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Hon. Nathan Guy
Minister for Internal Affairs, Associate Minister for Justice
Private Bag 18041, Parliament Buildings
Wellington 6160
New Zealand

Dear Minister

CHEATING DEVICE IN GAMING MACHINES

Thank you for your letter of 1 July 2009.

In your letter, you have not denied the machines in use in New Zealand use the reel starving cheating technique. On the contrary, it is implicit from paragraph 5 of your letter; the absence of a direct denial from you and the common standards applied in Australia and New Zealand, that this cheating device is being used in New Zealand, as it is being used in Australia.

It is your duty to ensure that New Zealanders are not being cheated.

I have included detailed answers to your letter in the attached notes.

I have forwarded this correspondence to the Australian Productivity Commission as, due to the commonality of standards between Australia and New Zealand, the Productivity Commission report may well affect New Zealand. I have attached a copy of my letters to the Commission and to the Hon Tariana Turia.

Kind regards

Tim Falkiner

Cc

Hon Tariana Turia

Australian Productivity Commission

Notes

The following detailed answers are given to the points in your letter.

Paragraphs 1 and 2. I wrote to the Hon Tariana Turia because gaming machines are impacting heavily on the Maori community and it is of particular importance to the Maori community that the cheating device is removed from the machines. I raised this matter with your predecessor, the Hon. Rick Barker, in February 2008 and received no reply. I make no complaint about that as I am not a citizen of New Zealand.

Before I go into detail, I want you to understand the cheating device is very simple. The best cheats are simple. It is easiest to explain by comparing it to the old carnival cheat, the gaffed cat rack game. In the cat rack game there are four cats on a shelf and they all look the same but two are weighted. The player throws three baseballs to knock all four cats off the shelf. Two cats fall easily so the player thinks the game is easy. But the weighted cats are much harder to knock off.

Gaming machines use the same swindle. Assuming similar reel sizes, they will have, say five Kings on four reels but the other one is starved, it has only one King. The machine player will keep “just missing” because he seldom gets the King on that starved reel, just as the cat rack player seldom knocks over the weighted cats.

Paragraph 3. There is only the one cheating device, reel starving deceives the player, it is all the one thing.

Paragraph 4. The machines comply with the standards but the standards allow the starved reels cheating, an old racketeers’ cheating device. Certainly the machines pay around ninety percent player return but that is only good cheating; it keeps the player playing. The cheating is accomplished by making the odds look better than they are by starving reels so the player keeps thinking he or she just missed. There would be no sense in taking so much from the player that the player stopped playing.

It is no answer to say the game design and probability odds cannot be altered once approved; the design is a cheating design.

Paragraph 5. It is best not to use the word “mapped” as “mapping” in the industry is used to describe Telnaus patent virtual reel mapping. I have never said the Australian machines are mapped. I am complaining about reel starving, not reel mapping.

The machines are not random as between reels. And the player cannot discern that because the player cannot read the reel strips but can only see three symbols at a time. You note that the player could see the reel if it were slowed down but it is not.

It is like playing with misspotted dice with the player only being able to see one side of the dice at a time. Even with dice, which are openly handled and have only six sides, the rules of the game require mirrors on the craps table to enable players and the house to ensure the dice are honest. Misspotted dice are random insofar as each face has an equal chance of facing up but they are still cheating devices.

Paragraph 6. I am saying your machines in New Zealand employ the starved reel cheating device. I am not saying they do not accord with the Standards. The Standards allow the cheating device.