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## Sheraton slots atop list of nickel video payouts

Tunica ranking plays loose with data, critics say

By David Flaum  
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September 15, 2002

Loose Slot Louie, the loud talking, orange and white-clad character in Sheraton Casino ads, may have a point.

Nickel video slot machines at Sheraton Casino pay off better than similar devices in eight other Tunica County casinos, according to a test designed by Michael Shackelford, a Las Vegas gambling consultant and Web site operator. The results were published on the Tunica-MS.com Web site.

But people in the casino industry disagree over the test's accuracy, and even Shackelford concedes that the results probably can't be expanded to judge all the slot machines in the casinos.

He ran the surveys - the first one was in Las Vegas in March - to break what he calls a code of silence surrounding slot machine returns.

Over the life of a machine, a slot will never return all the money dropped into it - casinos typically will keep anywhere from \$2 to \$15 of every \$100 bet over a long period of time, said Shackelford, who operates [TheWizardofOdds.com](http://TheWizardofOdds.com), a gambling information Web site and does math analyses for casino game makers. Unless someone is playing at a machine with returns shown on a sign, he said, "the player has at best a foggy idea on what kind of value the slot machine is offering."

For his tests, Shackelford said, "a mole in the industry" supplied him with what are called par sheets for nickel video slots made by International Gaming Technology (IGT) and WMS Industries.

Those sheets identify the pattern of symbols on the five reels of the machines and matches the pattern to the payout percentage programmed into the computer chip that is installed in each machine, he explained.

For example, on the Leopard Spots game, two leopards and an orange bird from top to bottom on the three lines that show on a



By Alan Spearman

According to a test designed by Michael Shackelford, Brenda Pomeroy of Millington is playing the loosest nickel video slots in Tunica at Sheraton Casino.

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reel only show up on the sheet for a 96.225 percent payback, Shackleford said.

He estimates his Las Vegas work took about 400 hours and cost him about \$27.

Marsha Ness, an E-mail pen pal of Shackleford's from Memphis, did most of the Tunica testing using the sheets. Ness also has a Web site, Custom Strategy Cards which has advice on blackjack and information on other casino issues.

She said she checked 188 nickel video slots in May and mid-August along with some quarter and dollar machines. It cost her \$93.50, she said.

In July, the 10 casinos in Tunica - Isle of Capri has since closed - and one in Lula, Miss., had 3,680 nickel slot machines, according to Mississippi Gaming Commission figures. The win percentage for players on those machines was 90.33 percent or an average of \$90.33 for every \$100 bet. There was no breakdown showing how many of the machines were video slots and how many were the traditional reel machines.

The Mississippi commission does not release such statistics for individual casinos or machines.

Late last year, Sheraton Casino began an advertising campaign saying it had "loosened" just about all of its slot machines. The looser the machine, the higher the percentage that will be returned to gamblers. Other casinos, including Fitzgeralds, Hollywood and Horseshoe, have advertised and promoted their slots as "loose."

Ness's research showed Sheraton nickel video slots were programmed to return the highest amount to bettors over the length of the payout cycle. Fitzgeralds and Sam's Town followed with Hollywood sixth and Horseshoe ninth and last - results for Isle of Capri weren't included.

The verdicts on the tests were mixed.

"It's a solid, solid scientific study," said Anthony Curtis, publisher of Las Vegas Adviser, a newsletter specializing in the math of gambling. Shackleford is a contributor to the newsletter.

Curtis said he went to a casino with Shackleford to see how the tests were done, studied the methodology and talked with people who know how the machines work, including a former member of the Nevada Gaming Control Board, before reaching that conclusion.

But Mark McDermott, director of electronic services for the Nevada Gaming Control Board, disagreed.

"Without doing thousands and thousands of plays, I don't believe the results are accurate," McDermott said. He said a specific set of symbols may appear on machines with several different payback schedules."



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Casino operators also disagreed on the validity of the survey.

The results of the tests at Sheraton are "pretty close" to the casino's own numbers, said Steve Schutte, general manager of Sheraton.

"We're pleased. We've been saying all along we have the loosest slots in Tunica. It's gratifying to see a third party come in with no agenda (and confirm that)," Schutte said.

The test numbers are "remarkably close" to Park Place's own figures for Sheraton and its two other Tunica properties, Grand Casino Tunica (seventh in the survey) and Bally's (fifth), said Eileen Duffin, regional vice president of marketing.

But Matt Gallagher, director of marketing at Fitzgeralds Casino, said the test of 24 of Fitzgeralds 450 nickel slots, about 80 percent of which are video machines, did not produce a large enough sample.

"They should have tested more machines," said Maunty Collins, general manager of Sam's Town, which was third in the nickel slot test. Testing 40 machines instead of 20 (of 340) may change the results, he said.

Also, he said knowing which computer chip is in a machine doesn't tell you the length of time it takes for the machine to reach the average payout. The number of machines and slot players in the casino can affect the time needed for the slots to pay that percentage, Collins said.

That cycle is long, usually hundreds of thousands of plays, said Ed Rogich, vice president of marketing for IGT in Reno, Nev. He declined comment on Shackleford's research, saying he had not contacted IGT nor had the firm verified Shackleford's methods.

"What an (casino) operator sets his machine at is his own business," Rogich said. "We don't have any control over it."

Shackleford acknowledges the tests were run on a small number of the machines in the casinos, so drawing conclusions about the average payout at a casino from nickel video machines is risky.

While Shackleford believes the results on the nickel video slots are reliable, he said there is no way to measure the payout percentages on the so-called reel slots because they aren't set up the same as the video machines.

But, as far as those other machines go, he said, "Generally casinos that are loose with nickels are loose with quarters, just as a matter of business practice."

Traditionally, nickel slots are the tightest machines in a casino, Schutte said. As the amount of money the customer puts in to bet rises, so does the payout percentage.

"You can't tell by looking at a (traditional reel) machine whether it's a tight or loose machine," said Gallagher.

"It's circumstantial," said Jeff Strang, director of marketing at Hollywood Casino. "We base ours (slot payout claims) on the only place you can certify them and that's through the Mississippi Gaming Com-mission."

In claiming its slot payoffs are 20 percent higher than the Tunica market average, Hollywood uses those figures for the past three years, said Strang. At 20 percent, for example, if the market average was 90 percent, Hollywood's figure would be 91.8 percent.

Representatives of Horseshoe, Gold Strike and Harrah's, the other Tunica casinos, did not return phone calls asking for comment on the survey.

- David Flaum: 529-2330



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