Gaming advertising and the struggle for its First Amendment rights

Cameron Lee Andrews
University of Nevada, Las Vegas

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Gaming Advertising and The Struggle
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by

Cameron L. Andrews

A thesis submitted in partial fulfillment
of the requirements for the degree of

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in

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The Thesis of Cameron L. Andrews for the degree of Master of Arts in Communication is approved.

Chairperson, Richard J. Jensen, Ph.D.

Examine Committee Member, Gage Chapel, Ph.D.

Examine Committee Member, Anthony J. Ferri, Ph.D.

Graduate Faculty Representative, Larry D. Strate, J.D.

Dean of the Graduate College, Ronald W. Smith, Ph.D.

University of Nevada, Las Vegas
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From a historical perspective this research project will identify and explore the current legislation and regulations that apply to gaming advertising. The research begins with the first laws enacted to govern the Louisiana lottery in the late 1890s and their application and development over the following 105 years.

The project focuses on the additional Federal and State restrictions implemented in order to govern this growing industry in the United States. The study will utilize the Las Vegas market due to its relation to the national gaming scene.

There are currently four segments within the gaming industry: 1. Nevada; 2. New Jersey; 3. Riverboat; and 4. Native American. Each segment is governed by different advertising restrictions creating an unfair marketing advantage. This biased competitive edge further supports the call for national reform.

The project is presented in time periods. Advertising case studies per era are explored to gauge the effectiveness of the applicable legislation.
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>iv</td>
</tr>
<tr>
<td>CHAPTER ONE INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>Purpose</td>
<td>2</td>
</tr>
<tr>
<td>Overview</td>
<td>3</td>
</tr>
<tr>
<td>Lottery Definition</td>
<td>5</td>
</tr>
<tr>
<td>Prize</td>
<td>5</td>
</tr>
<tr>
<td>Chance</td>
<td>5</td>
</tr>
<tr>
<td>Consideration</td>
<td>6</td>
</tr>
<tr>
<td>Review of Literature</td>
<td>7</td>
</tr>
<tr>
<td>Historical Material</td>
<td>7</td>
</tr>
<tr>
<td>Advertising/Marketing Loss-Leader Material</td>
<td>9</td>
</tr>
<tr>
<td>Legislative Material</td>
<td>11</td>
</tr>
<tr>
<td>Las Vegas Market Material</td>
<td>17</td>
</tr>
<tr>
<td>Outline of Study</td>
<td>22</td>
</tr>
<tr>
<td>Summary</td>
<td>24</td>
</tr>
<tr>
<td>CHAPTER TWO RENAISSANCE</td>
<td>26</td>
</tr>
<tr>
<td>Gaming’s Foundation</td>
<td>26</td>
</tr>
<tr>
<td>History of Legislation</td>
<td>30</td>
</tr>
<tr>
<td>Benjamin “Bugsy” Siegel</td>
<td>37</td>
</tr>
<tr>
<td>Advertising Case Study</td>
<td>40</td>
</tr>
<tr>
<td>CHAPTER THREE INDUSTRIAN</td>
<td>43</td>
</tr>
<tr>
<td>Organized Crime - The Mob Influence</td>
<td>43</td>
</tr>
<tr>
<td>That’s Entertainment</td>
<td>46</td>
</tr>
<tr>
<td>Howard R. Hughes</td>
<td>50</td>
</tr>
<tr>
<td>Advertising Case Study</td>
<td>54</td>
</tr>
<tr>
<td>CHAPTER FOUR NEW AGE</td>
<td>58</td>
</tr>
<tr>
<td>Native American Gaming</td>
<td>58</td>
</tr>
<tr>
<td>Riverboat Gaming</td>
<td>61</td>
</tr>
<tr>
<td>Gaming Opposition</td>
<td>62</td>
</tr>
<tr>
<td>Steve Wynn</td>
<td>68</td>
</tr>
<tr>
<td>Advertising Case Study</td>
<td>73</td>
</tr>
<tr>
<td>CHAPTER FIVE FUTURISTIC</td>
<td>78</td>
</tr>
<tr>
<td>Level Playing Field</td>
<td>78</td>
</tr>
</tbody>
</table>
Casino Advertising Policy ......................................................... 82
Organic Criticism Approach .......................................................... 84
   Legitimacy ................................................................................. 84
   Credibility ................................................................................. 86
   Resolution ............................................................................... 88
   Direction .................................................................................. 89
Industry Outlook ........................................................................... 90
Conclusion .................................................................................... 93
   Taking Responsibility ............................................................... 96
   Recommendation ...................................................................... 98

APPENDIX I LAS VEGAS LIFE MAGAZINE ................................. 101
   Front Cover Shot ..................................................................... 102

APPENDIX II FABULOUS FLAMINGO ADVERTISEMENT ............ 103
   Property Positioning ............................................................... 104

APPENDIX III LOSS LEADER ADVERTISING APPROACH ........... 105
   Non-Casino Activities ............................................................. 106

APPENDIX IV MAGAZINE LAS VEGAS 1954 ADVERTISING ........... 107
   Mae West at the Sahara ......................................................... 108
   Joe E. Lewis at the El Rancho ................................................. 109
   Milton Berle at the Sands ....................................................... 110
   Gaming Message for the Las Vegas Club ............................... 111

APPENDIX V MAGAZINE LAS VEGAS 1955 ADVERTISING .......... 112
   Entertainment Message for the Desert Inn ............................. 113
   Nat King Cole at the Sands ..................................................... 114
   Gaming Message for the Las Vegas Club ............................... 115

APPENDIX VI FABULOUS L.V. MAGAZINE 1963 ADVERTISING ...... 116
   Frank Sinatra at the Sands ...................................................... 117
   Entertainment Production Shows Tropicana and the Dunes ...... 118

APPENDIX VII FABULOUS L.V. MAGAZINE 1964 ADVERTISING ...... 119
   Entertainment Message for Flamingo and Stardust ................. 120
   Mitzi Gaynor at the Flamingo ................................................. 121
   Entertainment Message for the Sahara ................................... 122

APPENDIX VIII FABULOUS L.V. MAGAZINE 1969 ADVERTISING .... 123
   Jerry Lewis at the Desert Inn .................................................. 124
   Milton Berle at Caesars Palace .............................................. 125
   Entertainment Message for the Sands .................................... 126
APPENDIX IX THEMED CASINO PRINT ADVERTISING .......................... 127
The Mirage ................................................................................................. 128
Caesars Palace .......................................................................................... 129

APPENDIX X RIVERBOAT BROADCAST ADVERTISING ....................... 130
Gold Card Cash Back Storyboard .......................................................... 131
Fresh Market Square Buffet Storyboard ............................................... 132

APPENDIX XI NATIVE AMERICAN BROADCAST ADVERTISING. ........................................ 133
Limited Types of Casino Games Storyboard ....................................... 134

APPENDIX XII LAND BASED DIVISION - L.V. ADVERTISING .......... 136
Unlimited Types of Casino Games Storyboard .................................... 137

BIBLIOGRAPHY........................................................................................... 138
"The management of The Flamingo will bring to Las Vegas the best that money and brains can afford in comforts, food, service, and entertainment...The Flamingo is for Las Vegas."
- Flamingo Grand Opening Advertisement (1946)

CHAPTER ONE

INTRODUCTION

In this decade the casino entertainment industry has experienced unparalleled expansion, development and revenue growth. According to Harrah's Survey of Casino Entertainment (1995), "Since 1990, casino revenues have doubled and now exceed $16.5 billion. The growth is driven by expansion of traditional land-based casino destinations and the continued development of new riverboat and Indian-reservation casinos throughout the United States. Presently, casinos are operating or are approved in 26 states. Thirteen other states are expected to introduce casino legislation in upcoming legislative sessions." (p. 4) In an industry that less than twenty years ago was confined to Nevada, strict regulations have been in place to limit its ability to promote and advertise itself.

As the industry began to expand in 1976 with the approval of gaming in Atlantic City, the industry's advertising continued to be governed by lottery
statutes enacted in 1892. The purpose of the original federal lottery statue was to prevent advertising of fraud in games of chance, pyramid schemes, fake drawings and other confidence games. Many involved in gaming feel these statutes and additional legislation passed throughout the years infringe on the commercial free speech advertising rights for the gaming industry as provided by the First Amendment.

Purpose

The purpose of this study is to take a look at the gaming industry from a historical perspective, focusing specifically on certain periods in Las Vegas, and the growth into the New Jersey, riverboat and Native American markets.

Evidence will be provided to support the need for revised legislation of the current gaming advertising statutes. Currently the industry is governed by laws as old as 1890 which loosely apply to jurisdictions with multiple interpretations.

Currently there are four separate segments to the gaming industry nationally: Nevada, New Jersey, Riverboat and Native American. Each segment has its own restrictions regarding gaming advertising.

The basis for a historical study is to establish the change/growth in the industry and how, with this growth, revised legislation governing gaming advertising is warranted.

Twenty years ago gaming advertising legislation didn’t need the analysis it now requires due to the fact it was isolated in one state. With the
unprecedented growth it is important to establish the need for revised legislation providing appropriate advertising to applicable local and feeder markets.

From a historical perspective the objective of this study is to identify three pioneers in the gaming industry based on the Las Vegas market. The goal will be to provide evidence that the influence they put forth incited change in the industry. With these changes, proliferation, opposition and various attempts at revised legislation have occurred.

Advertising case studies will be incorporated into the respective eras to gauge the pulse of the advertising efforts of the times. These profiles will substantiate the need to redraft gaming advertising legislation nationally.

Overview

The limits on casino advertising come from three sources: the statutory law, both federal and state; regulations, mainly from the Federal Communication Commission (FCC) and postal authorities; and self imposed restrictions, such as voluntary guidelines adopted by broadcasters.

The primary restrictions on the dissemination of gaming information is found in Title 18 of the United States Code which deals with federal crimes. The main anti-gaming laws can be located in the chapter entitled "Lotteries."

Section 1301 of Title 18 makes it a federal crime to carry or send a lottery ticket, or lottery information, or a list of lottery prizes in interstate or foreign commerce. Section 1302 specifically prohibits utilizing the U.S. Postal
Service to mail checks for the purchase of tickets, and for “any newspaper, circular, pamphlet, or publication of any kind containing any advertisement of any lottery, gift enterprise, or scheme of any kind offering prizes dependent in whole or part upon lot or chance." (Rose 1989)

The following laws and regulations are offered as an indication of the diversity of restrictions placed on the gaming industry at various levels: Title 18 U.S.C. 1084 & 1301-1307, Title 19 U.S.C. 1305, Title 26 U.S.C. 5723, Title 39 U.S.C. 3001 & 3005, FCC Rule 73.1211 (47-CFR), Domestic Mail Manual (DMM) 123.421 & 123.422D, Communications Act of 1934 and The Charity Games Advertising Clarification Act of 1990. The FCC was created by the Communications Act of 1934 to regulate interstate and foreign communications by wire and radio. In 1962 the Communications Satellite Act assigned the FCC additional responsibilities which include radio and television broadcasting; telephone, telegraph, cable television, two-way radio, and radio operators; and satellite communication. The FCC was empowered to enforce the prohibitions on broadcast information on lotteries, and issued regulations prohibiting broadcasters from carrying advertisements of, or information concerning, any lottery, gift enterprise, or similar scheme. The laws and regulations applicable to each state must also be taken into consideration as well. In his position paper, *A Guideline For Advertising Legally,* attorney I. Nelson Rose (1989) states, “These anti-lottery statutes date back to the Louisiana lottery of the 1890s and were enacted by Congress when it looked like the states could not control corrupt lotteries. The federal
government’s prohibition on the use of the mails by lotteries was expanded to include broadcasting of lottery-related information as part of the Communications Act of 1934. Section 1304 prohibits the broadcasting of ‘any advertisement of or information concerning any lottery, gift enterprise, or similar scheme...’.” (p. 2)

Lottery Definition

Any form of gaming falls under the heading of a lottery. There are three key elements that constitute a lottery. A lottery does not exist without all of the three. The three elements of a lottery are (1) prize, (2) chance and (3) consideration.

Prize

A prize is anything of value offered to the contestant. It is irrelevant what the prize is, how little its value, or if the prize is in the form of a price discount. Usually no difficulty is encountered in determining whether or not the element of a prize is present. The presence of a prize is the first clue to a lottery. However, the elements of chance and consideration are often not as readily detected.

Chance

The element of chance is present in contests or promotions in which the prize is awarded to a person whose selection depends in whole or in part upon chance rather than the contestant’s skill or other factors within the
contestant's control. For example, chance exists in promotions in which the winner is determined by a drawing or wheel spinning, by being the fifth person to call the station, or by being at a given spot in a business establishment when a bell rings.

**Consideration**

Of the three elements necessary for a lottery, the element of consideration presents the greatest difficulty. Basically, consideration is an item of value – money, substantial time or energy – that a contestant must expend in order to participate in a promotional plan. The FCC has stated that consideration is present in any contest or promotion which requires a contestant to (1) "furnish any money or thing of value;" (2) "have in his/her possession any product sold, manufactured, furnished or distributed by a sponsor of a program broadcast" by a station; or (3) "meet any requirement which involves a substantial expenditure of time and effort by the contestant." *(Definition Of A Lottery, 1960)*

I. Nelson Rose (1989) states that,

In 1975, Congress granted a limited exemption for state lotteries. Under the current law, state lotteries have a distinct, though limited, advantage. They can advertise by mail or broadcast media in their own state and in adjacent states, but only if that adjacent state also has a state lottery. California Lottery retailers can advertise in Oregon and Arizona but not Washington or Nevada because neither state has a lottery. The purpose of this strange law is to protect the good citizens of Nevada from hearing about the evils of California's legal gambling. *(p. 2)*
Review of Literature

To thoroughly evaluate the status of gaming advertising legislation, four areas of literature are reviewed in order to analyze the issues from a historical perspective. The areas most important for this study are: the historical account of gaming and its growth; the industry from a marketing perspective, where loss-leader messages are necessary in order to advertise the business; the legislation itself, to include the federal and local statutes; and the players involved in the Las Vegas market who have been instrumental in shaping attitudes and opinions about the industry.

Historical Material

In order to fully understand the gaming industry an appreciation of its growth must be instituted. In his book Casino Ralph Tegtmeir (1989) begins, “Casino: Italian word, 1740. This is the sole point in which French dictionaries agree: the actual meaning of the term varies from “country house” to gaming house”; although, indeed, all the dictionaries give as a definition “pleasure establishment”, only one specifies that “games played for money are allowed.” (p. 15) As diverse as the definition of the word is, so it goes for the industry and its history. Tegtmeir takes an in-depth look into the lifeline of the casino and its application, looking at its European birth to its arrival in the United States.

As gaming spread in America upon its arrival, certain problems arose specifically with the lotteries and their legal stature. In his book, Play The
Devil, Henry Chafetz (1960) looks at the history of gambling in the United States from 1492 to 1955. Chafetz provides a thorough description of the circumstances which led up to the advertising restrictions placed on the gaming industry as they are governed today. The journey begins with the overview, “Gambling has run through our history since the first settlers staked their claims in the New World and took the land away from the Indians, who were avid gamblers themselves. We have financed wars, supported local governments, and underwritten our churches and universities by way of lotteries, speculated in land, gold, cotton and wheat, and panics have been induced when gamblers have cornered the market in stocks and commodities. The great depression of the thirties ended the biggest and most widespread gambling spree on historical record. The story of many great fortunes in the U.S. is one of men who gambled high and won. Westward expansion, the gold rush, the Klondike are evidences of the vigor of the American get-rich-quick dream.” (p. 3, 4) The Indians who lost their land to the settlers in the New World had no idea at the time that some day the land that still belonged to the tribes would house gaming meccas of their own. As the gaming markets begin to open across the United States one of the segments contributing to the most growth is the Native Americans.

A recent article in Casino Player magazine (December 1995) entitled, The New Buffalo, states, “Indian casinos have sprung up across the country seemingly overnight, bringing with them opportunities for many tribes to improve their impoverished standard of living. But despite all the positives,
the Indian gaming issue has created its share of controversy.” (p. 4) Among the issues is the uncontrollable growth that the Native Americans are producing. Due to their sovereignty status with the federal government the Native American play a unique and unmatched role in the industry. As growth continues as projected it is a sure bet that the Native Americans will be a key component.

In order to provide observation and insights into the gaming industry Harrah’s Entertainment Inc., publishes the annual Harrah’s Survey of Casino Entertainment. This study provides an overview on the multiple jurisdictions in which casinos operate and summarizes the market performance for the preceding year. In its third edition (1995), Philip G. Satre, President and Chief Operating Officer, states in his president’s letter, “...you will find data that details the growth of casino entertainment, identifies national attitudes about gaming and profiles the demographic characteristics of casino players.” (p. 2) This data provides tremendous support in looking at the industry from a historical perspective while offering a thorough market-to-market analysis.

Advertising/Marketing Loss Leader Material

The question must be asked: how long can an industry that is experiencing such rapid growth and expansion be forced to advertise only its services, food and beverage specials and amenities to attract new business, as
well as maintain a solid database of guests? Dean M. Macomber (1984) in his article *Management Policy and Practices in Modern Casino Operations* says,

The loss-leader does not create a long-term marketing niche for the casino; it only gives the player two casinos instead of one to patronize. Free parking, loss-leader food service, and entertainment policies are designed more to eliminate reasons a customer would not visit the company’s casino. As competition increases, however, more approaches – such as unique facilities and services, bus clubs, and other marketing efforts will focus on enticing players to their facility. Each casino will need to develop what are currently elusive commodities – casino identity and casino loyalty. (p. 81-90)

Numerous casinos are attempting to establish their identity through environmental entertainers dressed in themed costumes that further enhance the decor and architecture of the property i.e. Excalibur’s King Arthur, Caesars’ Cleopatra and MGM’s Wizard of Oz characters. The entertainers provide an additional experience to guests in order to enhance their visit and build casino loyalty.

William R. Eadington’s (1984) article *The Casino Gaming Industry: A Study of Political Economy* addresses this very issue. He states,

Themes behind media advertising for casinos often center on the idea of escaping everyday problems into a pleasurable and hedonistic environment that the casinos offer, or they imply interludes with luck and good fortune. It seems that, generally, indirect appeals to the potential patron are more effective stimuli than direct appeals to someone’s desire to gamble. This could be due to the fact that gambling still carries some social stigma, and for many people a visit to Las Vegas or Atlantic City solely for the purpose of gambling cannot be justified. (p. 22-35)

The only way to lift the social stigma from gambling that Eadington refers to is to allow the industry to advertise its product as is...gaming. The habitual use of loss-leaders in gaming advertising is possibly as much
misleading and deceiving as the legislation that strangles its true message.
Consumers should be able to enjoy the entire experience of gaming through
casino advertising and not by what the regulators feel is safe for them to see.

Loss-leader marketing provides a business the opportunity to incite visits by consumers who otherwise would not have patronized the establishments. While a supermarket or discount store utilizes this practice as one of many marketing tools, casinos are forced to use the loss-leader advertising approach as their only means to incite trial for their casinos. John T. Mentzer and David J. Schwartz (1985) in their book *Marketing Today* provide some insight into loss-leader marketing and the role it plays in the marketing mix. Due to the legislation in markets other than Nevada and Native American, loss-leader advertising is the primary means to promote the gaming message.

**Legislative Material**

In the past two decades there have been numerous Congressional attempts to lift the restrictions on gaming advertising. Two of the most notable bills have been S. 1876 and HR 3146. On November 16, 1983, before the Subcommittee On Criminal Law of the Committee On The Judiciary, S. 1876, *Modernizing Federal Restrictions On Gaming Advertising*, was introduced. This bill would have allowed advertising of any state sponsored lottery, gift enterprise, or similar scheme. The bill was introduced by Senator Chic Hecht and Senator Paul Laxalt both of Nevada. In his opening statement
to the subcommittee Senator Laxalt proclaimed, "...constitutional issues aside, however, it seems to me simply bad policy for the Federal Government to maintain these heavy-handed, paternalistic rules with which the separate States obviously disagree. Last Century, when few States had any sort of legal gaming, the Federal prohibitions on advertising doubtless made some sense; today, the restrictions are outmoded and in much need of reform." (p. 2)

In 1988 a gambling bill, known as HR 3146, was introduced to the House by Representative Barney Frank (D-Mass). The bill met with little or no opposition from the Administrative Law and Government Relations Subcommittee and the full committee. In an article entitled, Gambling Advertising: HR 3146, Nadine Cohodas (1988) contends, "The bill would have allowed broadcast and mail advertising for private gambling enterprises. But it would not have permitted use of the mail to send tickets or items that allow participation in a lottery or other gaming activity. The measure also would have given states 18 months to pass laws banning gambling ads within their borders." (p. 1280) The tally was 259-159 but the total fell 20 votes short of the two-thirds majority needed for passage. Leading the opposition to the bill was Representative Frank R. Wolf (R-Va). He said the bill would allow the casinos in Las Vegas and in Atlantic City to advertise on radio and television in all congressional districts, perhaps taking tourism away from their areas. Cohodas goes on to say that Wolf felt the 18-month provision was too short a time for states to act because some legislatures only meet every two years. Frank retorted that the bill has been under consideration for
a year, and states were on notice that the legislation was in the works. The real issue, Frank contended, was opposition to gaming itself.

Neither S. 1876 nor HR 3146 was passed. As the gaming industry proliferates across the country new bills as previously outlined need to be reintroduced for consideration. Realistically gaming is in or adjacent to every state in the country and gaming advertising is warranted for continued industry growth.

Today only two states – Hawaii and Utah – ban all types of gambling activity. According to a USA TODAY (October 1992) list entitled, "Legalized Gambling by State," "Forty-one states, on the other hand, permit pari-mutuel betting on horses, while 13 states permit it on dogs. Betting on jai alai is lawful in six states. Thirty-four states operate lotteries. Bingo is legal in 45 states. Native American gaming operates in 22 states. Riverboat gambling is legal in five. Nevada, New Jersey and Louisiana allow full land-based gaming. Colorado and South Dakota allow limited stakes casinos while North Dakota permits low-limit blackjack, and California permits poker." (p. 2A) (The statistics are current as of April 19, 1995) Currently New York Pennsylvania and Connecticut are studying the feasibility of casino-type operations.

In his article Legal Regulation of Gambling since 1950, G. Robert Blakey (1984) analyzes the various regulations with which states have to contend to in order to conduct legal gaming. He determines the situation as this, "...despite similarities in approaches to anti-gambling provisions, the 50 states
in reality take 50 different approaches to gambling. Depending upon a particular state’s perceptions of and experience with gambling in the past, a variety of gambling schemes are defined and either permitted or banned by the codes.” (p. 19) Blakey contends, “The development of federal law on gambling has thus balanced a mixture of criminal, civil, and tax policies with those of the various states.” (p. 17)

With so much inconsistency across the country it is important to evaluate the exact position for which each of the state regulators stands when determining what constitutes a lottery and the advertising guidelines regulating the lotteries. The first question to be addressed should be, “is casino gaming a lottery?” If it is not a lottery, then federal anti-lottery laws and most state laws simply do not apply. I. Nelson Rose (1989) explains that although the three federal government agencies, the Postal Service (quasi governmental agency), the FCC and the Department of Justice are responsible for overseeing the legislation they all have their own unique interpretation of the guidelines,

The Postal Service seems to believe that most forms of gambling are lotteries. The DMM prohibits the mailing of ‘Any newspaper ...containing any advertising of a lottery...’ (DMM 123.422d.) Lottery is defined as, ‘Any scheme or promotion, whether or not lawful under the laws of any state, which, upon payment of consideration, offers a prize dependent in whole or in part upon lot or chance.’ (DMM 123.421.)...

The second important regulator, the FCC, has also issued regulations forbidding broadcasters from carrying ‘advertisement of or information concerning any lottery, gift enterprise, or similar scheme.’ 47 C.F.R. 73.1211...

The position of the third federal regulator, the Department of Justice, is the most interesting, and the most legally correct....The United States Supreme Court has made it clear that all legal businesses
have the right to be heard under the First Amendment's guarantees of freedom of speech and the press. Under this Commercial Free Speech Doctrine any law that completely prevents a legal enterprise from advertising is unconstitutional. The Department of Justice, in charge of enforcement of the federal laws, has stated that the federal anti-lottery laws are unconstitutional and should not be enforced. (p. 3-4)

The federal anti-lottery statutes are not limited to advertisements. Technically, sending any information of any sort about any "lottery" through the mail is a crime. The decision as to what to do about mailed gaming advertisements in a newspaper has to be made by each individual newspaper and casino. The post office usually will not interfere with first-class mail, but if a casino (the advertiser) applies for new second class mail privileges, the Postal Service will probably turn down the application. The large urban newspapers actually print split editions with casino advertisements printed only in the copies that are not sent through the mail. However, a split edition does not guarantee that a gaming ad will run in the newsstand and home delivered papers. Newspapers have virtually unlimited discretion to decide which ads they will and will not accept.

The biggest barrier to radio and TV ads comes not from the FCC but from the stations themselves, "Broadcasters have almost as much discretion to turn down commercials as newspapers. Since the regulators have, in effect, the death penalty (the FCC can refuse to renew a multi-million dollar broadcasting license) most stations are hesitant to run even the most innocuous ads. It is important, however, to remember that the casino
advertiser runs no risk whatsoever, any potential penalty goes solely against
the station operation.” (Rose, p. 5)

In general, federal law prohibits the advertising and promotion of
gaming on radio and television (Indian gaming and state lotteries are
exempted). The federal law is enforced by the FCC, the government agency
which regulates broadcasting. Broadcast licensees who violate the FCC’s
regulations can face fines, short-term license renewals or the loss of their
broadcast license. “Broadcast” includes transmission over a cable television
system operator’s origination channels; however, commercials transmitted
over leased-access cable channels are not subject to federal law.

Many companies have taken the FCC to court on these issues and have
lost. It wasn’t until April 13, 1993 that a successful attempt at overturning the
FCC’s position on gaming advertising occurred in a US District Court in
Nevada.

Valley Broadcasting Co. v. United States was decided in the United
States District Court for the State of Nevada on April 13, 1993. The presiding
Judge Philip Pro concluded that, “In sum, this court finds that even though
1304 does apply to Plaintiffs and does not violate the Equal Protection Clause,
Defendants’ wholesale ban on all broadcasts of promotional advertising of
legalized casino gambling by Plaintiffs does not satisfy the requirements of
Central Hudson. Plaintiffs KVBC and KRNV are, therefore, entitled to the
declaratory relief they seek.” (p. 12) Nevada is now the only state in the
country where media outlets can broadcast advertise gaming legally. The
plaintiffs and other media now have the right to broadcast commercials related to legal gaming activities in Nevada such as blackjack, craps, poker, roulette, slot machines, and other lawful games of chance. This decision is a direct indication that a need exists for sweeping national reforms for the industry. Dr. Larry D. Strate (1992) explains in his article *Advertising Legalized Gambling: A Late Bloomer Under The First Amendment*, "The future of the gaming industry is inextricably linked to the allocability of advertising. Recognizing that broadcast signals, as a technological matter, cannot be confined to political boundaries, this decade sees continuing technological development in cable and satellite communication." (p. 21-22)

**Las Vegas Market Material**

Throughout the years there have been a number of individuals who have had a key part in shaping the attitudes and opinions of others in regards to the industry. These attitudes eventually influence the final decision and the perception of gaming as a legitimate business and industry. The Las Vegas market will be utilized for observation in the study due to its influence within the industry. Due to the historical nature of the project the literature review will utilize a three-tiered approach looking at Benjamin "Bugsy" Siegel, Howard Hughes and Steve Wynn.

In the preface of Hank Greenspun's (1966) book, *Where I Stand*, it is noted about his life,

> It was - and still is - a life filled with excitement, adventure, and risk. In his willingness to act, to take responsibility, to put it on the line,
he has not only dared to battle against Las Vegas peripheral hoodlum elements [Siegel and the organized crime elements that soon followed his assassination], but he has taken on and defeated adversaries in high places: the despotic 'Emperor of Nevada,' Pat McCarran; the venom-spewing columnist, Westbrook Pegler; and the most dangerous demagogue of them all, Wisconsin's witch-hunting Senator Joe McCarthy. (p. viii)

This commitment to the truth and determination to create a better environment in Las Vegas is chronologically shared in Greenspun's life story. His firsthand experiences with Siegel, Frank Sinatra and Hughes helped shape the market as it is known today. Greenspun was a true pioneer with an entrepreneurial spirit that lives on. His zest for life and fairness was, unfortunately, matched by the aggressive way organized crime swept through Las Vegas during the early periods. Ed Reid's (1963) book, *Green Felt Jungle*, provides a stark report about Las Vegas up to that time. Reid states, "The sad truth is without gambling, Nevada wouldn't need a governor---just a night watchman. In 1940, six years before Bugsy Siegel carved out an empire in the desert for the Mob, the entire population of Clark County...was a mere 16,000. Today [1963] Clark County totals 200,000, nearly twice the population of the entire state in 1940." (p. 10) That population growth has sweltered to a remarkable 1.03 million in 1996. Growth in Nevada and Las Vegas has been phenomenal. Insights provided in this publication cross over the time periods in which this study is outlined providing insight into the industry's growth.

This growth, while a positive element in most cases, was set in motion by none other than Benjamin "Bugsy" Siegel. In his paper, "Bugsy's"
Flamingo and the Modern Casino-Hotel, James F. Smith (1991) summarizes Siegel's arrival, "In 1942 when Ben Siegel made his first appearance in Las Vegas, the city was little more than a sleepy western town, a whistle stop on the Union Pacific Railroad and a way station on the paved highway between Salt Lake City and Los Angeles....Siegel had come to finalize arrangements for the casinos with the racebooks to use Trans-America Wire Service, which he controlled, to post their results. His share of the action amounted to approximately $25,000 per month, and ultimately he and his "advance man" Moe Sedway obtained interests in several Las Vegas gambling halls, including the Golden Nugget and the Frontier Club." (p. 500) This acquisition of properties was the beginning of the Mob influence in Las Vegas that would span nearly thirty years.

As organized crime spread throughout the United States a study was commissioned to determine its far reaching effects. Sen. Estes Kefauver, a Tennessee Republican, was chairman of the investigation which took place from May 10, 1950 through May 1, 1951. The group was commissioned to investigate crime in interstate commerce and would later be known as the Kefauver Committee. One of the states analyzed was Nevada and the final report sheds some startling light on the control organized crime had on Las Vegas and the gambling industry. The report published in its entirety by Estes Kefauver (1968) is titled, Crime in America. This digest shocked America and led to strong reaction from industry and civic leaders. One of the lasting results of the report was the creation of the Nevada Gaming Control Board
and Nevada Gaming Commission in 1954, to oversee and police the operations of the gaming industry.

Gary Provost (1994) in his book, *High Stakes*, provides a very accurate working definition for the aforementioned committees. The members' backgrounds and responsibilities of each group are addressed.

One of Las Vegas' most celebrated entertainers was Frank Sinatra. During the late 50s and 60s Sinatra and the Rat Pack had their "day in the sun." Sinatra was not only the industry's loss-leader in driving business into the casino but his affiliation with the Mob brought him before the gaming control board on numerous occasions. Sinatra's thirst for power and need for celebrity status is best captured in Kitty Kelly's (1986) book, *His Way*. Kelly looks at the man who dined with presidents and kings while creating the wonderful mystique of Las Vegas. Sinatra's influence on the White House is best captured by Grant Sawyer (1993) in his book, *Hang Tough*, in which he recalls an encounter with President Kennedy and the inquiry which ensued.

The latter part of the 60s brought the arrival of Howard Hughes to Las Vegas. According to Elaine Davenport and Paul Eddy (1976) in their book *The Hughes Papers*, Hank Greenspun was instrumental in spurring the billionaire to relocate to Southern Nevada. Hughes' entrance into the gaming industry is captured by Albert B. Gerber (1967) in his book, *Bashful Billionaire*, and by Tyrus R. Mulkey (1994) in his position paper, *Howard R. Hughes, Jr., His Influence on the Transition From Gambling to Gaming*. These publications illustrate the dynamics of Hughes from a business perspective
and provide insight to the legitimacy of gaming upon his arrival and subsequent entrance into the gaming industry. Hughes was instrumental in orchestrating the transition from organized crime involvement to corporate development of the market. Las Vegas, once again, was on a new wave of development unseen since Siegel's arrival. Provost (1994) points out that it was Hughes' arrival which provided the final element of impartiality for the industry.

It would be twenty years before Las Vegas would see the eccentricity, brilliance and vision of a man like Hughes again. Although Steve Wynn entered the market in 1967, about the same time Hughes was on a buying spree, his contributions would not be realized until the opening of The Mirage in November 1989. John L. Smith (1995) captures the essence of Steve Wynn in his book, Running Scared - The Life and Treacherous Times of Las Vegas Casino King Steve Wynn, as, “Wynn belies the classic Las Vegas stereotypes, being adorned with no loud sport coats, no white shoes, no pinky rings. He shuns the company of craps dealers and pit bosses, preferring such diverse characters as Michael Milkin and Michael Jackson. He has an Ivy League education, impeccable taste in clothes, and a command of the English language. And he is handsome, thanks to a power coif, capped teeth, a facelift, and a daily fitness regimen under the guidance of a personal trainer. Now past fifty, Wynn continues to shake up the world. It is a legend as carefully sculpted as the man. “ (p. 21) To further substantiate the influence of Steve
Wynn and the financial impact of Wall Street on the gaming industry numerous newspaper articles and industry periodicals will be utilized.

Additional publications for this historical study will include, but not be limited to, the *Las Vegas Review-Journal*, the *Las Vegas Sun* and the *Las Vegas Business Press*. Industry periodicals will include *Nevada BroadcastNews* magazine, *Casino Player* magazine and *International Gaming & Wagering* publications. Computer assisted literature will include information gathered from the computer service Lexus-Nexus and Internet access to the Library of Congress via the Purdue University’s Virtual Reference Desk at: http://thorplus.lib.purdue.edu/reference/index.html.

Three advertising case studies will be implemented to analyze the advertising shortcomings during each period. The following publications and materials will be utilized to support the presentation: chapter 2. *Las Vegas Life* magazine; chapter 3. *Magazine Las Vegas* and *Fabulous Las Vegas Magazine*; and chapter 4. television advertising storyboards of commercials currently running in Native American, riverboat and Nevada markets.

Outline Of Study

The study will be a historical analysis organized chronologically into periods. Each period will include evaluations of the positions that gaming leaders have taken in regards to marketing and advertising. The Las Vegas market will be used for the study due to the significant impact it plays on the national gaming industry. Three specific periods will be focused on in Las
Vegas: 1. Renaissance 2. Industrial 3. New Age. Each period will have a key player who deserves a measure responsibility for the changes in the market during the respective period. The focus of the analysis will include a case study in each period to evaluate the types of advertising used in accordance with applicable legislation. The study will also examine how the attitude towards the industry has changed over the years. It is the attitude that will determine the direction of advertising legislation. This attitude is a trickle-down effect that begins in Congress and state legislatures to the local gaming jurisdictions.

Utilizing the problem/solution approach, evidence will be provided to support the thesis that lost economic opportunity is the exigence of the rhetorical situation. The problem (current legislation) prohibits gaming corporations from advertising their primary business. The inability of these corporations to advertise freely and fairly restricts them from effectively reaching their target markets. The inability to reach these markets creates a lost economic opportunity in increased revenues, new customers and the retention of a strong customer base. The current legislation forces the industry to focus on loss leaders such as food service, free parking, hotel amenities, drink specials and lounge and showroom entertainment. The solution (new legislation) will allow gaming corporations to advertise their primary product. They will then be able to create an identity and loyalty imperative in any business.
When evaluating this particular rhetorical act it is important to remain as unbiased and fair as possible. I will apply the organic criticism approach as outlined by Donald Rybacki and Karyn Rybacki (1991) in the text Communication Criticism. This approach will allow me to judge four important areas of this particular subject: legitimacy, credibility, resolution and direction.

The organic criticism approach also provides the opportunity to expand on the rhetorical act and pose new questions about the act. Such questions might include:

- What are the true intentions of the industry and should casinos be allowed to advertise without the current restrictions?
- How is the industry viewed by the general public?
- What are the backgrounds of these corporations and have they been responsible in the past?
- With the passage of new legislation will the frequency of customer activity decrease, increase or remain the same?
- Does the current legislation benefit or hamper the growth and expansion of the industry?

**Summary**

According to Harrah's (1995) third annual casino entertainment survey, "...casino entertainment will continue to grow during the next decade, propelled primarily by riverboats, Indian Class III and full land-based
development. Today, approximately 33% of the US adult population lives in states with some form of legal casino entertainment; this could increase to 75% in five years, based on Harrah's and other industry legislative outlooks. With growing consumer acceptance and the passage of favorable legislation, industry revenues ($16.5 billion in 1994) could double over the next decade.” (p. 25) This phenomenal growth pattern outlined by industry experts indicates the need to review current legislation that prohibits gaming’s First Amendment rights. As explained in the Central Hudson Gas & Electric Corporation v. Public Services Commission of New York (its reason for expanding protection of the First Amendment to cover commercial speech) the Supreme Court is cited in the Valley Broadcasting case, “we have rejected the highly paternalistic view that government has complete power to suppress or regulate commercial speech. People will perceive their own best interests if only they are well enough informed, and the best means to that end is to open the channels of communication, rather than close them.” (p. 8)

Although the decision to grant KVBC and KRNV the right to advertise gaming within the state of Nevada was granted in the US District Court level, it was motivated in part by the aforementioned Supreme Court’s position on commercial free speech. The decision to allow gaming advertising in Nevada should serve as the framework for like legislation in other states as well as the foundation for national reform.
CHAPTER TWO

RENAISSANCE

Gaming’s Foundation

Gaming’s history is relevant to this study because it provides an in-depth look at the diverse reach it has had on all segments of life. Gaming can be traced to the gods of Greek mythology. According to Ralph Tegtmeir (1989) in his book *Casino,*

Zeus, Hades and Poseidon are said to have let fate decide how they should divide up the cosmos; they threw dice for their shares and the outcome was that the first received the heavens, the second the underworld, and the third the oceans....An even more dramatic example of the entrenchment of gaming’s presence is the account of Roman infantry at the foot of the cross on Calvary - using dice - gambling for Christ’s robe....The games of chance remained quietly married to European society until real prominence occurred in the late 1400s at Spa, Belgium, where public recognition occurred at watering holes throughout the city. (p. 16).

Gaming’s acceptance continued to grow as its occupation spread throughout Europe. The first public gaming house, the Ridotto, was opened in 1626 in order to control proliferation. This gaming house provided the format for what is now known as the modern casino. The Ridotto achieved huge successes (mixed with sordid scandals) but was shut down on November 24, 1774 due to the ruin of many noble families. This casino
format was the blueprint for future growth in Europe. The following is a chronological account of gaming’s growth in Europe, Asia and North America:

- 165 AD Gaming came from Europe to Asia
- 1748 - Gambling in Germany at Baden-Baden
- 1806 - Baden-Baden falls into Napoleon empire
- 1806 - Napoleon issued the decree officially authorizing gambling
- 1809 - Gaming activity in Germany heats up
- 1809 - Monaco approves gambling and opens two casinos
- 1837 - England opens first gaming houses
- 1850 - Asia approves first gaming houses
- 1855 - Normandy Coast boasts four casinos
- 1863 - Monte-Carlo opens first casino
- 1872 - Germany prohibits gambling
- 1907 - French government authorizes gambling at the French Riviera
- 1925 - First American involved in building casino on the French Riviera
- 1929 - The first Americanized casino, Palm Beach, on French Riviera
- 1931 - Nevada approves gambling
- 1933 - Germany reinstates gambling
- 1934 - Asia opens first casino
- 1941 - Germany restricts gambling in all but Baden-Baden
- 1949 - Germany allows gambling in Wiesbaden
- 1976 - New Jersey approves gambling
- Present - United States gaming proliferation addressed in further chapters

The history of gaming has been riddled with ridicule and judgment. Gaming during its infancy stage was met with opposition from governments and religious groups throughout Europe. It was considered sacrilegious to challenge fate or participate in any games of chance. Despite the opposition gambling continued to grow in popularity and acceptance. The games were not only recreational but served as a revenue-generating component of the watering places that served as the "casinos" of their time. Even though most countries in Europe and Asia allowed gambling as a form of entertainment, religious groups said it led to the "moral decay" of society (the same cry heard from the religious right in 1990s).

Gaming spread in the United States just as fast as it had throughout Europe. According to Henry Chafetz (1960) in *Play The Devil*, "Gaming by the Iroquois indian tribe took place as early as 1634. Two specific games were played, prium and hubbub. Hubbub was a game played with stones very similar to modern dice....the first card game in the modern sense on this continent was probably played by the conquistadors under Cortez." (pp. 8,10)

The following is a chronological account of gaming's growth and arrival in North America:

- 1492 - Spanish sailors played cards on Columbus' ships
• 1612 - American colonies financed by lotteries
• 1776 - George Washington prohibits troops from card playing
• 1777 - Washington again issued orders prohibiting card playing
• 1788 - New York passed legislation allowing only ready cash for gambling
• 1791 - NY, Philadelphia and Boston gamblers use government scrip bank notes (stocks) to gamble or trade with
• 1793 - First federal lottery was conducted
• 1798 - Craps was first introduced to America in New Orleans
• 1805 - Riverboat gambling on the Mississippi flourished
• 1811 - Louisiana prohibits gambling, excluding New Orleans
• 1830 - New York biggest gamble of all; stocks and bonds on Wall Street
• 1833 - Chicago prohibits gambling
• 1848 - San Francisco was center of gaming mecca due to discovery of gold
• 1863 - Gambling flourished through the Civil War
• 1866 - Trail drives began inciting gambling
• 1869 - Louisiana Lottery Company began business
• 1869 - 1884 - Gambling was at a feverish pitch in the West
• 1895 - The first slot machine "The Liberty Bell" was invented
• 1912 - New York prohibits gambling
• 1914 - 1918 - Valstead Act prohibited gambling anywhere in the country
• 1931 - Nevada votes to legalize all forms of gambling
• 1937 - Florida prohibits gambling (slot machines at the tracks)
• 1941 - Government buys 750,000 pairs of dice and 61,000,000 decks of cards to support troops in WWII.
• 1957 - Las Vegas ranks with Monte Carlo as gaming destination
• 1976 - New Jersey votes to legalize gambling with restrictions
• Present - Proliferation of gambling in US addressed in further section

History of Legislation

American lotteries have a very rich history dating as far back as 1612 when the original colonies were financed by such ventures. Lotteries were used in the 1700s to finance private industries. Chafetz (1960) states that, “Among the first business were grape growing and glass blowing. Notable private lotteries for the military defense build-up for King George’s war in Europe included one by New Yorkers in 1746, Benjamin Franklin’s drive for a new cannon to protect the city of Philadelphia in 1748, hemp growers in 1763, construction of a paper mill in Massachusetts in 1763 and the expansion of a cotton manufacturing plant in Massachusetts in 1791.” The federal government also prospered from the lottery revenues. Chafetz (1960) continues, “The first government building to be constructed was financed through the lottery known as Federal Lottery No. 1. George Washington bought the first ticket for the game in 1793.” (pp. 23,41) It wasn’t until 1835 that most states approved anti-lottery legislation and legal lotteries largely became a thing of the past. A colossal and corrupt exception to this was the
richest and most politically powerful lottery that ever flourished in the Untied States. The importance of this lottery is significant because it holds responsibility for the current advertising legislation. It was run by the Louisiana Lottery Company and was known simply as "The Serpent".

According to Chafetz (1960),

Into the new constitution of Louisiana, impoverished by the Civil War, was written, 'The legislature shall have power to license the selling of lottery tickets and the keeping of gambling houses.' The ball began to roll on August 11, 1869, the Louisiana Lottery Company was chartered and entitled to operate for twenty-five years, provided it paid the state $40,000 a year toward the maintenance of the Charity Hospital in New Orleans. At first lottery tickets were sold only in the state, mainly New Orleans, where the company maintained 180 places for the population to purchase them, and drawings were daily. By 1877 tickets were sold in every state and territory in the Union. Three times in 1879 the company fought for its life: first when the state legislature deprived it of its own charter; secondly when it victoriously contested this action in federal court; thirdly when the estate constitutional convention granted legal life to the company until 1895. The state of Louisiana ratified the 1879 constitution and the lottery company from then on advertised itself as, 'the only lottery in any State ever voted on and endorsed by the people.' By 1889 an estimated five million people outside of Louisiana bought full or part tickets each year and accounted for more than half the work done by the New Orleans Post Office. To sweeten the national press, The Serpent had spread money all over the country for newspaper advertisements. One ungrateful recipient of this largess, Colonel A.K. McClure, editor of the Philadelphia Times, was so incensed when he found that $50,000 was spent in his city 'notwithstanding the law of Pennsylvania that prohibited such advertisements' that he took the matter to court. Further incensed by the court's decision that no penalty attached to the publisher for accepting such illegal advertising and the opposition of men 'certainly not influenced solely by their regard for public interest,' he battled editorially until the Pennsylvania legislature enacted a new law penalizing publishers of lottery ads. The company took immediate steps to maintain its Pennsylvania revenue, prevent other states from following suit, and to revenge itself on Colonel McClure by filing suit against the Times. When the United States Circuit Court for Eastern Pennsylvania sustained McClure, the lottery company applied to the Supreme Court for review, counting on a two or three year delay,
during which time it could keep right on advertising and selling tickets in Pennsylvania....Then Colonel McClure was invited to New Orleans by Mr. Burke, editor of the Times Democrat, a paper completely controlled by The Serpent. The New Orleans exposition was in trouble, said Mr. Burke and, the directors wished to confer with the colonel...As McClure's train pulled into New Orleans, he was served with a writ issued by the United States District Court at the request of the Louisiana Lottery Company, which asked $100,000 for libel....The story of McClure's being served with the writ, given to the AP by President Dauphin of the Louisiana Lottery, had hit Page One of papers all across the country, A number of important men in New Orleans and elsewhere, most of them strangers to McClure, visited or telegraphed him to offer help....McClure consulted Lawyer McConnell, who confessed 'that there seemed to be no possible means of escape from judgment, as the Judges, the Marshall who draws the jurors, and the community generally were in its beneficent gifts with the Louisiana Lottery, which was lavish in its beneficent gifts to charity and to the public.' An appeal to the Supreme Court seemed the only chance....The lottery company had not foreseen that McClure would take the aggressive and carry the judgment straight to the Supreme Court. The legality if the company’s charter might be denied in the course of such an appeal. The colonel was approached to drop his suit, which he agreed to do if the lottery company paid him $8,500 to cover his expenses. A check was delivered within twenty-four hours. However, echoes of the libel suit had affected United States congressmen during the unfavorable publicity for The Serpent. They saw the Louisiana Lottery Company as controlling the American press, the Government itself, and anybody or anything that stood in its way. A battle was undertaken in the House of Representatives to enact more stringent postal laws that would prevent the buying and selling of lottery tickets via the US mails...President Benjamin Harrison also sent a message to Congress urging the enactment of legislation to keep lotteries from using the US postal service. In September 1890 the national government was empowered to institute legal proceedings against all lotteries using the mails and to exclude newspapers carrying lottery advertisement from the mails. A test case was brought and the law upheld by the Supreme Court in 1892. (pp. 209,300,302-305)

Since the early creation of the original lottery statues of 1892 the gaming laws have changed considerably. Some statutes have been brought about due to a change in the times and others have been through cases presented in the justice system. Regardless of their creation and/or revisions
these statutes, cases and regulations have played a major part in shaping the
gaming advertising legislation. The following is a chronological look at their
history:

**Lottery Statutes of 1892**

- 18 USC: #1304 and 1307
- 47 CFR Part 73.1211: FCC support for violating #1304

**Communications Act of 1934**

- Established the Federal Communication Commission (FCC)
- Created to regulate interstate and foreign communications by wire and
  radio

**Communication Satellite Act of 1962**

- Provided further authority to the FCC to oversee radio and television
  broadcasting; telephone, telegraph, cable television, two-way radio, and
  radio operators; and satellite communication.
Ex Parde Rapier - 1970

- Congress enacted a complete ban on the importation, mailing, and advertising of lotteries, and extended that prohibition to broadcasting by the Communication Act of 1934.

18 USC #1307 - 1975

- Permits state-run lotteries to advertise in the state holding the game and in the adjacent states that themselves conduct lotteries.

Biegelow v. Virginia - 1976

- First major interest in legal gambling
- NY abortion advertisement in a Virginia publication - Virginia prohibited abortions and its advertisements. Supreme Court struck down state law stating abortion advertisement was protected by First Amendment

Virginia Pharmacy v. Virginia Citizens Consumer Commission - 1976

- Supreme Court held First Amendment protects commercial speech from unwarranted government regulation.


- Struck down any ban "advertising or display" of contraceptives

Central Hudson Gas and Electrical Corporation v. Public Services Commission - 1980

- Promotional advertising by utilities
- Father of four-step analysis process: the four part analysis for determining the constitutionality of a restriction on commercial speech was established.
The four parts were described by Justice Powell who wrote the majority decision,
1. It must at least concern lawful activity and not be misleading.
2. We ask whether the asserted governmental interest is substantial.
3. We must determine whether the regulation directly advances the governmental interest asserted.
4. Whether it is not more extensive than is necessary to serve the interest.

*Modernizing Federal Restrictions on Gaming Advertising - 1984*
- Hearing were held to discuss bill. No further action grew from this legislation. Its recommendations served as forerunner to the Charity Games Advertising Clarifications Act.

*Posades de Puerto Rico Association v. Tourism Co. - 1986*
- First application of four-step analysis established in Central Hudson
- Restrictions upon commercial speech was the issue

*State of California v. Cabazon Indians - 1987*
- Bars states from regulating Indian gaming

*Charity Games Advertising Clarification Act - 1988*
- New statute allows advertising in interstate commerce of all legal lotteries, gift enterprises, and similar activities. The bill removes federal restrictions on the advertising of legitimate lotteries and gambling activities in interstate commerce, whether conducted by public, private, of charitable interests.
• The provisions of Sections 1301, 1302, 1303 and 1304 fall under this act

*Indian Gaming Regulatory Act* - 1988

The act created a three-tiered system whereby tribes would control ceremonial games, the federal government would control bingo, and the state and tribes would negotiate agreements to cover casino games, pari-mutuel racing, and jai-alai, if such games were legal in that particular state.

*Board of Trustees of the State University of NY v. Fox* - 1989

• Determined that Part 4 of four-step analysis was invalid
• The least restrictive means test in no longer applicable
• Supplement to Part 4 was established known as the "narrowly tailored means" test to further determine the constitutionality of free commercial speech. The supplement was interpreted by Justice Anthony Scalia, "something short of a least restrictive standard, and described it as based on, 'reasonable' legislative judgment, necessitating a fit that is now necessarily perfect, but reasonable; that represent not necessarily the single best disposition but one whose scope is in proportion to the interest served; that employs not necessarily the least restrictive means"
• This supplement to Part 4 was utilized in the position in *Edge Broadcasting Co. v. US*.

*Edge Broadcasting Company v. US* - 1990

• Utilized four-step analysis with supplement to Part 4 incorporating the Board of Justices of SUNY's "narrowly tailored means test"
• Addressed the free speech rights of a radio station originating in a state without a lottery advertising a lottery spot to its primary market in another state with a lottery.

As each case has been presented others build upon its decision. The position taken in the Central Hudson case provided the framework for the four-step analysis to determine the constitutionality of a restriction on commercial speech. As future cases were brought to court the need came to revise Part 4 of the analysis and supplement it with the "narrowly tailored means test." This decision remains the litmus test for commercial free speech and protection under the First Amendment.

*Benjamin "Bugsy" Siegel*

About the same time that Siegel's Flamingo Casino was being built Hank Greenspun was arriving in Las Vegas. In his book, *Where I Stand*, Greenspun (1966) recalls "It was September, 1946, when Smoot, the red Buick, and I pulled into town. And, although we knew it only vaguely, we were riding over the thin edge between the past and the future. Las Vegas was still a small town with more dirt roads than sidewalks, replete with swinging door saloons, blanketed Indians, bearded prospectors and burros. Yet, on a bare stretch of US Highway 91, a six-million-dollar concrete-and-steel fantasy was even now rising. The man behind the incomplete building, a smirking, quick-tempered hoodlum named Benjamin ("Bugsy") Siegel, liked to call it "the Fabulous Flamingo." (p. 68) Without a real marketing or advertising and
promotions plan in place Siegel opened and closed his "Fabulous Flamingo" in December 1946. While trying to get his upstart *Las Vegas Life* tourist publication off the ground (see Appendix I) Greenspun was approached by Siegel to run an ad promoting the grand re-opening of the Flamingo Casino. The ad was to be the first of its kind for the publication and the gaming industry in Nevada. Due to the restrictions placed on gaming advertising which resulted from the Louisiana lottery legislation a different strategy was contrived to drive business to the Flamingo Casino. The gaming loss-leader was born.

Between the temporary closing in December 1946, and the grand re-opening on March 1, 1947, Siegel had more to contend with than just the unfinished hotel construction. The casino’s marketing strategy was also in need of re-evaluation. Siegel contacted Hank Greenspun for help, direction and advice. Siegel became one of the first casino owners to utilize a loss-leader approach to incite business for the casino. The ad on the back cover of the *Las Vegas Life* magazine promoted the Flamingo Casino as "America’s Monte Carlo." The ad also boasted its first loss-leader: entertainment (to be followed by buffet food specials). The Andrews Sisters and Henry King’s Orchestra would perform on this legendary night at what was being billed as "America’s finest resort hotel." After the grand re-opening Siegel offered Greenspun a position on the Flamingo’s publicity and public relations staff. Although Greenspun accepted the position, he took into account Siegel’s reputation as part of his decision. Greenspun (1966) said, “There were six
hundred other Las Vegans, none of them mobsters, working at the hotel. To
date, no one had asked the chambermaids to carry machine guns or the chefs
to stuff their chickens with illicit swag. Besides, I was curious to see the
notorious "Bugsy" Siegel in action." (pp. 71)

was never a flunky. From the age of fourteen he had his own gang. By the age
of twenty he was a formidable power on the Lower East Side [New York]. It
was then he joined forces with Meyer Lansky. The two formed a gang of
executioners known as the Bug and Meyer mob, which executed contracts
(murders) for all the gangs then operating in New York and New Jersey.... In
1937, when Siegel was at the zenith of his powers in New York, he was voted
by the board of directors as the hoodlum most likely to succeed in California.
Bugsy was more than happy to oblige." (pp. 16, 17) The move was only the
beginning for Siegel. Once he became established in California with the
Hollywood crowd and the pre-existing members of his "family" he soon
became restless and set his sights on Las Vegas.

James F. Smith (1990) states in his article, Bugsy's Flamingo and the
Modern Casino Hotel, "In 1942 when Ben Siegel made his first appearance in
Las Vegas, the city was little more than a sleepy western town, a whistle stop
on the Union Pacific Railroad and a way station on the paved highway
between Salt Lake City and Los Angeles....Siegel had come to finalize
arrangements for the casinos with racebooks to use Trans-America Wire
Service, which he controlled, to post their race results....One day in the
summer of 1945 Ben Siegel and Little ‘Moe’ Sedway drove southwest on US 91, away from Fremont Street casino center of Las Vegas. On the way, they passed El Rancho Vegas and the Frontier, then the only two establishments outside the city on the Los Angeles highway. Reaching a spot about seven miles from the center of town, Siegel pulled to the side of the road and stopped. Pointing to thirty acres of desert and a couple of ramshackle abandoned motel buildings, Siegel told his dumbfounded companion, “Moe, we’re going to buy this hunk of land. And we’re going to build the god-damnedest biggest hotel and casino you ever saw” [quoted in Jennings, 149].

(p. 500-501) Siegel was successful in building his hotel but not successful in building revenue. He met his demise shortly thereafter.

In a few short years Siegel altered Las Vegas forever. Bucking all the odds by running four million dollars over budget, a dismal grand opening, casino losses in the hundreds of thousands, an unfinished hotel, pool and gardens, an empty showroom and a poor showing of dignitaries and locals alike, Siegel turned the “house” around and soon showed a profit. Utilizing advertising and promotions as implemented by Greenspun the Flamingo Casino soon became a huge hit.

Advertising Case Study

The first Flamingo Casino ads that ran on the back page of Greenspun’s Las Vegas Life magazine positioned the property as a hotel, restaurant and casino (the word casino was allowed in the ad only because it was a part of the
property’s name) with a secondary focus on entertainment (see Appendix II).
The primary message of the ads focused on food as a loss-leader. Smith (1990)
states, “Advertising began to stress economy. Patrons could enjoy a buffet for
$2.50 on Wednesday nights....In a way, Siegel’s most desperate days gave birth
to marketing techniques that have become mainstays of the casino industry.”
To support the print advertising campaign radio was used for the first time in
conjunction with a casino promotion. Smith adds, “KENO radio did a remote
broadcast from the casino encouraging listeners to ‘Come As You Are to
America’s Monte-Carlo’ where there was never a cover charge.”
(p. 506) Siegel’s strategy worked and before long the Flamingo Casino was
showing a profit for the first time.

The term “loss-leader” is explained by John T. Mentzner (1985) in
Marketing Today, “a retailer may actually sell a specific product for less than
was paid for it in order to bring people into the store (where, hopefully they
will also make other purchases).” (p. 308) Due to the restrictions placed on
gaming advertising it has become necessary to position the business with
loss-leader advertising. Focusing on non-casino activities such as
entertainment, food and beverage, health club and spa facilities or movie
theaters, among a few. Other hotels also began to use the loss-leader approach
with their advertising (see Appendix III).

The first remote broadcast in the state of Nevada was kicked off at the
grand re-opening of the Flamingo Casino. This broadcast by KENO set the
stage for future events where casino owners would attempt to reach large
population segments relatively inexpensively. Again, the message still needs to focus on loss-leader venues to drive business into the properties. These remotes are scrutinized and monitored by the FCC and station management. The United States Code (1976) states that,

Whoever broadcasts by means of any radio station for which a license is required by any law of the United States or whoever, operating any such station, knowingly permits the broadcast of, any advertisement of or any information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes, shall be fined no more than $1,000 or imprisoned not more than one year, or both....Each days broadcasting shall constitute a separate offense. (18 U.S.C. #1304)

Although the prohibition of broadcast advertising of gaming covers a broad range of activities, there are two important exceptions with the following restrictions: First, subject to certain limitations, the law permits advertisements promoting the non-casino facilities of "multiple use" establishments that offer lodging, dining or entertainment facilities in addition to casino gaming. Second, federal law permits promotional giveaways in games of skill that are sponsored by multiple-use establishments, the promotion of the non-casino facilities must be legitimate. For example, the FCC has often stated that a snack bar within a casino is not a legitimate "multiple use" facility. In addition, advertisements for multiple-use establishments may promote a facility's restaurant, hotel, and entertainment facilities but may not directly or indirectly promote or suggest that facility's gaming activities. The word "casino" may be audible and/or visible in an advertisement only as part of the establishment's legal name.
CHAPTER THREE

INDUSTRIAL

Organized Crime - The Mob Influence

Bugsy Siegel’s influence on the Hollywood set was the beginning of Las Vegas’ reputation as “The Entertainment Capital of the World.” With his swanky friends on the West Coast and his dubious friends on the East Coast, Siegel laid the foundation of growth for years to come. Siegel had no way of knowing how the syndicate families would move in on Las Vegas upon his murder in 1947. Reid (1963) captures the era, “Twenty minutes after Siegel was hit in the head in Beverly Hills, Little Moe Sedway and Morris Rosen walked into the ‘fabulous Flamingo Hotel’ and took over the operation. Gus Greenbaum came in a few minutes later and shook hands all around....Siegel was dead but Las Vegas was just coming to life. When the sun broke across the horizon that morning, the whole town was bathed in gold.” (p. 29)

Within a ten-year period the Strip saw the openings of the Thunderbird (1948), the Desert Inn (1950), the Sahara (1952), the Sands (1952), the Riviera (1955) the Dunes (1955) and the Tropicana (1957).
Along with the growth and entertainment in the city came some very undesirable elements too. Once the syndicate (mob) realized what a profit center the casinos were for their organizations they soon became instrumental in financing the aforementioned developments i.e., the Desert Inn which was owned and operated by Moe Dalitz and five of his Cleveland partners from the notorious Mayfield Road Gang. Reid (1963) points out just how well-publicized the mob influence in Las Vegas was, “One national magazine greeted the opening of the Sahara Hotel in 1954 with these words: ‘Today, the big mystery is the identity of the owners of the Sahara Hotel, newest of the multimillion-dollar casino palaces along the Strip. Listed owners of the Sahara are....small time gamblers out of Oregon, where they ran upstairs dice tables, poker games and race books. Such minor operators don’t move in on territory dominated by the Flamingo, Desert Inn and Sands outfits just because they feel like it. The only thing that figures is that they are backed by somebody big.” (p. 51)

With such mob influence not only in Las Vegas but nationally, a committee was appointed by the U.S. Congress to study the depth of organized crime in America. The head of the study was Republican Estes Kefauver a senator from Tennessee. Kefauver was appointed chairman of the Senate Crime Investigating Committee, which later became known as the Kefauver Committee. The committee investigated organized crime and held hearings from May 10, 1950 to May 1, 1951. The assessment was a grim report card for America - while Nevada received what was considered equivalent to
an "F". Kefauver (1968) summed up his view of Nevada, and specifically Las Vegas, in his book, *Crime In America*, as, "The Senate Crime investigating Committee went to Nevada, the only state in the Union which presently legalizes gambling on an all-out scale, to make an on-the-spot study as to whether, in the committee's opinion, it would be a deterrent to organized crime to legalize gambling on a nationwide basis...After hearings in Las Vegas our conclusions was: 'As a case history of legalized gambling, Nevada speaks eloquently in the negative.'" (p. 229) Due to this less-than-glowing report on the state of affairs in Nevada, the Gaming Control Board was created in 1955 to combat organized crime in the gaming industry. In 1959 the Gaming Commission was established to provide additional support for the Gaming Control Board. The commission is made up of five part-time members and the board has three full-time members, all appointed by the governor. The commission has no authority over the board except it can approve or disapprove the board's recommendation for a gaming license. According to Gary Provost (1994) in his book, *High Stakes*, "The Commission makes the policy and collects taxes. The Board investigates existing, or would-be, license holders, and enforces the rules. While Commission members come from a variety of backgrounds, the makeup of the Gaming Board is specific: one member with an accounting background, one with a legal or administrative background, and one with a law enforcement background. In practice the Gaming Board is the authority that is involved with casinos from day to day."

(p. 189)
Frank Sinatra, Las Vegas’ biggest advertising message at that time, would soon find himself in front of the newly created Nevada Gaming Commission defending his actions and pleading for his gaming license.

*That’s Entertainment*

The real transition for the city to an entertainment “mecca” began with the arrival of Frank Sinatra. Sinatra’s background as an entertainer was instrumental in the glamorizing of Las Vegas but it was his association with the mob that added mystique to his reputation. Among the men Sinatra admired most in 1954 were President Roosevelt, Winston Churchill and Benjamin “Bugsy” Siegel. Although the first two were great legitimate figures, Sinatra’s mentor was Siegel. According to Kitty Kelly (1986) in her book, *His Way*, “...the two men shared certain similarities. Both were notorious womanizers who took flamboyant lovers but always returned home to their long-suffering wives. Both traveled with entourages, possessed ferocious tempers, and had grandiose visions of empire building. Bugsy dreamed of a gambling metropolis in the Las Vegas desert while Frank envisioned himself the kingpin of a million-dollar resort hotel two miles outside of Las Vegas. Bugsy’s dream flourished, and the Flamingo Hotel launched Nevada as the gambling capital of the Untied States. Frank’s luxury resort broke ground but was never completed.” (pp. 111)

Sinatra’s real drive came from the need to have power. His association with the “Rat Pack” provided a forum where he was the center of attention
with the media, the mob and Hollywood. The Rat Pack evolved out of a group once known as the Clan which originated with Humphery Bogart and Lauren Bacall. After Bogart’s death a new group was formed with the same ideology. The focus was on drinking, partying, womanizing and gambling. They were the Hollywood set that used Las Vegas as a stage for work and a playground for leisure. The group consisted of Dean Martin, Peter Lawford (the conduit for the Kennedy connection), Sammy Davis, Jr., Joey Bishop and Shirley MacLaine. Sinatra’s influence went from the casino’s back-of-the-house to the White House. His association with the Chicago and New York Mob did not go unnoticed nor did his association with Jack Kennedy.

Sinatra developed a power base that ranged from underworld figures to international world figures. Prior to the 1960 presidential election, Sinatra campaigned for Kennedy throughout California and provided the talent for many fund raisers in Kennedy’s name. Kennedy stayed with Sinatra at his Palm Springs home prior to the election. Sinatra renamed the Rat Pack to the “Jack Pack” in honor of Kennedy. Sinatra enjoyed the association with such a powerful individual and Kennedy liked the association with great entertainers. After Kennedy’s election, and the appointment of his brother Robert as attorney general, the relationship between the two cooled. Sinatra’s mob association was a conflict with the attorney general’s investigation of the underworld’s influence on organized crime. Sinatra was heavily associated with the families being investigated. Although the presidential relationship
had subsided (much to the dismay of Sinatra) the singer still had the power and political recognition he desired.

In September 1963, Sinatra had violated state gaming regulations and was given fifteen days to respond to the charges by the Gaming Control Board. It was during this window of inquiry that President Kennedy came to Las Vegas and was provided a caravan tour throughout the city. Accompanied by Governor Grant Sawyer, Kennedy came to Sinatra’s defense. According to Kelly (1986), “Riding in the first car with Sawyer, Kennedy said to the governor, ‘Aren’t you people being a little hard on Frank out here?’ Sawyer said that the matter was out of his hands and that the issue would be settled legally. He later told Ed Olsen [chairman of the Nevada Gaming Commission] what the President had said, and Olsen was flabbergasted by Kennedy’s intervention on Frank’s behalf. ‘That’s about the highest degree of political pressure that you could ever put into the thing.’ Olsen said many years later. ‘There was this very definite suggestion from the President of the United States that, frankly, we were being a little tough’.” (pp. 322) Sawyer (1993) in his book, Hang Tough, recalls the occurrence this way, “I later had a brief discussion with President Kennedy about this episode during a short visit he made to Las Vegas. He landed at the airport, and Bible, Cannon, Baring and I all rode with him in an open car to the Convention Center, where he made a speech. He said to me, ‘What are you guys doing to my friend, Frank Sinatra?’ I said, ‘Well Mr. President, I’ll try to take care of things here in Nevada, and I wish you luck on the national level.’ [laughter] That was about the end of
that.” (p. 94) Sinatra lost his license to operate a casino and was forced to sell his interests in the Cal-Neva Club in Reno and his interest in the Sands in Las Vegas.

On numerous occasions Sinatra attempted to become licensed again in Nevada and had help from a number of different sources. One of Nevada’s most prominent businessmen, Hank Greenspun, stepped forward along with another Las Vegan and joined with Sinatra to purchase eight percent of the common stock in the Del Webb Corporation in order to obtain a license for Sinatra. The deal was met with considerable political opposition and the license was never granted. Sinatra made many attempts in the following years to regain a license but it wasn’t until February 19, 1981, that he was vindicated and awarded the coveted trophy for which he longed.

Sinatra was the only advertising necessary at the time for the state and the casinos. With his name on the marquee outside the Sands it was a sure bet the casino and Las Vegas would be booming. The advertising loss-leader was entertainment and Frank Sinatra and the Rat Pack were the message. According to Kelly (1986), “Hank Greenspun, publisher of the Las Vegas Sun, wrote a front page editorial saying that when Frank Sinatra was in town, it was the economic equivalent of three conventions....[that Sinatra’s] value to Las Vegas is legendary, for every night he performs here is New Year’s Eve.” Entertainment was the medium and there was plenty of talent to choose from. Kelly continues, “Frank was one of the pioneer entertainers in Las Vegas along with Jimmy Durante, Joe E. Lewis, Sophie Tucker, Ted Lewis,
Tommy Dorsey, Danny Thomas, Tony Martin, Nat King Cole, Fat Jack Leonard, and the Will Mastin Trio featuring Sammy Davis, Jr. Of them all, Frank became the star most identified with Las Vegas over the years.” (pp. 220,221,374)

While Sinatra was gathering media exposure for Las Vegas nationally, Howard Hughes, the eccentric billionaire owner of TWA, RKO Pictures and Toolco, Co., fame, was busy grabbing up real estate and casinos locally.

Howard R. Hughes

In his quest for tax breaks and tax shelters Hughes made his first Las Vegas purchase of 25,000 acres of desert in the early 1950s. But it wasn’t until April 1, 1967 that Hughes received his first gaming license from the Gaming Control Board to operate the Desert Inn casino hotel. According to Provost (1994), “In 1966 Hughes arrives in Las Vegas secretly by train, and within a year he bought three casino properties off the rack, properties which reputedly had been owned by organized crime. Hughes might not have been playing with a full deck, but he was also not playing with a marked deck. He smelled not of gangsterism but of big business, and his debut in town is regarded by many as the point which the gaming industry began to enter the mainstream of American business.” (p. 182) There has been much speculation as to why Hughes chose to relocate to Las Vegas. Some say it was because of Nevada’s tax structure or his vision of building an airport to accommodate his love for flying or seeing his dream of establishing a high-speed rail system from
Southern California to Las Vegas fulfilled. In their book, *The Hughes Papers*, Elaine Davenprot and Paul Eddy (1976) claim that responsibility for Hughes' arrival can be traced to Hank Greenspun, "He [Greenspun] stated publicly that he would like for his children to be able to tell people that they were from Las Vegas without being embarrassed. He notified Hughes that he would be welcome in Las Vegas. He pointed out that Nevada had no personal or corporate taxes, no gift or inheritance tax, and tax on real estate was limited. He also assured Hughes that his privacy would be honored." (p. 23) Whether this was the actual reason for his move, Hughes showed up in Las Vegas shortly thereafter.

Hughes moved into the Desert Inn upon his arrival. But after three months, word got back to him that the management of the casino-hotel wanted to evict him. Hughes bought the property within weeks of the notification. In order for Hughes to operate the casino he was required to obtain a gaming license. Upon submission of his application Hughes announced that he was going to donate $4 million to $6 million to fund the first medical school in Nevada. The transaction is summarized in Albert B. Gerber's (1967) book, *Bashful Billionaire*, "Forty-eight hours after the school fund announcement, the Gaming Control Board recommended that Hughes be licensed to operate a gambling casino in Las Vegas. In answering questions Board Chairman Alan Abner said that none of Nevada’s gambling authorities had met Hughes personally but, he added, ‘Hughes’ life and background are well known to this board and he is considered highly qualified.’ It was also
revealed that the FBI had ‘investigated’ Hughes for the board. Nevada’s Governor [Paul Laxalt] then announced that the Hughes donation for a medical school ‘had nothing to do with the application for a gambling license.’ On Friday, the last day in March, the entire Nevada State Senate unanimously sponsored and enacted a resolution praising Hughes for his generous offer to give the Silver State a medical school. The State Gaming Control Commission granted the license that day.” (pp. 339-340) Without any apparent intent or specific objective Hughes set forth from that point and continued to buy numerous hotels and real estate holdings. Many of the properties were owned by the mob and with each transaction Hughes slowly drove organized crime further out of Las Vegas.

In July 1967 Hughes bought the Sands for $14.6 million. The Frontier was his next purchase in September 1967, for $14 million. He then bought the Castaways ($3 million) and the Silver Slipper ($5.3 million). In September 1968, Hughes bought the half-built Landmark for $17.3 million, but the purchase was not approved until January 1969. In 1968 Hughes attempted to purchase the Stardust but was halted by officials from the Department of Justice. They claimed Hughes would be in violation of anti-trust laws. At the time of negotiations Hughes owned five Strip resorts and controlled a majority of the area’s gaming business. Wielding political power and connections all the way to the Nixon White House, Hughes eventually was granted permission to purchase the Stardust and Harold’s Club in Reno,
bringing his casino-hotel acquisitions to seven. Within one year, Hughes had spent $65 million in Las Vegas.

Prior to 1969 anyone who owned any part of a casino had to be licensed by the state of Nevada. This procedure had never been a problem; no one had ever challenged the regulation before. When Hughes wanted to divest his interest in Toolco, Hughes Tool Company, in 1969, Nevada faced a situation that had never been addressed before: a publicly traded casino. The Corporate Gaming Act was passed in 1969 to accommodate companies with multiple owners. The new regulation was "grandfathered" to allow Hughes continued ownership in the properties he already held. One of the first companies to take advantage of this new law was the Hilton Hotel Corporation. It would have been impossible for Hilton with its thousands of shareholders to gain a gambling license prior to the new regulation. The new regulation's only requirement is that those with five percent or more ownership in the company be licensed. The revision to the regulation made it possible for Hilton to enter the gaming industry. This move solidified the arrival of corporate gaming and the departure of organized crime.

Although Hughes had no problem in purchasing the casinos in Nevada he certainly had a problem managing them and turning a profit. According to Tyrus R. Mulkey (1994) in his article Howard R. Hughes, Jr. and His Influence On The Transition From Gambling To Gaming, "Profit was never a main concern for the Hughes organization in any of his business ventures, including Las Vegas. This showed as his casinos never made any
money. Most Las Vegas casinos were earning 10 - 25% profit, but Hughes’ casinos earned 1%. The Landmark, Castaways, and Frontier all lost money under Hughes ownership. Only the Desert Inn and the Sands made money out of all his 1967 purchases. But their combined profits for 1967 and 1968 totaled less than $5 million. This was a fraction of what the Sands alone had formerly earned in a single year. The reasons Hughes did not make money in his casinos are only speculative. It could have been that Hughes appointed executives from his other industries to run the casinos. These executives knew nothing about the gambling business. Nepotism was rampant, and it is believed that skimming and stealing were widespread. Nevertheless, Nevada had a hero and there were people ready to defend him when others were ready to condemn him.” (p. 9)

Hughes’ departure was as fast as his arrival. He was a very secluded man and was not comfortable with the attention and the industry growth he had created. He left in 1970. Before his death in April 1976, Hughes created the Summa Corporation to oversee his vast holdings that included seven casinos, the local CBS affiliate, KLAS-TV, several air-transport facilities, the 548-acre Krupp ranch, several houses, substantial parcels of land, and nearly 28,000 acres of raw desert (now known as Summerlin).

Advertising Case Study

Early casino advertising was focused on food messages as discussed previously. As the 1950s and 1960s arrived the message of loss-leader
advertising gave way to entertainment. The objective was to drive bodies into the hotels not by gaming advertising (which had too many restrictions placed upon it to create an appeal) but rather with big “star power” draws. The bigger the star the busier the casino would be during the engagement. There were few publications reaching Las Vegas visitors at the time so advertisers were limited in their media mix. Those available included Magazine Las Vegas and Fabulous Las Vegas Magazine. The publications were similar to Greenspun’s Las Vegas Life in the late 1940s and focused on what to do and where to go in Las Vegas.

In August 1954, Magazine Las Vegas featured such entertainers as Mae West (inside front cover) at the Sahara, Comedian Joe E. Lewis (p. 17) at the El Rancho and Milton Berle (inside back cover) at the Sands. The Las Vegas Club (back cover) was the only casino with a gaming message (see Appendix IV). The Sahara had positioned itself with the tagline: “The Hotel that made Las Vegas ‘The Entertainment Capital of the World’.” Whether this was an original tagline created by city boosters or a pick-up from the media, the claim is one that has remained with Las Vegas ever since.

In February 1955, Magazine Las Vegas featured among the many casino entertainment ads Wilbur Clark’s Desert Inn (p. 21) with the headline, “A Fun Fiesta With Triple Headline Stars” and Nat King Cole (inside back cover) at the Sands. Once again the Las Vegas Club was the only property to still position itself with the same gaming message but utilizing new creative (See Appendix V).
As the industry entered the 1960s competition really started to heat up and “star power” was the difference between a good night and a great night. The Sands had many great nights with the awesome line-up of entertainers led by Frank Sinatra. In February 1963, Fabulous Las Vegas Magazine featured Sinatra (back cover) at the Sands and split ads for the Tropicana and the Dunes (inside front cover) of the “Follies Bergere” and “Guys and Dolls” respectively. These two properties maintained this premium positioning for a number of years in this publication (See Appendix VI.).

Taking the lead from the Dunes and Tropicana in previous insertions, the Flamingo and Stardust casinos occupied the inside back cover of the April 18, 1964, issue advertising their entertainment venues. This split style advertising remained for years to come. Mitzi Gaynor (back cover) was featured at the Flamingo, while the Sahara (p. 2) focused on its multiple entertainment offerings (See Appendix VII).

The May 3, 1969 issue of Fabulous Las Vegas Magazine found Jerry Lewis (p. 4) performing at the Desert Inn, Milton Berle (p. 14) at Caesars Palace, and the Sands (p. 34) featuring its variety of entertainment offerings (See Appendix VIII).

Although the Strip casinos were utilizing entertainment as a loss-leader in their advertising a downtown casino, the Las Vegas Club, was using gaming as its primary message. Finding it hard to compete with such legends as Sinatra, Davis, Berle and Mae West, the Las Vegas Club began to position itself as the only place to play slots. The ads ran in the Magazine Las Vegas as
early as 1954 (see Appendix IV and V). The ads positioned the Las Vegas Club as the “House of Jackpots.” These ads may have been the first gaming ads to run in a tourist publication. The design focused on a specific jackpot message without reference to any elements of a “lottery” therefore meeting the requirements of USC § 3005. At that time the only restrictions or regulations governing gaming print advertising was by the United States Postal Service. Upon creation of the Nevada Gaming Commission in 1959 further regulations were established.

The significance of the aforementioned advertisements is the actualization of the depth of entertainment as the primary message in the various publications through a more-than-ten-year run. While every casino had gaming, it was the entertainment factor that drew the crowds to the tables and slots. Entertainment as loss-leader advertising was a sure-fire way to incite business without having to account for the various federal restrictions in place.
It wasn't until 1976, when New Jersey voters agreed to legalize casino
gambling, that the industry experienced its first real growth since the Hughes
buying spree in Las Vegas in the late 1960s. A few years later Native
Americans entered into the gaming scenario; riverboats soon followed.

Native American gaming had a quiet history of bingo parlor activity
throughout the years. But in 1979 when Seminole Indians of Hollywood,
Florida, made the decision to offer high-stakes bingo pots, they created an
uproar in the bingo community. Other non-Indian bingo operations objected
to the high-stakes games and, claiming violation of state restrictions
outlining a specific prize structure, took the Seminole Indians to court. The
federal courts upheld the rights of Native Americans to offer high-stake bingo
games and granted them the authority to set their own prize structures.

In 1986 the Native Americans were again in court for gaming issues.
This time though the stakes were higher than bingo and the gamble paid off
for not only the California Cabazon Indians but all Native American tribes in the United States. It was this case that set the precedent for Indian casinos and self-regulation. The U.S. Supreme Court ruled that in accordance with federal policy promoting self-reliance on tribal lands, gaming was considered a means of endorsing independence. Also the ruling provided the states authority to oversee Indian gaming only if the state prohibited the type of game or games the tribe wanted to provide. The turning point for Indian gaming came with the 1988 signing of the Indian Gaming Regulatory Act (IGRA). According to Casino Player Magazine (December 1995),

That law attempted to set up a fair system for Indians to conduct legal gaming operations. IGRA divided the games into three categories. The first of these games, called “Class I” games, are social and traditional games played exclusively by the tribe for small prizes. The second type “Class II” games, are non-banked games, such as bingo pull-tabs and poker. The final category, “Class III” games, is the mother lode-banked casino games such as blackjack and slot machines-in short full scale casino gaming. Under IGRA, Class II and III gaming is permitted only when the state offers the same game. Therefore, in states such as Mississippi and Louisiana, where casino gaming is legal, state tribes are able to apply to the Governor for a “compact,” which is an agreement which allows the tribe to offer casino gaming. (p. 33)

The impact on the industry has been staggering. A Las Vegas Sun (March 28, 1996) article entitled “Babbitt to be key player in Indian gaming” cites that, “Indian casinos operate in 24 states with 200 tribes creating a $6 billion-a-year [exclusively Native American] industry.” (p. 1,4A) Some originally viewed Indian gaming as a real threat to the traditional gaming markets in Nevada and New Jersey, but have since found that although these jurisdictions are no longer the only gaming option they are not losing the projected revenue feared.
The 1988 Indian Gaming Regulatory Act provided the Native American industry with a marketing tool previously unavailable to the Nevada, New Jersey and riverboat markets: gaming advertising. Because the Cabazon case protects the tribe's sovereignty rights pertaining to its members and territory, only the federal government can regulate the tribes. The sovereignty provides the Native Americans the avenue to provide any game that is offered by the state in which the territory is located. But, the tribes are not regulated by any federal or state laws restricting the use of radio, television, mails and telephone to advertise their business. In Nevada for instance the Avi Indian tribe can advertise slot and table games in its broadcast advertisements. In the case of the Ak-Chin Indian tribe's casino outside of Phoenix, Arizona, the use of television advertising to promote casino games is extensive. It is against the law in Arizona to have non-Indian casino gaming but if gaming were permitted, advertising by non-Indian casinos would still be prohibited unless otherwise stated. This double standard has created an unfair advantage in the industry and is one of many concerns being addressed by Congress and the industry as Indian gaming proliferates.

Anything goes in Indian gaming as long as it's on tribal land and a state compact exists with the tribe.
Riverboat Gaming

Riverboats have seen phenomenal growth in the last ten years along with Native American gaming. Riverboat gaming was popular on the Mississippi River well over a century ago but it has just recently made its resurgence on the muddy waters. Iowa was the first state to approve riverboat gambling in 1991 and as of 1995 riverboat gambling had spread to Illinois, Louisiana, Mississippi, Missouri, and Indiana. Riverboats there have provided a combined $2.7 billion in revenue for the casino markets in which they operate.

There were a number of fears in the industry as these new venues opened across the country. Many believed that the new jurisdictions would decrease visitation and revenues in Nevada and New Jersey. The fear couldn't have been more unfounded. The industry and traditional markets have experienced record growth. What once was thought to be a cannibalization effect has turned into a familiarization tool for companies which have properties in these new jurisdictions.

Native American gaming and riverboat gaming provide the same form of entertainment. The only difference between the two may possibly be the types of games offered and the fact that Indian gaming can advertise its gaming product in its markets but the riverboats can not. The two entities can be located almost side by side and still be restricted in the messages they can advertise. One governed by federal restrictions, the other by sovereign power.
Gaming Opposition

This phenomenal gaming growth has not been without opposition. Various organizations ranging from the Christian Coalition to The National Coalition Against Legalized Gambling, Moral Majority, Focus On The Family, along with other religious and political groups, have taken anti-gaming positions.

The repercussions of opposition can be measured in a number of ways. The recent decision by a Kansas City, Mo., radio station owner who declined to sell advertising time to riverboats along the Mississippi, citing his objection to riverboat gaming, is a good example. The Las Vegas Review-Journal (April 15, 1995) reported in its article, "Radio Stations Ban Gaming Ads," "Citing moral grounds, a Mormon-owned corporation says it doesn't want a penny of gaming advertising money. Bonneville International Corp., based in Salt Lake City, is refusing to sell air time to any gambling interests on its stations in nine cities. The ban that started in January [1995] was a logical extension of Bonneville's philosophy, said Ron Carter, general manager of Bonneville's four Kansas City stations. 'The ownership of Bonneville International actively opposes gambling in this country,' Carter said in a telephone interview. 'It seems hypocritical to, on one hand, actively oppose gambling and on the other hand, accept advertising on (Bonneville) stations.'" (p. 6B)

The riverboats face a double-edged sword when it comes to promoting its business in the markets they operate. The federal restrictions and moral opposition create a unique climate in which to operate.
The loudest voice of contention in gaming’s growth may be heard from the Christian Coalition. The group’s executive director, Ralph Reed, has taken an aggressive role in combating the gaming industry. The group held a convention in Washington D.C. in October 1995, in which one of the workshops was entitled, “Gambling - Rolling the Dice on America’s Future.”

In an attempt to further establish a political foothold on the anti-gaming movement, the Christian Coalition may help finance an office in Washington, D.C., to support its cause. The group has been active in campaigns around the country to defeat local and state gaming initiatives.

In its position on “gaming” the Christian Coalition finds strong political support from the GOP. The Republicans are heavily influenced by Reed and other similar groups. One of the gaming opponents in Congress is Rep. Frank Wolf, (R-V.A.)

Wolf supported anti-gaming legislation and would prefer to see the industry shut down. Wolf has sponsored numerous bills in support of the movement. He has been pivotal in orchestrating the pending legislation in establishing a Gaming Study Commission to determine the effects of casino style gaming. Wolf is joined by others in Congress such as Sen. Richard Lugar (R-Ind.) and Sen. Paul Simon (D-Ill.) in his efforts to establish a study of this type. Wolf introduced to the House H.R. 462 National Policies Toward Gambling Review Act of 1995 which claims that, “Gambling brings with it certain externalities that other industries do not bring. Specifically, the proliferation of the gambling industry raises concerns regarding:
• corresponding proliferation of gambling addiction
• proliferation in addiction-related crime
• proliferation in cross addictions between gambling and alcohol and drugs
• decreases in worker productivity at the national level due to excessive gambling
• a potentially adverse impact on the health and viability of existing small businesses in communities where gambling is legalized and in communities surrounding Indian reservations where gambling exists
• a competitive atmosphere developing between States and Indian tribes, between States and other States, and between States and bordering countries, particularly Canada, to attract the gambling dollar
• dramatic growth in the political influence of gambling advocates in city halls and statehouses across the country, where governments must act as both regulator and profiteer of gambling."

The legislation in its final form became known as the National Gambling Impact and Policy Commission. The basic foundation was introduced on the House floor by Rep. Wolf on January 11, 1995. The most relevant components are as follows,

Section 3. Duties
(a) In General: The Commission shall conduct a comprehensive legal and factual study of (1) gambling activities in the United States, (2) the social and economic impact of such gambling activities, and (3) existing Federal, State, and local policy and practices...in particular the relationship between the Indian Gaming Regulatory Act and State and local laws....
(b) Requirements: The study to be conducted under subsection (a) shall, at a minimum, include the following:

1. An examination of the impact of gambling activities on communities nationwide and the Nation as a whole in terms of-
   A) the economic well-being of existing small businesses and jobs;
   B) the growth in gambling addiction;
   C) the socioeconomic impact of gambling addiction; and
   D) the growth in gambling related crime and gambling-addiction related crime, particularly given the proliferation of casino gambling in recent years.

2. A review of the effectiveness of existing practices in law enforcement, judicial administration, and corrections in the United States and in foreign legal jurisdictions for the enforcement of the prohibition and taxation of gambling activities, including consideration of possible alternatives to such practices.

Not only has the industry struggled for its First Amendment right to advertise gaming but now is battling for its livelihood too. In response to this opposition the gaming industry created the American Gaming Association (AGA) in April 1994. The president and chief executive officer is Frank Fahrenkopf, former chairman of the Republican National Committee. In the keynote address at the opening of the World Gaming Congress and Expo on October 17, 1995, Fahrenkopf was quoted by the Las Vegas Sun in its story “Gaming Ready to Fight”, “...and moral zealots, he said, want not only to see gaming more heavily regulated, they want it abolished. ‘The combination of the federal government and moral zealots on a mission are a formidable opponent,’ Fahrenkopf said. ‘Gaming today is under attack. On the one hand are the federal regulators...who see in our industry opportunity for federal regulation and a candidate for federal taxes.’ He said. ‘Washington is looking at gaming as a fat cash cow.’ And despite surveys that show the majority of the American public supports gaming, moralists continue their assault. ‘The
crusaders see the gaming entertainment industry as inherently evil,’
Fahrenkopf said. ‘These people, make no mistake about it, have but one
agenda - the abolition of the gaming entertainment industry’.” (p. 1, 6A)

Additional remarks to the convention delegates as reported in
*International Gaming & Wagering Business* (October 17, 1995) article
“Gaming Solidarity Needed” Fahrenkopf speaks directly about the pending
legislation, National Gambling Impact and Policy Commission. He states,
“Not only is a study unwarranted and unnecessary, but the federal
government has no jurisdiction on this matter. Gaming clearly falls into the
category of a right retained by the states in the 10th Amendment to the
Constitution and 200 years of legislative history support that conclusion.” (p. 4)
The real objection towards the commission rests in the fact that opponents
of the study believe casino gaming is a state issue, and certainly not an issue
open to meddling by the federal government.

There has been much speculation as to why the need for a gaming
commission study has come about in the first place. One theory is that it’s
goal is to establish federal regulations on the industry. Another possibility is
that Congress wants better knowledge of the rapidly growing industry.

Some theorize that the potential existed to help finance, through
taxation, an economically strapped federal government. Early in 1994 the
Clinton Administration began talk of a 4-percent tax on the gaming industry
as a way to refinance and restructure the failing federal welfare assistance
program. This prompted the gaming industry to respond in two ways:
1. Establish federal representation in Washington through the creation of the AGA, 2. Re-channel some of the political donations that were being made to the Democrats to the GOP. For an industry ill-represented on the national political scene the basic financial support historically belonged to the Democrats.

Once the possibility of a gaming tax was disclosed by the Clinton Administration the industry had nowhere to turn but the GOP. With huge contributions being touted and gaming proliferation under scrutiny, some in Congress began to cast an eye on the industry’s activities. One of the industry’s largest contributors and most successful operators is Mirage Resorts Inc.’s, president and chief operating officer, Steve Wynn. A Wall Street Journal (October 5, 1995) article entitled, “GOP Faces Tensions As Gambling Interest Meet Family Values” states, “In addition to scaring gambling executives, the tax idea pulled them toward the Republican party, which seemed more likely to hold the line against new federal levies. By chance, a personal connection helped cement this emerging bond. John Moran, the [Republican] party finance chairman in 1993 and 1994, is a successful businessman who happened to take an interest in research into eyesight problems and helped fund a research center at the University of Utah. That brought him together with Mirage’s Mr. Wynn, who has suffered from eye problems, and the two became friends. Mr. Wynn, who once supported Democrats generally and President Clinton in particular, began raising money for Republicans.” (pp. 1,8A)
Steve Wynn

When the history of the new Las Vegas is written the wordsmiths will credit three visionaries who led the market through uncharted waters; Benjamin "Bugsy" Siegel, Howard Hughes and Steve Wynn. Each of these individuals had his own direction for the Las Vegas market. Siegel utilized food (the buffet) as a means to incite trial into the Fabulous Flamingo, Hughes indirectly promoted entertainment in one or all of his seven properties and Wynn ushered in hotel theming as the new trial driver.

In 1967, while Hughes was feverishly buying everything in the Las Vegas Valley, Southern Nevada's next maverick, Steve Wynn, was arriving. Wynn's entrance into the market was a relatively quiet one but it wasn't long before his dealings made people take note. Wynn started his career as an executive and part owner of the Frontier Hotel. His entrepreneurial dealings included a transaction with Howard Hughes (the proverbial torch being passed), the profits from which allowed him to begin a major investment in Golden Nugget, Inc. in 1972.

Wynn oversaw the building of the Golden Nugget Hotel & Casino on the boardwalk in Atlantic City in 1980. It was sold to Bally in 1987 for $440 million. Wynn then focused his attention on the design and development of what would become the company's flagship property, The Mirage, which opened in November 1989 as a destination resort with a South Seas tropical theme. The success of The Mirage ignited a $5-billion building boom in Las
Vegas, making the city into the fastest-growing metro area in America.

Wynn's most recent project is the themed resort Treasure Island at The Mirage which opened in October 1993.

Groundbreaking was held in December 1995 for construction of Bellagio, the $1-billion casino hotel to be built at the intersection of Flamingo and the Strip. Completion is rapidly approaching on Monte Carlo, a joint project with Circus-Circus a quarter-of-a-mile away. Mirage Resorts is planning to re-enter the New Jersey market soon and will make its debut in the Mississippi market too. The Las Vegas Review-Journal (January 26, 1996) reported in an article called "Mirage Resorts Inc. A Real Winner," "Mirage Resorts has tripled in stock market capitalization or market value—that is its stock price multiplied by the number of outstanding shares. Its $3.3 billion in market value at the end of 1995 led the list of gaming company giants; and it led the list of other Nevada public companies as well. Three years ago, its market value totaled $900 million. In recent weeks, Mirage Resorts stock climbed even higher, raising its market capitalization to $3.7 billion....When Wynn took over the Golden Nugget Inc. - as Mirage Resorts was then known - 24 years ago, the stock was trading for 4 cents a share and annual revenues were about $960,000.00" (pp. 1,4C)

In an unprecedented announcement for the gaming industry Mirage Inc., has been named as one of the ten most-admired companies by Fortune magazine. In its story in the Las Vegas Sun (February 9-11, 1996) entitled "Mirage Posts A Record Year," "The flagship resort's success helped Mirage
Resorts Inc., realize a record year [1995], with net revenues of $1.3 billion and net income of $163.1 million. It’s operating cash flow was $229 million. Those kind of numbers almost guaranteed Mirage’s inclusion in Fortune magazine’s list of the 10 most-admired companies in the nation, which is the publication’s March 4 edition. The list is the result of a survey of executives at more than 1,000 U.S. companies. The companies are rated on quality of product, long-term investment value, management skills and innovativeness. “They’ve taken over the perch as the premier company in the gaming industry and continue to distance themselves from most of the other competition,” said Jason Ader, gaming analyst for the New York brokerage firm Bear-Stearns.” (p. 1A)

Wynn led the way in the Las Vegas market with the positioning of themed casino hotels. Print advertising for the Mirage with its South Seas theme, volcano, dolphins and palm-tree landscaping beckons to the Polynesian in all of us. Caesars Palace has capitalized on its Roman architecture and chariots inviting its guests to “Relive the Legend” (See Appendix IX). Treasure Island claims, “You’re Either with Us or Against Us” and is a home where the pirates never lose. The Excalibur boasts a medieval motif with King Arthur and his castle. The MGM Grand has the Wizard of Oz and movie theme. The Luxor features an Egyptian motif complete with a pyramid, the world’s brightest light and a replica King Tut’s exhibit. With various other casinos either planned or currently under construction in Las Vegas, the tourist will soon be able to visit New York, Monte Carlo, Paris and
the Italian Riviera without having to leave the four-mile Strip now referred
to as the "miracle mile."


> [He] combines the creative brilliance of Caesars Palace and Circus Circus developer Jay Sarno with a flamboyant knack for self-promotion never before seen in the legalized gambling racket. Compared to Wynn, Benjamin "Bugsy" Siegel -incorrectly portrayed as the father of modern Las Vegas - was a bug-eyed thug with short pockets. Compared to Wynn, eccentric industrialist Howard Hughes was little more than a neurotic landlord. The Wynn who can laugh at himself after accidentally shooting off his index finger is the same fellow who is capable of throwing an epithet-laced tantrum over a single burned-out light bulb in his hotel, or smashing a table lamp onto the floor because a reporter's question triggered his anger. Bugsy and Hughes had nothing on the latest Vegas king....He has emerged as the self appointed spokesman for the casino industry, in part because so few others can get a word in edgewise. But only a fool would doubt his intellect and articulate rhetoric. (pp. 20, 21)

Jeff German credits Wynn with the similarities of an earlier Las Vegas pioneer. In his *Las Vegas Sun* (January 13, 1996) column entitled "Wynn's Hughes Interest No Mirage," German in his reference to Wynn's interest in some Hughes-owned property states, "Consider Mirage Resorts, Inc., run by Steve Wynn, who in recent years has been compared to the late Howard Hughes in terms of his impact on the Las Vegas casino industry." (p. 10B)

Wynn has a history of influence within the industry and on Capitol Hill. In 1984 he testified before a U.S. subcommittee hearing on *Modernizing Federal Restrictions On Gaming Advertising* (November 16, 1983). Wynn emphasized to the committee, "It is important to remember, however, that the gaming industry is but one segment of the growing entertainment/leisure time industry...We are not asking for special treatment, but rather we are
asking for equal treatment. We would like to be able to compete with others for the entertainment dollar [through gaming advertising].” The issue of the legalization of gaming advertising has been ongoing for more than ten decades. Janet Frasier Rogers, General Counsel for KVBC, states in a position article published in the *Nevada BroadcastNews Magazine* (November-December 1995) “The History of Gaming Advertising.” “In May, 1992, believing that the law was both discriminatory and unconstitutional, I filed a lawsuit challenging the law in the federal district court in the district of Nevada. On April 13, 1993, Judge Philip Pro rendered the decision that, indeed, the law was unconstitutional and that we could begin advertising gaming over radio and television...The United States of America and the Federal Communication Commission each appealed our decision to the Ninth Circuit Court of Appeals. No one had ever challenged the constitutionality of the law before and the government said they could not allow it to be ruled unconstitutional without arguing the case all the way to the top. The case was briefed in the Ninth Circuit and argued on February 13, 1995. No decision has yet been rendered on the appeal.” (p. 8) Although a decision remains to be rendered in the case, gaming advertising is currently broadcast in Nevada.
Riverboat Division - Harrah's Joliet

Joliet, Illinois, is about one hour south of Chicago. The operation consist of two riverboats: one an old-time paddlewheel boat and the other a sleek streamliner. Because the riverboats operate in a state that does not allow gaming advertising and does not have a state compact such as the Native American operations, the casino advertises its loss-leaders as trial generators inciting business.

In the two storyboards (see Appendix X), one shows a Gold Card Cash Back program offered by the riverboats, and the other focuses on the food products offered in the Fresh Market Square Buffet. Each spot begins with the signature jingle that is utilized by Harrah's at all its properties. The first five frames exhibit the "orbit" brandmark, a guest arriving at the property, guests entering the building, fun interaction with employees and a group shot of people having a great time. The following five frames focus on a different message specifically for the produced spots.

The Gold Card spot features the "cash-back" elements of the Gold Card program. This is a significant feature to Harrah's players. The five frames read, "Cash in for a great time. At Harrah's Joliet Casino. Get Cash Back. With Your Gold Card. 1-800-Harrah's." The VO (voice over is the reading of the copy for the spot) emphasizes the value of being a Gold Card member and the significance of the points-for-cash option.
The Fresh Market Square Buffet features the different types of meals available. The five frames read, “Harrah’s Fresh Market Square Buffet. Traditional American. Italian and International. Fresh Salads and Deserts. Only at Harrah’s.” The VO reinforces the message by emphasizing the freshness of the food.

Both spots close on the same high note where the music comes up and the jingle continues with the vocalist singing, “Gonna have a Great Time Every Time. Harrah’s.” The last five frames features a new group shot of people having a great time, a guest flipping a coin in the air with the Harrah’s brandmark in the background, the coin in the air as it transforms into the Harrah’s “orbit.” The visual changes to logo graphics and “1-800-Harrahs” is superimposed.

These two spots are very effective messages targeting the Harrah’s riverboat guest as an alternative to a gaming theme.

Native American Division - Harrah’s Phoenix Ak-Chin

Native American casinos are not bound by the FCC broadcast regulations and may advertise the casino games they operate. The tribes are not restricted by any state or federal statutes limiting the use of broadcast television, telecommunications or mail.

The Ak-Chin indian tribe has a management agreement with Harrah’s Entertainment Inc., and the casino is formally known as Harrah’s Phoenix Ak-Chin. Arizona has limited the types of casino games allowed in the state
and the storyboards (see Appendix XI) for Ak-Chin’s gaming advertising spot reflects those limitations. The spot is a straight “sing” of the Harrah’s jingle without a musicbed (a 10-15-or 20-second break in the singing of the jingle to allow description of specials by an announcer) for a VO. Each frame is supported lyrically with strong gaming visuals to create the feeling of excitement and winning. The direction of the spot by frame reads, “Harrah’s illuminated sign at sunset, exterior of casino at dusk with patrons approaching, quick close-up of slot machine hitting a jackpot, shot of jubilant couple having hit the jackpot, close-up of patrons with attendant in Bingo Room, shot of waitress in foreground with band playing behind, cut to poker table shot, patrons cheer, shot of happy winners showing casino environment, close-up of coins pouring out of slot machine, shot of patrons at the bar with band playing, shot of player hitting it big, shot showing players at Video Craps table, wide shot of Bingo Room, shot of players at video blackjack table, shot of man outside Harrah’s Phoenix Ak-Chin flipping quarter into air and go to logo graphics and super 1-800-Harrahs.”

The preceding words or activities italicized represent the casino games which the state permits. Traditional table games such as blackjack and craps are not allowed by the state and therefore can not be a part of the advertisement.
Land Based Division - Las Vegas, Nevada

Gaming in Nevada has been legal since 1931 but gaming advertising wasn’t permitted until April 13, 1993. Any advertisement in the state may show all games played in the casino. The responsibility is left to the advertiser to present an ad that is in good taste, not misleading and unprovocative.

The Palace Station is a local casino that primarily markets to slot customers and focuses on food, fun and friends. The storyboard (see Appendix XII) reflects a custom jingle with a straight sing and no musicbed for a VO. The frames are set to the lyrics of the jingle and represents various areas of the casino through a dance production number. The board shows, “Opening with an exterior shot of the property, close-up of employees, principal of the spot singing with background dancers, wide shot of casino showing excitement, roulette wheel turning, food waitress exiting kitchen with a plate, tight close-up of slot attendant, principal singing on top of slot carousel, wide of couple at table in restaurant, musical bridge and dance sequence two frames, three frames show full dance production with principal leading through casino, fun and excitement with principal’s arms stretched out above head and go to logo graphics with music out.”

The advertisement is in good taste and portrays the casino and games in a fun, upbeat manner. The advertisement is a perfect example of the best way to promote the industry’s product for what it is: casino gaming entertainment.
Ironically, the three advertising vignettes reviewed are representative of the same industry yet each are restricted by different forms of regulation.
“Liberty of the press is indeed essential to the nature of a free state...No restrictions shall be imposed upon the press save to prevent a destruction of the ends of society. It can thus be seen historically the press is impressed with a duty to preserve free society. In discharging this duty, we can have no surer guide than the well-worn adage—'The truth shall make us free'."

--- Ed Morgan, Washington, D.C., Attorney, Defender of the United States Constitution

CHAPTER FIVE

FUTURISTIC

A Level Playing Field

In the preceding chapters evidence has been provided to indicate the inability of the gaming industry to advertise its product. Successful gaming advertising in the Nevada and Native American markets has provided the foundation for the argument that the industry has the right to promote its business. This foundation is the platform that should reach not only to all gaming jurisdictions but to the nation as a whole. Kirk Anderson, (personal communication, February 22, 1996), chairman of the Nevada Broadcasters Association, states, “Make it [gaming advertising] a level playing field. If broadcasters cannot advertise gaming then it should be illegal for the print,
outdoor and direct mail mediums to be permitted to." This level playing field should be applicable to all segments of the gaming industry.

The restrictions that currently suppress gaming advertising rights are archaic at best. The legislation was written for a time when self-regulation by the industry seemed impossible. The time has arrived for a new approach to a mature industry. No longer can this business continue to utilize a loss-leader approach to advertise its product. Macomber's (1984) earlier stated position that the loss-leader does not create a long-term marketing niche for the casino supports the contention that revised legislation is essential. He also says, "Gaming is prohibited by law and regulation from directly advertising its product. Therefore, it must rely upon promoting its image, depending on word-of-mouth advertising and developing a facility [creating a theme] that will act as a magnet in attracting customers." (p.87) Once again, theming, food and entertainment are essential to the industry for marketing purposes due to current restrictions.

In the Las Vegas market, where property theming preceded legal gaming advertising, the two have since learned to compliment each other. It is no secret that the revenue is generated from the casino and not from the theme of the property. Once the gaming restrictions were removed the properties began to feature gaming as the primary message and food, entertainment and amenities became secondary.
The benefits and revenue components in advertising a gaming message can be substantiated by the marketing efforts of the Sahara Casino Hotel.

The Sahara Casino Hotel recently began a broadcast gaming advertising campaign. Slot revenue for the casino has grown by 11 percent since the flight began. Much of the slot growth can be attributed to the new campaign since the casino never advertised gaming in the past. The property which recently changed ownership designed its marketing strategy around gaming and not a specific loss-leader or its theme.

Lisa Mayo, Marketing Director (personal communication, February 14, 1996), states, "This market used to not have to advertise gaming. Visitors came here for the big name entertainment in the 50s, 60 and 70s...to see such stars as Sinatra, Martin and Sammy Davis Jr. Gaming was a given when visitors would make their way to the city. Theming properties has taken the glamour out of gaming. We have fragmented and segmented our markets so much that you can now come to Las Vegas and stay in a room for $19.00 and maybe play a few dollars and be a part of the environment. Every person on the floor should be a part of the gaming environment and we have changed that [with themed properties]. The Sahara as it re-positions itself in the market will focus on multiple taglines that reminds gamers of the tradition; gaming was the whole image, environment and experience." Some taglines suggested by Mayo are, "Winning Tradition Since 1952, What Once Was Will Be Again and The Sahara Casino Hotel...Where Gaming is Entertainment."
The struggle by the Sahara Casino Hotel to redefine its market position, as indicated by Mayo, has never been a problem for the Native American casinos. From the beginning Native American casinos have positioned and advertised their gaming product. The need to identify loss-leaders or create a marketing niche other than gaming has never been warranted.

Because of the sovereignty status of the Native American tribes, they are not bound by the same regulations imposed on riverboats and land-based casinos. The federal law as it is written for the industry should be applicable to all in the business. Anderson adds, "Native American gaming is the ultimate injustice [to the industry]. It creates an uneven and unequal playing field to the other gaming entities. The riverboats can't do anything [to advertise compared to Nevada and Native Americans]. They have zero opportunity to compete."

In a market where both Indian and non-Indian gaming is allowed Native Americans have an unfair advantage. They are allowed to advertise their gaming product while their competitor is not. Anderson points out, "When the Native American casinos opened in Arizona, the Laughlin, Nevada, market experienced a 35-percent decrease in business. While Laughlin casinos were advertising entertainment, food and amenities (loss-leaders), in the Phoenix market the Native American casinos were broadcasting commercials showing casino gaming entertainment featuring the primary product, blackjack, slots and bingo." This created an unfair
advantage in the market and contributed to a shift in gaming revenue in favor of the Native Americans.

As seen in the case studies presented in chapter four, where three different markets are forced to advertise and promote their product, inversely confirms the need for a set standard for the industry. Anderson adds his opinion on future or revised legislation of the Indian Gaming Clarification Act, "It will be difficult to override the Secretary of the Interior who's given charge to protect the tribes. Congress can't touch him [and won't challenge his position on the decision]."

**Casino Advertising Policy**

While Native Americans enjoy the luxury of having gaming advertising they have yet to establish guidelines and policies to maintain the integrity of the message. In the Nevada market Sunbelt Broadcasting Company, parent to KVBC, has implemented the following policy for its gaming advertisers:

All advertisements containing references to casino gaming must be true and not misleading or deceptive. A communication is misleading if it contains a statement that is not capable of factual verification, or a statement that is likely to create an unjustified expectation about results, or contains a material misrepresentation of fact, or omits a fact necessary to make the statement considered as a whole not materially misleading. Advertisements containing references to casino gaming must particularly conform to the standards of good taste and be presented in a manner that is tasteful and not offensive.
This policy provides a basis for direction and creates checks and balances between the advertiser and the broadcaster. The integrity of the consumer and the industry are therefore protected.

KVBC’s policy has become the model in the Nevada market. On October 6, 1995, the Nevada Broadcasters Association affirmed its commitment to encourage the gaming advertising policy reflected in KVBC’s Casino Advertising Policy. Janet Rogers (November-December 1995) states in her *Nevada Broadcast News Magazine* article, “The History of Gaming Advertising,” “We will institute within the broadcast industry an awareness program, that each broadcaster may be reminded of the policy, may independently consider it and modify it or embrace it, and will impart to broadcast clients the need to comply with this policy.” (p. 9) This policy establishes the ground rules to this newly created quasi-level playing field.

Mayo (February, 1996), contends that the benefits gained by gaming advertising are many. She states, “Gaming advertising provides an opportunity to better position your property’s image. [i.e.] A casino may advertise its claim to have the world’s most royal flushes on their video poker machines while a Strip property may say, ‘It’s not how you play the game but where.’ You are better able to differentiate your image. Are your demographically a middle-income property? Is your target market high rollers? Are you positioning yourself towards the locals? All of these segmentations are more obtainable by advertising the different gaming products your property offers.” While each casino provides the same product
to its customer, presentation often makes the difference in the decision-making process. When asked about loss-leader advertising Mayo responds, "Buffets provide no image in advertising. Everyone has one. Loss-leaders in this market are very competitive. Gaming advertising provides the casino with the tools to clearly position itself from the others."

**Organic Criticism Approach**

The inability of the gaming industry to advertise its product has created a lost economic opportunity within the restricted markets as indicated. This lost economic opportunity is the exigence of the rhetorical act defined as gaming advertising. The organic criticism approach provides a means of observation that creates an unbiased analysis in determining the attitude of the market, the scope of investment relationships and the integrity of the industry. The four most important areas of criticism for this study are legitimacy, credibility, resolution and direction.

**Legitimacy**

The gaming industry and Las Vegas have come a long way since the days of organized crime and gangsters. In an article in the *Las Vegas Review-Journal* (October 1, 1995) entitled, "Who Owns Las Vegas?," the evolution of mob financing to Wall Street financing is observed, "If Bugsy Siegel thought the mob was impatient about turning a profit at the old Flamingo before he was murdered in 1947, he should have worked with Wall Street investors."
The mob's heyday in Las Vegas is over, but modern casino executives have to placate money managers on Wall Street, who also are looking over their shoulders to make sure their clients are happy." The breadth of financing is a testament to the legitimacy that the industry has earned. In its in-depth analysis of Las Vegas financing the Review-Journal continues, "The importance of Wall Street financing to Las Vegas casino companies has grown in recent years. In April 1993, the seven major casino companies in Las Vegas had publicly traded stock with a market value of $6.6 billion, said David Ehlers, a Las Vegas-based associate publisher of Casino Executive magazine and a former mutual fund manager. Thirty months later, those seven companies had a market value of $10.7 billion, Ehlers said. In addition, the list of major local casino companies with publicly traded stocks has grown to 14 with a total market value of $16.7 billion." (p. 12A)

Large investment groups are now the majority share holders in the casino companies in Las Vegas. These groups and their share values range from the leader, Jennison Associates Capital at $371.7 million to J.P. Morgan & Co. Inc., at $364 million to Fidelity Investments at $297.7 million. Others with a piece of Las Vegas gaming according to the Las Vegas Review-Journal (October 1, 1996), "...are insurance companies. Prudential Insurance has a gaming portfolio worth $88 million; Hartford, $78 million; Equitable, $53 million; and Travelers, $45 million. Soros Funds Management, which is headed by the legendary George Soros, holds $17.8 million in Las Vegas gaming stocks. Harvard College's billion-dollar endowment has $7.9 million
in stock...The California Public Employees' Retirement System, the largest government pension fund in the nation, has substantial gaming holdings [totaling $50 million]. Among the corporate pension funds invested in casinos are U.S. Steel & Carnegie Pensions and Allstate Retirement Plan.” (p. 12A) With the investment action of these premier companies a strong ethic, equity, value and legitimacy has been established in the market. It is apparent that the world’s leading companies feel safe in investing in the casino business. This further establishes the industry as a stable and responsible entity worthy of its first amendment right: national gaming advertising.

**Credibility**

One measure of a company or industry is by direct observation. The key to the measurement is through its investors and the reaction of Wall Street to the developments within. Two noteworthy examples of an industry’s success and reaction by the financial markets are Steve Wynn’s Mirage Resorts Inc., and The Hilton Hotel Corporation. On March 4, 1996, *Fortune* magazine announced that Mirage Resorts is listed in its top 10 most-admired U.S. companies. This is the first time that a casino company has received such an honor. Mirage Resorts placed eighth among all U.S. companies and first in the hotels, casino and resorts category. Other casino companies in the category, and their rankings were: Promus Cos. Inc. (which has since spun off its gaming division [Harrah’s]), second; Circus Circus Enterprises Inc., fifth; MGM Grand Inc., sixth; Caesar’s World Inc., seventh; Hilton Hotels Corp.,
eighth; and Bally Entertainment Corp., 10th. According to a Las Vegas Review-Journal (February 17, 1996) article, “Mirage Resorts Inc. Makes Fortune’s List,” “The rankings were based on quality of product, quality of management, innovation and long-term investment value. Other companies on the list included Coca-Cola Co., Procter & Gamble Co., Johnson & Johnson, Microsoft Corp. and Motorola Inc.” (p. 1C) This type of respect and recognition further establishes the industry as a reliable, honest and wise investment.

When Hilton Hotels Corp., recently announced that it hired Stephen Bollenbach to guide its company Wall Street went wild. In a Las Vegas Sun (February 14, 1996) story “Investors Praising Hilton Move,” the subhead read: Stock Market Cheers Arrival of Bollenbach. The story said, “Since it was announced a week ago Friday that Bollenbach was leaving Walt Disney Co., where he was chief financial officer, to become chief executive of Hilton Hotels Corp., Hilton stock has soared $16, or 21.7 percent, to $89.875.” This type of reaction created by employee acquisitions and/or transfers within the industry reflects how highly regarded gaming is on Wall Street. Analysts watch every move made by the companies and gauge the responses by the market and its value to the investors. The story cites Mark Manson, an analyst at Donaldson, Lufkin & Jenrette Securities, “Manson, an ardent fan of Hilton now, said he believed the stock would rise no higher than $100 a share, a relatively modest premium over its closing price Tuesday of $88.375, down $1.50. In other words, investors are already expecting miracles from Bollenbach, and it is not clear that he can provide much value beyond what
the market already anticipates." (p. 3D) These types of results are characteristic of an industry that has taken great care to create a positive climate and performance for its communities, employees and shareholders.

Resolution

Coupled with the performance on Wall Street is how the industry portrays itself on Main Street. Since the ruling in favor of KVBC, broadcasters have vowed to maintain integrity and honesty in their advertising. One example of this commitment is the aforementioned policy utilized as the foundation for all gaming advertising commercials in Nevada. By taking the lead and policing itself the industry again leaves no questions about its resolution to service the communities in which it broadcasts with fair and straightforward advertising. There are, of course, two sides to every issue and this was addressed in the interview with Anderson in which he cites a pro-and-con example of legal gaming advertising, "The pro of gaming advertising is that it opens up gaming as a form of entertainment if done properly and morally. On the other hand the con of the issue is that any form of lottery is a regressive tax on the poor - people with two cents think that they can take that two cents and play slots and win millions. Gaming lends itself to deceptive statements due to the product." It is the responsibility of the broadcasters and advertisers not to provide the consumer with false or misleading information.
False advertising is illegal and punishable by law. The real losers in that scenario would be the industry and not the one dishonest advertiser. In a supplement to the *Nevada BroadcastNews Magazine* (November-December 1995) entitled, "Words Of Advice About Gaming Advertising," Janet Rogers implores its members to, "...Please remember that it is the sleaziest, the trashiest, the most offensive ad in the poorest of taste that we will all get to bear witness to in our nation's capital, as we try to defend our right to advertise gaming....Of course all advertising must be truthful and not misleading. Commercial speech that is not truthful or that is misleading is not protected by the first amendment under any circumstances, much less with regard to casino advertising. However, it is not enough to simply keep the blatantly false ads off the air. We must make sure that the casinos are not 'blue sky ing' all the way to Mars." The assurance that negative, deceptive or misleading advertising will not be tolerated is a testament to the resolution by the broadcasters and advertisers in the industry.

**Direction**

Gaming commercial production is in its infancy. The direction, production and style of the current broadcast advertisements are slowly developing. A number of casinos are creating a look and feel associated with their properties. Specific jingles are being produced that are utilized throughout an entire advertising campaign. The Palace Station sings, "Hey Vegas, Play the Palace Station" or the Showboat cries, "It's Better, It's Better,
It's Better at the Boat" while the Rio utilizes a Brazilian theme and its mascot Rio Rita sings, “Play Rio!”. The focus of the messages is winning, excitement, fun, and entertainment.

The strong visual emphasis is on spinning slot reels (with 777's lining up), dice being tossed at the craps table, cards being dealt at blackjack tables, “royal flushes” on video poker machines and winning bingo and keno players. The general emphasis is on the perception of luck and the opportunity to win.

Some casinos choose to advertise their paycheck promotions where customers have a chance to win based on the specific promotion. The advertisements depict winners of the promotion in progress. There are also slot and video-poker promotions where customers can win by lining up a previously determined jackpot or video poker hand which qualifies them for instant cash or additional entries into a future drawing. These promotions are all depicted in the advertisements in a friendly and winning manner.

The current advertising represents tastefulness and integrity while attempting to entertain and inform the consumer.

*The Industry Outlook*

The industry has a solid foundation on which to continue to build. In a *Las Vegas Sun* (February 27, 1996), story “LV Visitors Shatter Records,” it’s reported that, “More than 29 million people visited Las Vegas in 1995, breaking the record for visitor attendance set the year before. In figures
released today by the Las Vegas Visitors Convention Authority, visitor volume increased 2.8 percent over 1994, when the city enjoyed nearly a 20 percent jump in visitors to 28.2 million. The LVCVA report logged 29,002,122 visitors in 1995" (p. 1A) and in a related story in the *Las Vegas Review-Journal* (February 10, 1995) entitled “Gaming Jumps Again,” revenue growth set records as well, "...Nevada casinos won a record $7.37 billion from players in 1995, a 5.2 percent increase over the $7.01 billion collected in 1994....Clark County [Las Vegas & Laughlin] resorts won $5.72 billion in 1995, a 5.3 percent increase over their $5.43 billion in winnings in 1994.” (p. 1A) The significance of these numbers represent the basis for continued growth throughout the industry. Utilizing Las Vegas as the case study market provides evidence that expansion is progressing at a record pace.

This growth is substantiated by Harrah’s (1995) annual survey which states,

Americans are visiting casinos in record numbers, making casino entertainment one of the nation’s fastest growing and most popular recreational/leisure pastimes. Thirty percent of U.S. households gambled at a casino last year, [1994] an increase of 27 percent of households in 1993. The total number of casino visits increased by 36 percent in 1994 as American households made 125 million trips to casinos. The number of annual visits has grown by 172 percent since 1990.

The popularity of new casino destinations (riverboats, Indian reservation or low-stake casinos) is evident. Trips to new casino destinations now account for nearly half - 47 percent - of all casino visits, while trips to traditional casino destinations (Atlantic City, N.J., and the Nevada resorts: Lake Tahoe, Las Vegas, Laughlin and Reno) represent 53 percent of total visits. Casino visitation outpaces attendance for many other forms of entertainment in the United States including sporting events, concerts and theater. Given the current rate of growth, casino visits are likely to surpass theme park attendance in 1995. (p. 15)
Although growth for the industry is promising, the current political climate is turbulent and volatile. In this presidential election year, with the threat of a national gaming study imminent, the position of each presidential candidate on the gaming issue is crucial. Where the candidates stands will clearly dictate the environment in which future gaming issues are addressed. 

During the presidential election campaign of 1996, each weekday the Associated Press reports the responses to a question asked of the major presidential candidates. On January 16, 1996, the question of the day was, “Should Washington increase taxes on the gambling industry or impose restrictions on its growth?” The following is the response to the question by the candidates at that time: President Clinton, “Regulation of gambling has been primarily a state and local issue. I support establishment of a national commission which will examine the gambling industry and make recommendations for national policy”; Lamar Alexander, “No. This is an issue to be decided by states and communities”; Pat Buchanan, “Gambling should be banned on federal property and the president should use the bully pulpit to reverse the spread of legalized gambling in the states”; Sen. Bob Dole, “I support legislation establishing a national commission to examine the gambling industry and its impact on local communities. As a general matter, the regulation of gambling is a responsibility of state and local government. I do not support any additional federal tax increases”; Steve Forbes: No response; Sen. Phil Gramm, “States and local governments should decide their own policies towards the gaming industries in their jurisdiction”;
Sen. Dick Lugar, “Not until we know much more about this dynamically growing industry. The most urgent action related to gambling should be to provide state and local governments with an unbiased and authoritative federal study on the economic and social effects of legalized gambling. I am the original co-sponsor of a bill that would establish a national commission to do just that.”

The likelihood that gaming advertising will achieve its independence is questionable in the wake of the charge sounded by a few of the candidates. The basis for passage will possibly rest in the outcome of the proposed national gaming commission study and the philosophy imposed by the current and next president.

Conclusion

This study has focused on the antecedents of gaming advertising from a historical perspective. The industry was looked at beginning with its inception, its growth throughout Europe, its entrance into the United States and its growth in the state of Nevada. For the purpose of this study the Las Vegas market was used as the barometer to gauge the growth and pulse of the industry. Specific period focus was on Benjamin “Bugsy” Siegel and the Renaissance period; Howard Hughes and the Industrial period; and Steve Wynn and the New Age period. In 1976, Atlantic City, New Jersey, legalized gambling on the East Coast. The industry remained relatively quiet for nearly
twenty years until unprecedented growth and expansion was experienced in the riverboat and Native American segments.

Although the industry expansion has been phenomenal, revisions to pre-existing legislation have been few.

The lack of attention to this legislation was highlighted in the *Nevada Broadcast News Magazine* (November/December 1995), "Since 1827, seven exceptions have been enacted to allow broadcast advertising of:

- State Lotteries
- Indian Gaming
- Fishing Contests
- Sporting Events
- Charitable Gaming
- Governmental Lotteries
- Any Lottery that is ""Occasional and Ancillary" to the business of the advertiser. (in other words, any contest conducted by anyone other than a casino or gaming entity.) (p. 8)

A lack of revised legislation creates an unfair competitive marketing advantage for those jurisdictions with the right to advertise their gaming product. An industry without standards creates an environment that lends itself to multiple interpretations of the legislation.

As time moves on the market segments which are allowed to advertise are beginning to experiment with new advertising techniques or seizing upon
existing ones. As the markets become acclimated to gaming advertising it will be harder for these jurisdictions to market their product without it. On February 12, 1996, the Texas Hotel and Gambling Hall in Las Vegas became the first casino in the market to revitalize an old 1950s gimmick that features broadcasting live television commercials. In a Las Vegas Business Press (February 12, 1996) article entitled “We’re Live!” it states, “KLAS Channel 8 has set up a microwave transmitter on the roof of the Texas and will air the commercials all this month. ‘Casino marketing is a science unto itself,’ says Billy Vassiliadis, president of R&R Advertising. ‘Hotel-casinos are the fastest reactors to market conditions. If on Tuesday they have a slow count in the showroom, they’ve got to get the advertising out the next day or two.’ Linda Bonnici, general sales manager at Channel 8, says that’s the idea behind the live set-up. ‘I think the key is something more reactive, kind of like radio.’ Bonnici says. ‘This is quicker and to the punch....There’s so much going on in this industry that we’ve found we have to be as innovative as we can be.’ She says more casinos and other broadcasters could be broadcasting live commercials if the new Texas promotions are a success.” (p. 1, 6) As different types of marketing programs are designed and implemented it may soon be possible to see live commercials of casino winners. Players may be interviewed as they are actually celebrating their slot jackpot or bingo payoff. The viewers will see the excitement and experience the winners enthusiasm at the casino while it happens.
With the passage of national gaming advertising legislation all three of the following groups will benefit: 1. The broadcasters who will experience a growth in advertising revenues from an existing market that was previously prohibited from advertising. 2. The advertisers who will be able to market their product as it is: gaming. No longer will they be required to utilize loss-leaders to incite trial and increase retention in the casinos. 3. The consumers who will experience the benefit of seeing the product as it is: gaming. They will be able to see the casinos as a slot or video poker house and the kind of income segment the casino markets to; high rollers or middle income players. They will be able to see whether a casino's market position is either a locals' spot or primarily a tourist destination.

All three segments have the potential to realize strong growth and benefits in their respective areas.

Taking Responsibility

Historically, the gaming industry has reacted swiftly to conflicts within its own industry. Upon problem identification a solution has been created and implemented expeditiously. Nevada’s gaming industry has always taken the initiative in implementing solutions prior to a problem reaching unsatisfactory levels. When money laundering appeared to become an issue for Nevada in 1985, the state enacted policies to combat the problem and the enforcement effort began two years later. Nevada’s regulation 6A has set the standard for the country. In a Las Vegas Review-Journal (February 18, 1995)
article entitled, "Nevada’s Money Laundering Law Lauded As Best," reported that, "A General Accounting Office report released last week lauded 6A as the nation’s most effective tool against the laundering of ill-gotten cash in the casino gambling industry. ‘It’s gratifying the GAO has determined that Nevada’s law should be a model for the rest of the nation.’ said [Nevada Gaming Control] board Chairman Bill Bible." (p.1 & 5B) Problem gaming is another issue that has been identified by the industry. With the same fervor that was illustrated in the money laundering solution, a program was created to combat the problem gaming issue head-on. The initial program was originally developed for Nevada, but has since become the example for the industry as well.

A Las Vegas Review-Journal (February 21, 1995) story, "Gaming Industry To Establish National Research Center," said, "The gaming industry will announce today the establishment of the first national research center for problem gambling. The National Center for Responsible Gaming, to be headquartered in Kansas City, Mo., will recommend programs for prevention, intervention and treatment of the problem, American Gaming Association President Frank Fahrenkopf said Tuesday. ‘It just makes good common sense. If you’re going to be in the business, you have a responsibility as a good citizen, corporate or otherwise, to do what’s necessary to assist’..." (p. 5B) Taking responsibility is the key in being a leader in any industry. To provide the direction and guidance for the future is paramount in the success and longevity of any corporation.
After the KVBC decision to allow gaming advertising in Nevada, the industry joined with the Sunbelt Corporation (KVBC's parent) and established what is now known as the Casino Advertising Policy previously discussed. This policy has set the standard for the industry and lends itself to become the “model” for the nation too. Taking the lead on uncharted issues in any industry is brash and bold. The gaming industry has maneuvered through uncharted waters in the past while setting the standards as it goes.

Now, led by the American Gaming Association, the industry's ideals, principals and ethics will be better told and touted. In future Congressional legislation and lobbying sessions the industry's model programs and policies, led by Nevada, should be the topic of discussion.

**Recommendation**

The industry and Congress have three options available to choose from in order to remedy the existing inequities of gaming advertising legislation:

- Gaming advertising allowed nationally
- Gaming entities allowed to advertise in markets, jurisdictions or states where they operate
- Gaming advertising prohibited for all entities

Option one has two regulation possibilities: 1. Provide guidelines similar to those currently imposed on the alcohol industry and fashion the spots after existing beer advertisements. 2. Adapt the existing Nevada (KVBC) policy for gaming advertising currently utilized to set the standards for a
national policy. The casino industry has already moved forward responsibly and created problem-gaming programs for individuals with the potential to develop, or for those already with, gambling problems. These programs are similar to the beer companies position on responsible drinking. Taglines on commercials like, "Don't Drink and Drive" or "Know When To Say When" are similar to the taglines currently used in gaming advertising for the industry's responsible and underage gaming campaigns. Harrah's Entertainment Inc., promotes its programs, known as Operation Bet Smart and Project 21, with the lines, "Bet With Your Head Not Over It" and "Know When To Stop Before You Start" along with "It's Not A Game It's The Law" and "We Care. We Card." respectively. This type of proactive response is indicative of the maturity and accountability of the industry.

The second option would allow a fair market advantage to all gaming segments. This includes Native American, riverboats and traditional land-based operations in new and current jurisdictions where they operate. Advertising in local and feeder markets provides the vehicle to reach the intended target audience with the primary gaming advertising message.

The third option is ill-favored by the industry and broadcasters alike. It's important to emphasize that if one segment of the industry is not allowed to advertise than the same set of restrictions should apply to all in the business regardless of markets, jurisdictions or states.
Further studies are warranted to determine the feasibility and timeline required to implement a standard practice to govern national gaming advertising.

The timing may be that the gaming commission policy study possibly incorporates a component to measure the success and shortfalls of gaming advertising and its application to the industry.

An independent group could also be commissioned by the American Advertising Federation or the National Broadcasters Association to provide evidence in support of new legislation.

Further research into the scope and breadth in Native American advertising as compared to the Nevada market and how the two are similar or different is warranted. The information then could be cross-referenced to analyze the riverboat segments.

A study could also be commissioned by the American Gaming Association to further analyze the dissimilitude within the industry substantiated with loss revenue potential in the riverboat and non-gaming advertising markets. This research would be the tool for further lobbying in Washington D.C.

In order to provide a level playing field nationally, aggressive steps need to be taken to rectify the inequalities currently being experienced by the gaming industry.
APPENDIX I
APPENDIX II
Jimmy Durante
Rose Marie
Tommy Wonder
Xavier Cugat's Orchestra

Strip 91
Las Vegas, Nevada
Telephone 4600 for reservations.
April 16-20
BEN BLUE
and His Boys from Hollywood
WALTON and O'ROURKE
America's Master Puppeteers
The Dewey Sisters — Maxine

April 30
GRAND OPENING OF
Frank Barbaro's Bowery
featuring
MARTHA RAYE

NEVADA Biltmore HOTEL
For reservations call 2200

AMERICA'S MONTE CARLO,
the FLAMINGO HOTEL
NAT BRANDWYNE
AND HIS ORCHESTRA
Marya and Manuel Viera
AND COMPANY (Comedy Act)
The Rogers Blaine Dancers
ROLLY ROLLS
Comedian Pianist
HELD OVER
The Merriel Abbott Girls

LAS VEGAS
APPENDIX IV
MAE WEST
"Come Up and See Me Sometime"
with Louis "Budah" Benedict

Opening August 10
THE VAGABONDS
THE THREE SUNS
IRVING FIELDS

Produced and Directed by Charles O'Curian
In the Casbar Lounge

SAHARA
PHONE 6800 FOR RESERVATIONS

the Hotel that made Las Vegas the Entertainment Capital of the World
EL RANCHO
OPERA HOUSE
THEATRE RESTAURANT

The Happiest Show of the Year!

starring

"America's Most Beloved Comedian"

JOE E. LEWIS

Austin Mack at the Piano

GLORIA DE HAVEN

Doodles & Sketor

The Famous El Rancho Girls

choreography by

Dottie Dee

Bob Ellis and His Orchestra

A LeRoy Prinz Production

TWO SHOWS NIGHTLY 8:15-11:15 P.M.

RESERVATIONS PHONE 1300
The Sands presents
BERLE CRAZY
a musical hurly-burly
starring
MILTON BERLE
and his own troupe
Two shows nightly
at 8:15 and 11:15

The Sands
Las Vegas, Nevada
REWARD

To anyone who contacts this one armed bandit,
May be captured at any hour downtown in the
LAS VEGAS CLUB
His gun is not loaded but his slot machine IS —
so proceed without caution!

The Las Vegas Club
HOUSE OF JACK POTS
DOWNTOWN LAS VEGAS
A Fun Fiesta with Triple Headline Stars

TONI ARDEN
America's Dramatic Song Stylist

THE SZONYS
"Poetry in Motion" — World Famed Dance Stars

Extra Added Attraction
JACK DURANT
Broadway and Hollywood's Favorite Funster!

DONN ARDEN DANCE PRODUCTIONS
In spectacular stage presentations
CARLTON HAYES and ORCHESTRA
ART JOHNSON, Master of Ceremonies

Next Attraction:
BETTY GARRETT & LARRY PARKS
Beginning Feb. 15
Opening February 2nd

JACK ENTRATTER PRESENTS

NAT "KING" COLE

The Most Beautiful Girls in the West
Antonio Morelli and his Music

The Sands
Las Vegas, Nevada

For reservations phone 7100
Two shows nightly at 8:35 and 11:15
Why does everyone play at the LAS VEGAS CLUB?

THERE MUST BE A REASON!

THE LAS VEGAS CLUB is the house of JACKPOTS

The JACKPOT Emporium
The JACKPOT Hippodrome
The JACKPOT Palladium
The JACKPOT Arena

The LAS VEGAS CLUB is the JACKPOT Round-House!

With 350 slots where you can sit in comfort and enjoy the
LAS VEGAS CLUB's liberal policy . . . AND WE DO MEAN
LIBERAL! And ALL the famous games that have made
Las Vegas ITSELF so popular.

FREE PARKING FOR OUR PATRONS
APPENDIX VI
With Sammy
And 'Dino' at the
Sands
We Had A 'Ball'!!

FRANK
SINATRA
The All-New 1963
FOLIES BERGERE

Directed & Directed by
Mons. Michel Gyarathy
Executive Producer
Tony Azzari

For Reservations Phone 736-4949 • Showtimes 8:00 P.M. & 11:15 P.M.
2nd Show Saturday — 2:15 A.M.

Home of the Sultan's Table Restaurant
AT THE FABULOUS Flamingo

Proudly Presents

Miss

JULIET PROWSE
THE SMOTHERS BROTHERS
BLACKSTONE, JR.
Rut Black Orchestra

DELLA REESE
DRIFTWOOD LOUNGE

TOMMY DORSEY SHOW
Conducted by DON OHUE

Featuring
FRANK SINATRA, JR.
HELEN FORREST
THE PIED PIPERS

On Stage! Greatest of the Great Spectacles! Direct from Paris! 5th All New!

Le Lido de Paris
REVUE "BRAVO!"

Conceived by
PIERRE LOUIS-GUERIN &
RENE FRADAY
Staged by
DONN ARDEN

Show created by FRANK SINATRA

Show Times: 8:15 p.m. • 12 Midnight • 2:15 a.m. Saturday • For Reservations Call 735-2545

12TH ANNUAL TOURNAMENT OF CHAMPIONS
APRIL 30 - MAY 3
Desert Inn Country Club
"You were all so nice---"

MITZI GAYNOR
STAN IRWIN PROUDLY PRESENTS

VICTOR BORGE
LEONID HAM BRO

LOUIS BASIL & HIS ORCHESTRA

MOST AMERICAN GIRLS IN THE WORLD
A MORO-LANDIS PRODUCTION

ELEGANT DINING IS NOT EXPENSIVE AT
don the BEACHCOMBER.
DANCING NIGHTLY

An exciting new experience . . . In Las Vegas' only dining and dancing restaurant . . . where your love for fine food blends perfectly with your means. A boundless variety of delectable Cantonese and broiler delights. Open 8 p. m.

ONE OF AMERICA'S TRULY FINE RESTAURANTS

House of Lords

Assuredly . . . the most exquisite dining on the Las Vegas scene . . . foods prepared by the country's noted 'chefs' . . . superbly served, in a setting of tasteful elegance. Everyone should, at least once, enjoy the thrill of sitting down to a House of Lords menu.

Reservations
PHONE: 735-4242

Sahara
LAS VEGAS, NEVADA
APPENDIX VIII
Desert Inn
FRANK SENNES PRESENTS
JERRY LEWIS

Musical Conductor
LOU BROWN

THE STEP BROTHERS

Ray Anthony Revue
with
Diane Varga • Dave Leonard

Extra Added Attraction
ROBERTA SHERWOOD

Reservations: 735-1122
Every Night — 8:30 P.M. & Middles

Sky Room
MURRAY ARNOLD
JODY’S QUINTET
Open Nightly at 9:00 P.M.
THE Sands
Presents
In the fabulous Copa Room
DON ADAMS
BARBARA McNAIR
ANTONIO MORELLI & HIS MUSIC
CREATED AND STAGED BY
JACK ENTRATTER
Two shows nightly at
8:15 and 12 midnight
for reservations call 735-9111
Continuous Entertainment In the
Celebrity Theatre
LOUIS PRIMA with SAM BUTERA
PLAYMATES REVUE '69
ERNIE STEWART TRIO
APPENDIX IX
Our new rooms will take your breath away.
(Just add them to the list.)

Have we gone too far? After fully renovating all our rooms with marble lovers, marble baths, crown moldings
and plush new furnishings, how will we ever compel our guests to come downstairs?

For reservations, call (800) 723-1773. FAX (702) 791-7446. Group Sales (800) 456-7111. Airline Access Code: SL.
Harral's Joliet, "Fresh Market Square Buffet" :30

VOCALIST: Take me where the fun is right.

Harral's Fresh Market Square Buffet

Featuring traditional American... Italian and International.

Traditional American

Where there's action day

Italian and International

Specialty salads and desserts and much more.

Fresh Food and Desserts

Harral's Fresh Market Square Buffet, only at Harral's.

Music: Goes have a great time, every time.

Harral's Joliet Casino - 800-HARRALS
APPENDIX XI
Sing: Take me where...  
Coming shot of Tully's back pool area at sunset

...the fun is right!  
Cut to shot of baker of table at hand,  
with pair of spectators

Where there's action...  
Cash drawer, of slot machine hitting a jackpot

...day and night.  
Shot of jubilant couple hugging hit the jackpot.

Someplace that's made...  
Closeup of picture with standard in Bally's house

...to excite me,  
Shot of marker is played with hand playing back.

Light up that sign!  
Cut to plaza take shot, picture shows

(musical chord)  
Cut to medium shot of happy women showing 
casino environment
Hey Vegas, play the Palace Station.

The restaurants are special... serving fresh cuisine.

It's pure casino fun, right out of a dream.

So come on, come on, play the Palace Station with me.

(MUSICAL BRIDGE - DANCE SEQUENCE)

So come on, come on, play the local favorite with me.

(MUSIC OUT)

McNabb, DeSoto, Salter & Co.
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Valley Broadcasting Co. v. United States. This case was decided in the United States District Court For The District Of Nevada. The decision by Judge Philip Pro allows gaming advertising in Nevada. 27 January 1995, Lexis-Nexis, The Lied Business Information Center. University of Nevada, Las Vegas.

