

1. According to the text, which of these is not an example of a type of rule?
 - (a) Laws
 - (b) Treaties
 - (c) Telephone conversations end with a spoken “goodbye.”
 - (d) School regulations
 - (e) They are all examples of rules
2. Money constantly moves in a casino. According to the text, which of these is not an example of money moving in a casino:
 - (a) From the general manager to the regulatory agency
 - (b) From the vault to the cage to the table
 - (c) From dealer to player to back again
 - (d) From machines to the vault
 - (e) From one cashier cage to another
3. The tightening of the Nevada casino regulations occurred in:
 - (a) The 1930’s and 1940’s
 - (b) The 1940’s and 1950’s
 - (c) The 1950’s and 1960’s
 - (d) The 1970’s and 1980’s
 - (e) The 1990’s and 2000’s
4. According to the text, casinos as we know them today or their early predecessors did not appear until the end of:
 - (a) The 16th Century
 - (b) The 17th Century
 - (c) The 18th Century
 - (d) The 19th Century
 - (e) The 20th Century
5. According to the text, which one of the following historic events was not financed by lotteries?
 - (a) The Pilgrim’s passage to the New World
 - (b) Financing of the Union forces in the Civil War
 - (c) The reconstruction of Boston’s Faneuil Hall in 1762
 - (d) Construction projects for Harvard University
 - (e) The running of Charity Hospital in New Orleans
6. Nevada had a 45 year monopoly on Casino gaming until what state legalized gambling?
 - (a) Louisiana
 - (b) Connecticut
 - (c) Illinois
 - (d) New Jersey
 - (e) California

7. According to the text, the last of organized crime was eliminated from Las Vegas by :
(a) The early 1960's
(b) The early 1970's
(c) The early 1980's
(d) The early 1990's
(e) The early 2000's
8. Where are recorded security images stored in a technologically current casino?
(a) In the cashier's vault
(b) On video tapes
(c) On a hard drive
(d) On DVD's
(e) None of the above
9. Although fifty years ago, casinos on the Las Vegas Strip were individually owned, but today ____ major players control over 130,000 hotel rooms?
(a) Six
(b) Ten
(c) Twenty
(d) Thirty
(e) forty
10. Today gaming revenues in Las Vegas represent less than ____ % of total revenue?
(a) 90%
(b) 80%
(c) 70%
(d) 50%
(e) 40%

Answers: 1- e / 2- a / 3- c / 4- d / 5- b / 6- d / 7- c / 8- c / 9- a / 10- d

True and False Questions

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| 1. According to the text, the struggle between individual freedom and social order is at the center of the issue to legalize gambling. | True/False |
| 2. One of the factors that make the casino industry unique is that the amount of money that changes hands is tremendous. | True/False |
| 3. New Orleans was the first gambling center of America. | True/False |
| 4. Today almost 60% of Americans live within a four hour drive from a casino. | True/False |

5. In 1999, the National Study on the Impact on Gambling determined that opponents of legal gambling were correct in being against allowing legalized gambling, but were later proved wrong. True/False

Answers: 1- T / 2- T / 3- T / 4- F / 5- F

Short Answer Questions

1. Detail who else, besides the customers, is tempted by the large amounts of money in the casino environment.
2. Detail how the public's perception of gambling changed dramatically over the past 50 years.
3. Explain some of the reasons for the expansion of gaming in the United States.
4. Discuss some of the downsides to legalizing gambling.
5. Discuss the reasons for tighter regulations in Las Vegas casinos.

Answers:

1. Customers are not the only ones who think about getting more money. One chip can be worth \$50,000. It is the size of a half dollar. Working with that kind of money every day is a temptation for any person. Therefore, safeguards are in place to protect employees from themselves. But what about criminals outside the casino who want to rob the house or its winners? Or, the huge amounts of cash generated by the casino attract politicians, regulators, or police to take bribes. In addition, organized crime is an ever present threat whether for laundering dirty money or just making it. As you will see, the saga of gambling is full of people who do not follow the legal course to make money.
2. As a result of the government regulations and sanctions, the public's perception of gambling changed dramatically over the past 50 years. In part, the tight regulation of gambling activity has improved its image as an honest, legitimate business. It is a common approach in the casino industry today that gambling is a form of recreation. People can choose to go to a movie, or go bowling, or go to a casino. When planning a vacation, activities can include gambling. As a result, gambling can be a part of daily life. However, it is a choice like which movie to go to or which restaurant at which to eat. As a result, there has been a shift in accepting gambling as one of many entertainment options available to adults. While it was once viewed as a vice, it is now considered no more unsavory than going to the movies or attending the opera. However, public sentiment can reverse and gambling could be criminalized once again. Legal and political issues are constantly roiling around the industry.

3. There were many factors involved. The key factor was the shift of the public's attitude toward gambling. The generation that came of age after World War II has continually exhibited a less rigid approach to issues. Without this relaxed attitude toward gambling, there would have been no considering state sanctioned or regulated casino gaming. But without exception, the motivators for government to legalize gaming were the need for tax revenue and economic development. Whether discussing Nevada in 1931 or the Mashantucket Pequot in 1988, the responsible political entity saw a need to generate tax revenue so that it could provide the services its constituents expected. It also saw the need to develop and diversify the economic activity within its political jurisdiction.

The need for jobs was the primary focus of economic development. Voters expect their political leaders to take steps to facilitate a stable and healthy economy. Naturally, they are most interested in jobs. Jobs in Depression Era Nevada were desperately needed as they are today on Indian reservations. The benefit of jobs goes beyond the immediate worker. The worker spends his money in the community, which generates more economic activity. This in turn produces jobs and greater tax revenue. While a casino may employ 1,000 people, more than that can thank the casino for their job. As long as the original business remains healthy, the community remains vital.

- 4 While there is no clear and proven connection, there appears to be an impact on the quality of life in a community once gaming is allowed. Critics of gaming often point out that social costs such as suicide rates, bankruptcy, child neglect and abuse, criminal activity, and pathological gambling increase with legalization. However, studies on these phenomena are inconclusive in making the connection. On the other hand, other studies indicate that some of the problems of gambling are in fact social myths. For example, a number of studies suggest that there is a pattern for problems in the first two years of a new casino, but then the cycle reverses itself and lessens over time. In particular, this pattern is revealed in studies about crime in and around casinos and local restaurants going out of business. There has been no definitive study yet which shows how gaming impacts the social fabric of a community.

However, of the social costs identified above, one clearly and consistently increases with the legalization of gaming. Pathological gambling or the uncontrollable impulse to gamble always rises. It is obvious that if the tendency toward this condition is dormant, it will emerge when the opportunity to gamble becomes available. When 90% of Americans live within a four hour drive of a casino, it is clear the problem affects most communities. Pathological gambling has been studied increasingly since the mid-1990's and casinos have created programs on responsible gambling to address this major concern for the approximate 1-2% of the population who are predisposed to have serious problems. Far from taking over every gambler as some critics claim, pathological gambling affects only a small portion of the population. Even a small proportion, though, requires the attention of government.

- 5 Tighter regulations served several purposes. First and foremost, it ensured that the state was receiving the proper amount in taxes. No casino can manipulate their books in order to reduce their tax liability. Secondly, it improved and protected the reputation of the industry. Customers could have confidence that the casinos would not cheat them. Third, it held the federal government at bay. There has never been a serious attempt to outlaw gaming in America at the federal level in the past 50 years. Finally, the stability and fairness of the regulations has allowed Las Vegas to grow into the premier gaming market in the world.

CLASSROOM SUGGESTIONS

This chapter provides an overview to the history of casinos. As an introductory chapter, it may be helpful to begin classroom discussions by asking for the extent of students' personal experiences and knowledge of the casino industry. Personal student stories of winning trips to the casino, memorable visits to gaming facilities, and previous or current employment in casinos can be used to illustrate many of the general subjects discussed in this introductory chapter. Discussions of local casino facilities including sample commercials, ad campaigns and news stories can also be useful and illustrative at the beginning of this course.