

The Code of Commitment and Responsible Gaming

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Presentation Overview

- ★ The Code of Commitment
- ★ Harrah's and responsible gaming
 - The company philosophy
 - Policies and programs
 - Responsible gaming program evolution and process
 - Responsible gaming employee training
 - Responsible gaming IT application
 - Responsible gaming media campaign
- ★ Questions and Answers

The Code of Commitment

The Code of Commitment

- ★ A public pledge that we will uphold very high standards in our relationships with our customers, our employees and communities
- ★ Putting into writing many of the commitments we have lived by for years
- ★ Breaking new ground to enhance our position as the leading corporate citizen in the industry
- ★ It's the right thing to do
- ★ Raising standard of accountability for ourselves and the industry
 - Model for AGA's recent Responsible Gaming Code of Conduct
 - Includes marketing and advertising standards

The Code of Commitment

- ★ To our *guests* to promote responsible gaming
 - We do not cash payroll, welfare or unemployment checks
 - We honor customer requests to be barred from our casinos or to restrict access to cash or credit
 - We recognize pathological gambling as a serious issue
 - We recognize that casino gaming is appropriate for adults only

The Code of Commitment

- ★ To our *employees* to treat them with respect and provide opportunities to build satisfying careers
 - We invest in our employees with excellent pay and benefits
 - We share our financial success through programs such as Performance Payout
 - We encourage professional and personal growth
 - We seek and respond to employee opinions

The Code of Commitment

- ★ To our *communities* to make them vibrant places to live and work, and to market responsibly
 - We conduct our business with honesty and integrity, with the highest moral, legal and ethical standards, complying with laws and regulations
 - We share our financial success by donating one percent of company profits
 - We encourage employees to volunteer
 - We restrict the placement and content of advertising and marketing materials

Internalizing the Code

- ★ Phil Satre's Code of Commitment tour
- ★ Code of Commitment Director position
- ★ Code Review Board
 - Evaluates potential code issues related to:
 - Marketing
 - Advertising
 - Sponsorships
 - Partnerships
 - Donations
- ★ Code of Commitment employee survey
- ★ Doing What's Right hotline
- ★ Internal Audit reviews
- ★ Responsible gaming programs
- ★ Internal controls submissions

Harrah's and Responsible Gaming

Harrah's Responsible Gaming Philosophy



- ★ Harrah's wants everyone who gambles at our casinos to be there for the right reasons—to simply have fun.
- ★ Harrah's doesn't want people who don't gamble responsibly to play at our casinos, or at any casinos.

Some U.S. Industry Firsts

- ★ First to recognize, operationally address problem gambling
- ★ First to be recognized for leadership by National Council on Problem Gambling
- ★ First to offer nationwide self-exclusion and self-restriction
- ★ Partnered with National Council to establish first national tollfree helpline
- ★ First to broadcast local and national responsible gaming messages

Responsible Gaming Foci

- ★ Provide information and meaningful alternatives for those who may not gamble responsibly
 - Self-exclusion and self-restriction
 - EAP and insurance coverage for employees
 - Support for publicly-funded treatment and other problem gambling services
 - Create awareness and provide support for national and state problem gambling councils, helplines
 - Support research through National Center for Responsible Gaming

Responsible Gaming Foci

★ Effectively communicate our responsible gaming ethic

➤ Audiences

- Employees
- Customers
- Public

➤ Provide information on gambling responsibly

- On-property collateral specific to responsible gaming, and the odds of winning/losing
- On-property, direct marketing materials include problem gambling helpline number(s)
- Responsible Gaming specific media campaign

Employee Communication and Awareness

- ★ Training at orientation, refreshed annually
- ★ Back-of-house signage
- ★ Paycheck stuffers
- ★ Counseling information
 - Employee assistance program (EAP)
 - Insurance coverage for problem gambling counseling
- ★ Internal publications

Patron Communication and Awareness

- ★ On-property collateral specific to responsible gaming located at major customer contact points
 - Main entrance
 - Garage entrance
 - All ATM's
 - All cashier cages
 - Credit office
 - Player card center
 - VIP services
 - Concierge
 - Hotel rooms

Patron Communication and Awareness

- ★ Direct mail pieces featuring responsible gaming specific messages
- ★ In-room TV ads featuring responsible gaming messages
- ★ Responsible gaming specific on-hold messages
- ★ On-property and direct marketing materials include responsible gaming helpline number(s)
 - On-property marketing posters
 - On-property marketing brochures
 - Player cards
 - Direct mail
 - Harrah's website
 - TV and radio advertising

Major Responsible Gaming Components Overview

- ★ Project 21
- ★ Unattended Children
- ★ Operation Bet Smart

Project 21

- ★ A training program designed to teach employees to
 - Identify individuals who may be under 30 years of age
 - Approach those individuals and checking their IDs using a professional, courteous, and friendly manner
 - Identify valid and invalid forms of ID
 - Recognize ways IDs can be altered
- ★ Developed in the 1980's

Unattended Children

- ★ A policy designed to address the issue of minors being left unsupervised on our properties
 - Children are required to have appropriate supervision
 - Minors must comply with local curfews or laws
 - Children are not allowed to loiter
 - Multiple offenses can lead to eviction
- ★ Developed in 1998

Operation Bet Smart

- ★ A campaign dedicated to
 - Promote awareness and education
 - Helpline numbers provided at major customer contact points
 - Provide information to guests and employees who may have a gambling problem
 - Ensure that our business practices promote responsible gaming behavior
- ★ Developed in the 1980's

Program Assessment (2000-2002)

★ Current program was more than a decade old and was assembled without benefit of latest research

★ Assessment:

- Survey of company trainers and supervisors
- Feedback from all employees via Code of Commitment survey
- Employee focus groups
- Consultation with treatment professionals and researchers
- Reviews of other companies, other programs
- Company-wide task force (including representatives from legal, marketing, HR, Government Relations, casino operations, IT, surveillance)

Key Findings

- ★ Training materials could stand freshening
- ★ Need and opportunity for stronger public role with positive responsible gaming message
- ★ Self-exclusion / restriction pose significant administrative challenges
- ★ Some confusion, apprehension on contact with patrons
- ★ Need for standardization across growing company
- ★ Need to incorporate latest scholarly research

Restriction / Exclusion Policy

- ★ Company-wide
- ★ Excluded/restricted at all properties (entire facility)
- ★ Timeframes
 - One year, Five Years, Lifetime
- ★ Excluded Activities
 - Credit, Check Cashing, Mail and Promotions, Comps, Gaming Privileges

Restriction / Exclusion Policy

- ★ Primarily self-initiated, but some company initiation may be involved
 - Triggering Events
 - Patron self reports
 - Employee hears statements from customer that cause concern
 - 3rd party written reports
 - Customer interaction (by trained employees)
 - Responsible Gaming Ambassadors
- ★ Corporate Panel
 - Company initiated exclusions
 - COO, General Counsel, appropriate Division President
 - Reviews cases referred from property
 - Makes final & binding decision

Responsible Gaming Employee Training

- ★ Three modules
 - “*Responsible Gaming Awareness*” -- all employees
 - “*Roles in Responsible Gaming*” – customer contact employees and all supervisors
 - “*Responsible Gaming Ambassador Training*” -- select group of employees at each property who conduct guest conversations
- ★ Emphasis on listening to customer statements, not observing behaviors
- ★ Emphasis on reporting employee concerns about customers, not identifying problem gamblers
- ★ Linkages between security, customer service and responsible gaming procedures

RG Ambassador Selection

- ★ Approximately 15-20 per property, depending on property size
- ★ 24/7 coverage with at least one RGA working each shift
- ★ Positions that are used to dealing with challenging customer issues
- ★ Flexibility of spending time on a moments notice with a guest
- ★ Both gaming and non-gaming managers
- ★ Only those interested, no forced participation

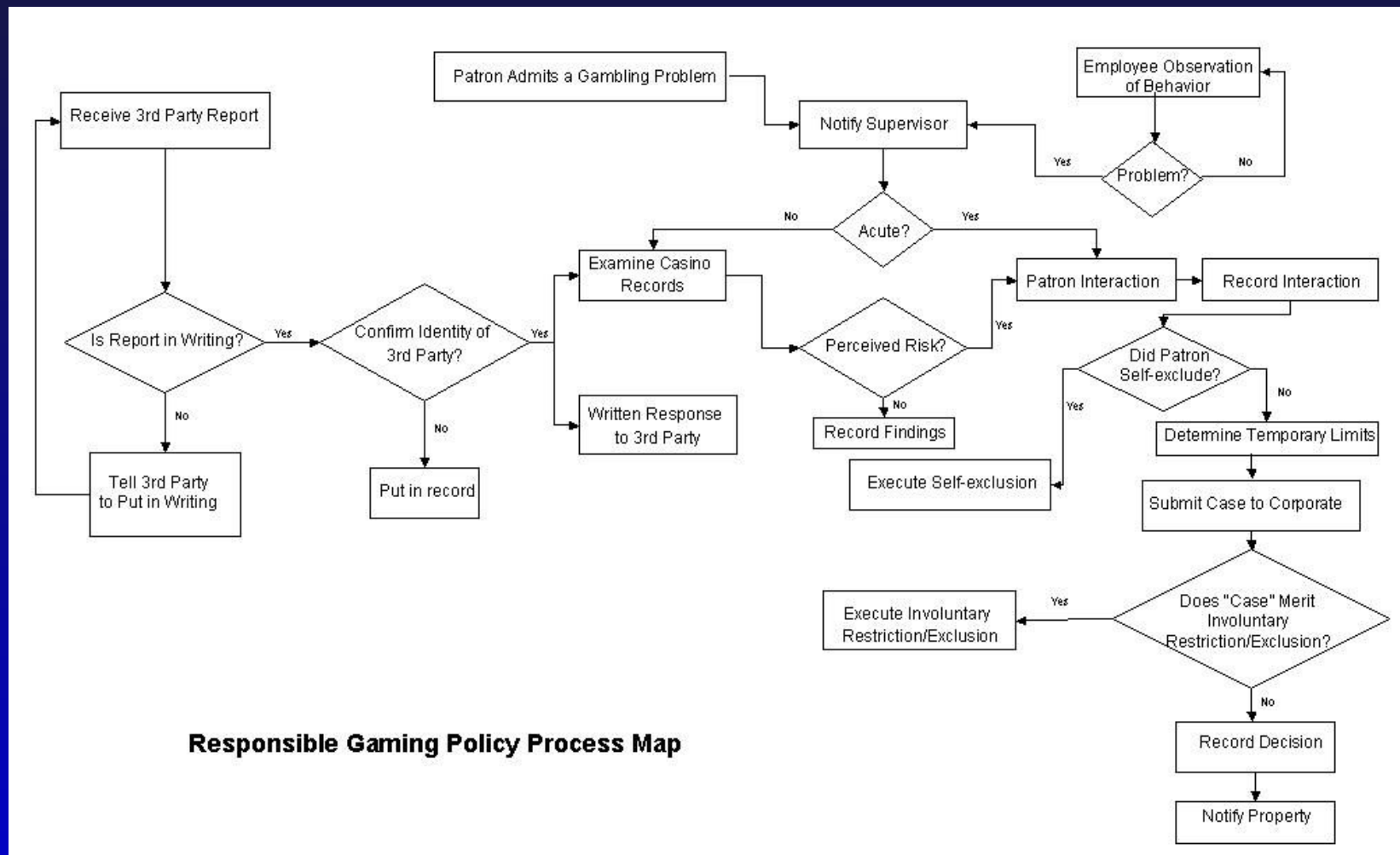
Responsible Gaming Employee Training

- ★ Not gambling responsibly can have serious consequences

Beth's Story

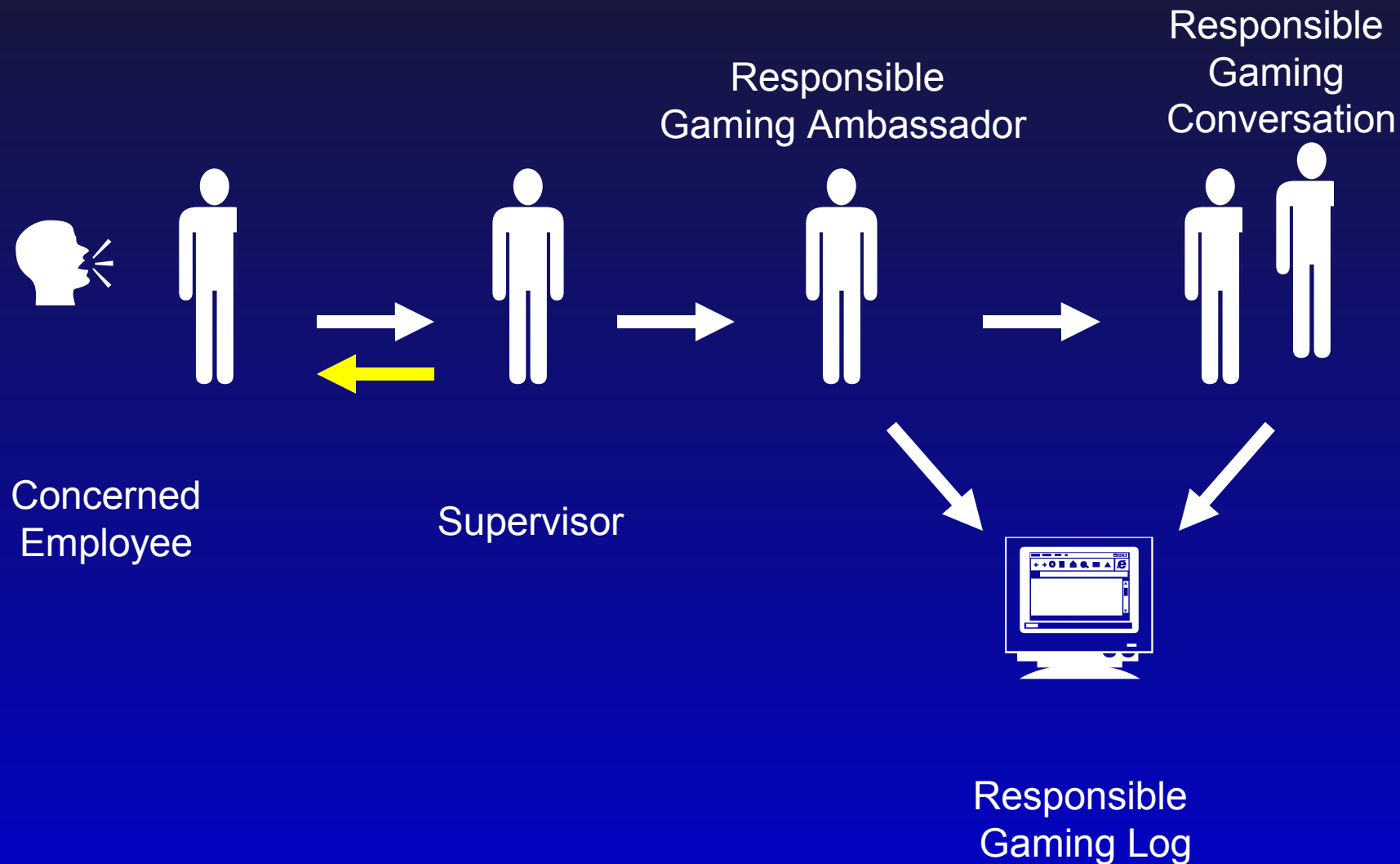
Responsible Gaming Employee Training

★ Responsible Gaming Policy process map



Responsible Gaming Policy Process Map

Policy of Reporting Concerns



Responsible Gaming Evaluation

- ★ Conducted by Dr. Robert Ladouceur
 - Pre and post testing
 - Experimental and control group properties
 - Assess program and training effectiveness
 - Identify strengths
 - Improve deficiencies

Responsible Gaming Core Teams

★ Corporate

- Director, Code of Commitment
- Internal Audit
- Information Technology
- Marketing department

★ Property level

- Property Responsible Gaming Committees
- Property Training Departments
- Property RG IT Application Users
- Responsible Gaming Ambassadors
- Property employees
 - Credit
 - Cashiering
 - Total Rewards
 - Direct mail
 - Slots
 - Table Games
 - Security

Property Responsible Gaming IT Application Users



- ★ RG Chairperson
 - Audits RG Program at property level
- ★ RG Administrator
 - Enters RG restrictions/exclusions on accounts
- ★ RG Ambassador
 - Creates record of RG conversations with patrons
- ★ Patron Contact Employee
 - Checks patron status to prevent RG transactions

Information Technology

Enhancements: Phase One

- ★ Property-specific (CMS) enhancements that automate manual procedures currently in place
 - Automated exclusions, restrictions in the CMS system
 - Log for responsible gaming incidents in the CMS system
- ★ Benefits from Phase One
 - Improved data integrity
 - Less labor intensive
- ★ Deficiencies of Phase One
 - Account changes must be made at each HET property individually

Information Technology

Enhancements: Phase Two



- ★ Stand-alone system that interacts in real-time with other systems across the brand
 - Automated exclusions, restrictions companywide
 - Log for responsible gaming incidents company-wide
- ★ Benefits from Phase Two
 - Enterprise solution
 - Account changes have to be made at only one HET property
 - Better in-casino enforcement of exclusions, restrictions through automatic denial of certain privileges processed from CMS
 - Including credit extension, W2G jackpots, requested complimentary

Information Technology Enhancements: Phase Two

- ★ Benefits from Phase Two (continued)
 - Assistance in compliance with state regulations
 - More control over marketing
 - Documentation of program activities
 - Audit, reporting function, etc
 - Responsible Gaming Log
 - Company-wide
 - Used to retain patron incidents outside of CMS
 - Limited access

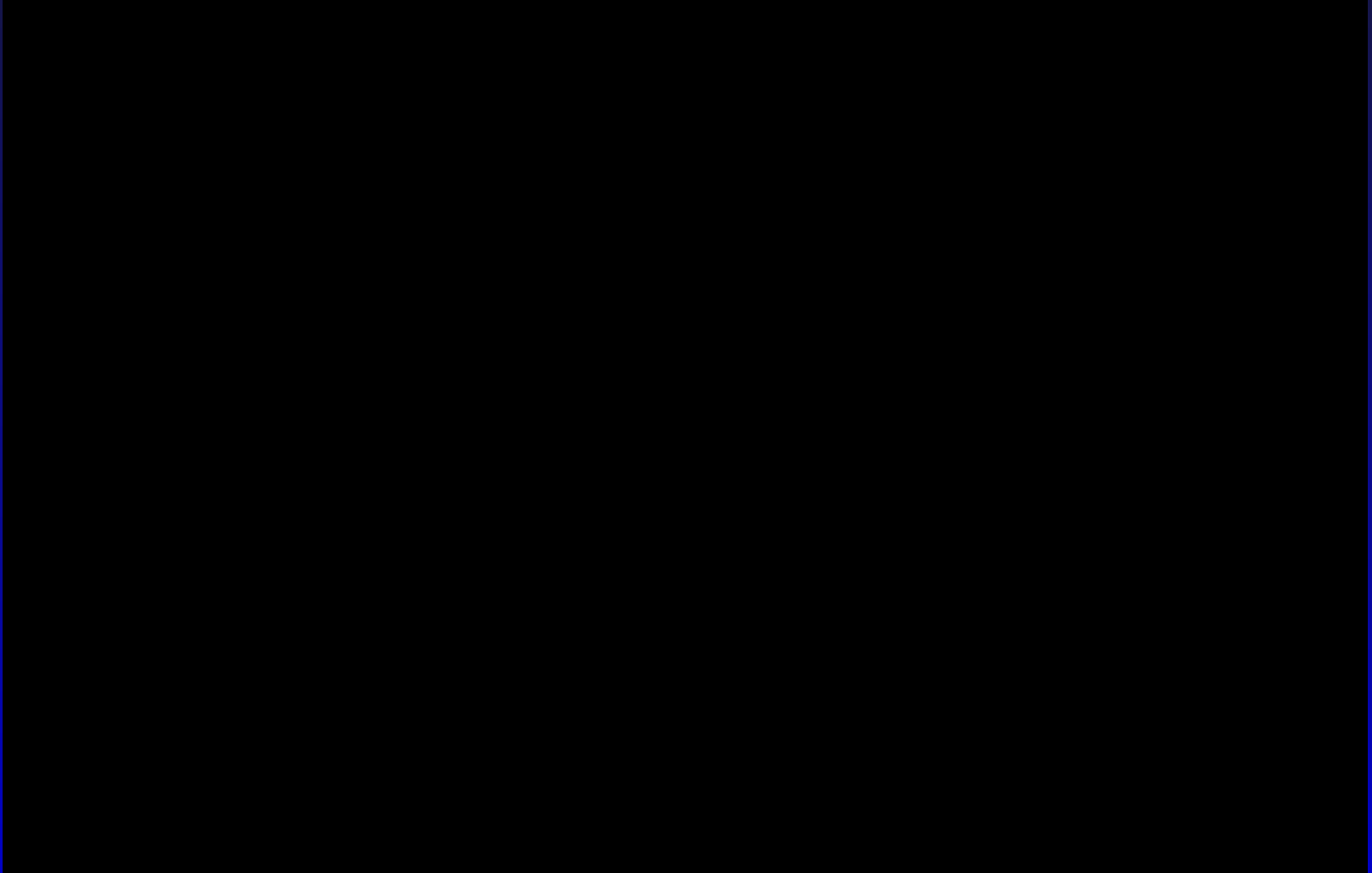
Responsible Gaming Media Campaign



- ★ Responsible Gaming specific TV and radio ads
 - Total of six ads in campaign
- ★ Pilot test of campaign
 - Ads were initially run in Missouri, Louisiana, Iowa, and Illinois
 - Campaign extended nationally on ESPN during the World Series of Poker broadcast
 - Total spend for campaign more than five million dollars
- ★ CEO message
- ★ Campaign extension, routinization
 - Marketing ad buy includes RG spots in rotation in all markets

Responsible Gaming Media Campaign

- ★ Gary Loveman responsible gaming television ad



Questions and Answers