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Gambler Learns She Can't Beat the House in Court

By BRETT PULLEY MARCH 19, 1998

Late one August evening in 1991, Sheila King, a recent widow, was playing \$25 slot machines at Caesars Palace in Las Vegas, Nev., when she impulsively decided to try her luck at a nearby machine that cost \$500 for each pull of the handle. Five times she dropped in the precious tokens and came up empty. But on her sixth pull all three reels stopped on blue sevens.

She had won a \$250,000 jackpot, and within seconds casino executives surrounded her to offer congratulations, take photographs and pass out champagne. While waiting for the casino to prepare her check, she played another \$500 machine and won \$50,000. Playing on a third machine a few minutes later, she won \$50,000 more.

"My knees hit the floor," Ms. King recently recalled. "I don't know how I was breathing."

On that night Sheila King took her first step toward becoming one of the biggest, most coveted slot machine players Las Vegas had ever seen. Over the next three years, she would win nearly \$200 million in slot jackpots -- and pump the money back in as fast as she won.

"I have never seen anybody play as lucky as she did," said Don Guglielmino, a senior vice president of Caesars at the time.

Lonely from the loss of her husband, and otherwise lucky as they come, Ms. King gained instant status as one of the industry's coddled elite. Caesars showered her with gifts, including a Mercedes-Benz convertible. Casinos installed her favorite brand of machines. Most important, she said, to keep her luck going she struck oral agreements with casino executives wherever she gambled.

If she decided to break for a meal or a nap, casino executives agreed to not let anyone else play her machine while she was gone. To allay her concerns that the machines' payouts might be manipulated, the casinos agreed that technicians would work on her machines only when she was present, she said.

But her reign as the queen of slot machine gambling ended in 1994, when her net winnings fell to \$500,000 and she began to complain that the casinos were not standing by their agreements. Now, after spending four years trying to convince courts and state regulators that the casinos should be investigated, Ms. King contends that casino operators lied to her, tampered with her machines and used deception to keep her gambling and douse her luck.

"I love to play," Ms. King said in a recent interview in her Los Angeles home. "It's great entertainment. But the casinos aren't playing fair."

Whether Ms. King, 60, was deceived, or just a gambler who pushed her luck too far, her experience reveals a little-known truth about the country's \$25 billion casino industry: casinos not only have the odds in their favor in the games, they have the upper hand over customers who accuse them of wrongdoing.

The promises that casinos made to Ms. King ultimately did not matter: Based on common law in Nevada and in other states with casinos, gambling agreements are not enforceable in court. As Ms. King learned, courts refer all customer claims against casinos to state gambling officials, and convincing regulators that a casino has cheated or acted unfairly can be as difficult as winning the lottery.

"A contract involving gambling is not enforceable under common law anywhere in the world," said I. Nelson Rose, a professor at Whittier Law School in California and an expert on gambling law. The only exception would be if a state adopted a

statute for specific circumstances, as some have done to allow casinos to collect markers, the money they advance to their best customers.

Many gamblers, from those who have sued over misprinted lottery tickets, to those who have accused a casino of not following the rules of a game, have found they are unable to get much recourse in court..

In a recent case in Atlantic City, Anthony Campione, an expert at counting cards at the blackjack table, sued TropWorld Casino and Entertainment Resort, charging that it had broken its contract with him by not allowing him to wager as much as he wished. A trial court awarded him \$1.5 million. But a state appeals court nullified the award, ruling that New Jersey's gambling commission, which is appointed by the governor, had jurisdiction.

But when gamblers go before a gambling commission, which works closely with casino executives and is responsible for regulating their operations in minute detail, the commission "usually sides with casinos over players," Mr. Rose said.

In 1994, Ms. King filed lawsuits in Nevada against Caesars and the Las Vegas Hilton, accusing them of breaking their promises to make certain machines available to her exclusively and not to do maintenance on them in her absence.

She also filed a complaint with the Nevada Gaming Control Board accusing the M.G.M. Grand of rigging a slot machine and taking other steps to lower her chances of winning.

The Hilton had already sued her to force her to repay a \$25,000 marker -- from a day when she had lost \$500,000. In her countersuit, she said she would not have borrowed the money had she known the casino was violating its agreement with her.

All three casinos denied wrongdoing. The courts dismissed both of Ms. King's suits and referred her to the state gambling board, which denied her a hearing on any of her complaints, saying it lacked jurisdiction because her accusations could not be substantiated as violations of Nevada's gambling regulations.

"That's the whole issue," she said. "I can't be heard anywhere."

The court did uphold one contract between Ms. King and a casino: the Hilton's \$25,000 marker. She paid it two months ago. But she has appealed to the Nevada Supreme Court.

The gambling board's chief of enforcement, Keith Copher, defended his agency's handling of such complaints.

"We receive complaints about casinos that we investigate daily," Mr. Copher said, estimating on average that one case a week was forwarded to the board's five commissioners.

The board, he said, handled Ms. King's case properly, but she may have fared better had she filed three formal complaints with the board instead of pursuing two claims in court. "That's up to her counsel," he said. "It's not our job to give them advice as to what procedures to take."

Unlike most other high rollers, Ms. King was not wealthy before she started gambling. A native of Miami Beach and a former private investigator, she owned a small graphic arts business when she began going to casinos with her husband in the late 1980's. Her husband, a Miami Beach jeweler, was being treated for cancer in Philadelphia, and on their trips there the couple would often make the hour drive to Atlantic City.

Ms. King was just another day-tripper at that time, playing \$1 and \$5 slot machines. But she was catching the bug.

"There is nothing like hitting the slot machines," she said. "It doesn't matter what denomination, the charge is there. It's the win, the win that's an adrenaline high."

When her husband died, she closed her business, sold her home and moved to Los Angeles to be near her two grown daughters. On Mother's Day in 1991, they surprised her with a trip to Las Vegas -- not to gamble, but to see a performance by Frank Sinatra, whom she adored. Once in Las Vegas, she did not take long to find the slot machines.

Three trips to Las Vegas later, Ms. King was with her sister and a cousin when she had the lucky night that changed her life. When she won the \$350,000 at Caesars, executives at the casino immediately started treating her like royalty. A man she had never seen, she said, whispered in her ear: "My name is Bob. Anytime you want to leave, I'm here to take you home."

That night, Bob drove the three women back to Los Angeles in a limousine.

Over the next years, there would be countless free limousine rides and plane tickets for Ms. King, her family and her friends to keep her returning to Las Vegas. She played only \$100 and \$500 slot machines, and she often won. On New Year's Eve in 1993, she won \$1.3 million in jackpots, starting 1994 with a net win from that night of \$930,000.

At that point, she was as far ahead as she would ever get: her net winnings then, she said, totaled \$1.3 million. Only the year before she had hit her lowest point, falling \$200,000 in the hole.

For high rollers like Ms. King, the taxes can be huge. For each jackpot of more than \$1,200, she had to fill out a tax form. So as she stood, often for hours, playing the slot machines and repeatedly winning jackpots, a casino employee always stood behind her, handing her tax forms to sign. She estimated that the largest amount of taxes she paid on her winnings in a year was more than \$80,000 in 1992.

Soon the casinos became a home away from home, the casino employees became a second family, and playing the slots became a family affair. For Ms. King's 56th birthday, Caesars threw her a party, complete with a two-foot-high cake shaped like a slot machine.

As a New Year's gift in January 1993, two Caesars executives took her to dinner in Los Angeles. As they left the restaurant, the parking valet drove up in a new \$85,000 Mercedes-Benz and handed her the keys, compliments of her dinner hosts.

On one occasion, she walked into her suite to find a light show with music and the words "Welcome Home, Sheila," flashing across the windows overlooking Las Vegas.

But later in 1993, Ms. King said, someone told her that a technician had opened one of her machines at the Las Vegas Hilton while she was taking a brief break. As a result, she refused to repay a \$25,000 marker that she had received from Hilton. Hilton sued to recover the money. Ms. King countersued claiming that she would not have taken out the marker or continued to gamble had she known the machine had been opened. As a result of her continued play, she lost \$500,000, which she sought to recover in her suit. With the start of her legal fight against Hilton, her days as a high roller began coming to an end.

Four years later, still determined to be heard, Ms. King says she is writing a book about her experiences, saying it will detail "many more improprieties" inside the casinos than those in her lawsuits and complaints. And recently, in a fit of anger at Caesars, she said, she traded the Mercedes for a Jaguar.

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