loaded dice is considered cheating. What you are seeing on the screen is not an accurate representation of what's happening inside the machine.

“The Great Slot Fraud Revealed”  
by Dr. Roger Horbay



“The fans demand transparency...”

# **Freedom Player Questions About Predatory Gambling Machines:**

**A Product Relentlessly Promoted By Those  
Who Don't Use Them or Know How They Work**

Our questions focus on the concealment, the  
deceptions and the highly addictive nature of  
the machines

1) “Would you please tell me what are the odds for the machine I’m playing? Why are they not posted? How can I play when I don't know the odds? Surely, I have a right to know the chances of winning?””

2) “Some prominent academics have declared that modern slot machines are the high-tech equivalent of loaded dice.

Using loaded dice in gambling is considered cheating. Because the various symbols can be weighted differently by virtual reel mapping, allowing some symbols to even be mapped near the payline, doesn't this process distort your perception of the probability of winning? Isn't that cheating?”

3) “The questions around whether the machines are cheating and deceiving players are very serious, especially since research shows that more than 60% of people who use electronic gambling machines once or more per month are experiencing harm. Doesn’t that make the massive profits from slot machines, and government revenues from them, directly related to deception? Isn’t it accurate to say the more the machines create the illusion in the player that the odds are good, the more money they make? And more importantly, doesn’t the illusion increase their addictiveness?”

4) “Is it true that the actual reels are just displays and they no longer determine or reflect the odds of winning? So then what is it that actually determines which symbol comes up?”

5) “Can you please explain virtual reel mapping?”

6) “I’ve heard that an algorithm determines how the machine works, as well as whether I lose or win. Would you please tell me what is an algorithm and how the algorithms work inside this machine?”

7) “What is the Random Number Generator that works inside the machine? Why do some in the casino industry refer to the RNG as the “Really New God?”

8) “Are the symbols and blanks I see on the actual reels weighted differently depending on their mapping in the virtual reel process? Why don’t the distribution of symbols and blanks on the actual reels reflect the true probability of the symbols appearing under the payline?”

9) “If the machine is called a penny slot machine than why can't I simply put in one penny instead of a \$5 dollar bill? Why does the machine count in credits?”

10) “This machine presents itself as a penny slot machine yet by betting multiple paylines and placing the maximum bet on each spin, I clearly have the ability to bet a lot a more than one penny. What is the max bet for this machine and how many times will it allow me to press the play button in one minute?”

So what's the harm if the machines  
are deceiving people?  
Aren't people simply having fun?

Because more than 63% of the people who use electronic gambling machines one or more times per month show problem gambling harm. That's why there's such a huge difference between traveling to Las Vegas twice a year versus putting these machines on Main Street where people can play them every week.

# The Predatory Marketing Behind Electronic Gambling Machines

# Consumer Loyalty Cards and Player Tracking Systems

The predatory gambling trade has taken this marketing research technology to a whole new level. Anyone comforted by the idea that playing the slots is voluntary should spend a day with those who work for the predatory gambling trade.

People are targeted based on factors such as how *fast* they play a slot machine, information that can be collected through their “Player’s Rewards card” because many players use these cards directly in the machine. The faster someone plays, the more likely they are to play recklessly.

And reckless gamblers can turn  
into out-of-control gamblers.  
Extreme gamblers.

These extreme gamblers make up  
90% of the profits for the  
predatory gambling trade.

What are some of the predatory marketing practices used to incite out-of-control gambling?

- Free Alcohol
  - Phone and email solicitations
  - Direct mail offering free slot play
- “Hosts” who are in constant contact with heavy gamblers away from the casino
  - Free meals
    - Luck Ambassadors
    - Small cash vouchers
    - Free or reduced lodging
- Sponsoring Meals on Wheels trucks in retirement communities

Penn National was recently fined \$800,000 in Illinois for marketing to problem gamblers who had voluntarily banned themselves from entering a casino – a self-exclusion list.

What was  
Penn National's defense?

As part of a campaign to develop new customers, the casino rented a list of names from a firm that operates ATM machines at Illinois casinos and the casino's marketing department failed to check the list against the names of people enrolled in the Self-Exclusion Program.

But why does Penn National and casinos like it aggressively market to gamblers who take money out of ATMs inside casinos? Because these gamblers are the ones most likely to lose control of their spending. They lost the money they arrived with at the casino and then needed to withdraw more of their savings to chase the money they lost earlier. The problem gamblers are where the bulk of the profits come from: 90% of the gambling trade's profits come from 10% of the players.

Foxwoods continues to send marketing materials to a female addicted gambler in NY who twice has asked to be removed from their lists.

A month after sending the second request, she received another mailing saying “We miss you...”

“Are we doing the right thing? Is it right to incent people to gamble?”

- Richard Mirman, V.P. of Business Development, Harrah's Casinos

Winner Takes All By Christina Binkley, 2008. Pg. 197

Statistical models are used to set calendars and budgets that predict when a targeted person will gamble and how much. It calculates how much each gambler is likely to lose to the slot machines over his or her lifetime.

It's called their  
"predicted lifetime value."

“But isn’t it all just  
entertainment?”

“It’s the same as drinking wine,  
going out to a restaurant  
or going to the movies.”

Yet, the owner of the vineyard drinks the wine he makes. The owner of the restaurant eats the crab cakes he serves. The movie producer watches the movies he makes. This is the only product or service where most of the people who own it and promote it, including public officials, don't use it and don't want to live near it.

“Loveman isn’t a gambler and has never been a gambler.”

Winner Takes All By Christina Binkley, 2008. Pg. 177

The movement to stop predatory gambling is non-partisan and we need to be challenging both sides of the political aisle.

What has happened to  
the political left?

**“Any law that uplifts human personality is just. Any law that degrades human personality is unjust.”**

- Rev. Martin Luther King

How many of us, especially those on the left, believe our government's embrace of predatory gambling passes King's test?

Lawrence, Massachusetts, the poorest city in the state, was the site of the Bread and Roses strike in 1912. It is considered one of the most important events in the history of the labor movement.

One hundred years later, principles for some in the labor movement have changed dramatically.

Labor has always stood for jobs  
with justice.

These are jobs  
with injustice.

How many here know what is being built on the former site of Bethlehem Steel, which had long been one of the symbols of the strength of the American worker?

The political left talks about a new war on poverty yet many on the left aggressively promote predatory gambling at every opportunity.

What has happened to  
the political right?

There are some on the right who attempt to make a libertarian argument about predatory gambling as a matter of personal freedom.

John Stuart Mill, a key figure in the crafting of the libertarian vision, made his case clear:

Each individual has the right to act as he wants, so long as these actions do not harm others.

Predatory gambling does harm others. It's up to citizens like you to stop predatory gambling by awakening the conscience of America and challenging the predatory nature of slot machines at every turn.

It's time we add the tenet of  
“no taxation by exploitation”  
to the lexicon of American democracy  
right beneath  
“no taxation without representation.”