

THE ORAL HISTORY OF JIMMY VACCARO

WITH COMMENTARY BY VINNY MAGLIULO

Jimmy Vaccaro is one of the most prominent figures in the sports betting industry. Mr. Vaccaro began his climb in the Las Vegas casino industry in 1975, starting off as a blackjack dealer at the Royal Inn. Due to his knowledge of the sport betting industry, Mr. Vaccaro was given the opportunity to open one of the first sports books in Las Vegas at the Barbary Coast under the direction of Michael Gaughan. Since then, Mr. Vaccaro had his hand in operating several sports books throughout Las Vegas casinos such as the MGM, Golden Nugget, The Mirage and South Point. Throughout his career, Mr. Vaccaro has been featured on national TV programs including ESPN and CNN. Mr. Vaccaro is one of the select few individuals that had a personal hand in building the Las Vegas sports betting industry to what it is today and certainly has the personal insight into its history. We are pleased to present Mr. Vaccaro's Oral History and are willing to bet that you will find it as interesting and exciting as we did.

EARLY LIFE

Can you tell us about your time growing up in Pennsylvania? Are you from Pittsburgh?

I grew up twenty-two miles east of Pittsburgh, in a little town called Trafford, Pennsylvania. Way back in those days – in the 1940s, '50s, and '60s – that was when the country was just exploding with steel mills and factories. Every little town had something going for it, which in a sense made it gambling-oriented. By that, I simply mean everyone had a little bit of money. Steel mills were pumping. My dad worked in a mill for forty-four years. We had the railroads and the factory, Westinghouse¹, right in our little home town.

Growing up, gambling was around us all the time – people betting the numbers, people betting on sports, people playing cards, people playing dice, people playing pool. The attraction for me was just automatic. I don't know how,

¹ Westinghouse Electric Company is a nuclear power company that provides its customers with a range of nuclear services, including automation, fuel, and new plant engineering. It supplied the world's first commercial pressurized water reactor in 1957 in Shippingport, Pennsylvania. See *History of George Westinghouse - Innovation Changing The World*, WESTINGHOUSE, <http://www.westinghousenuclear.com/About/History> (last visited Feb. 20, 2019).

or where, or why, but I just took to it. I understood it. You know, maybe I wasn't playing by this age, but I understood what was going on by the time I was twelve or thirteen years old. What I mean by that is I understood it; that doesn't mean I exercised it yet! I played small-limit card games with my friends for ten or twenty-five cents, betting – we used to call them spot sheets – now they're called parlay cards. A spot sheet asks, "What is the spot on the game?" That's why they called it spot cards instead of parlay cards. Here's how benevolent the old-time bookmakers were: if a game was picked, it was minus three both sides, ties lose. You had no idea you were against 85 percent, but it was the only game in town, so you played it. Me and my cousin invested about \$1.50 every Thursday night when Louis Esquino² put the cards out on the table. We might have won one time out of ten years, but we did that.

Getting back to me personally, it was automatic. Gaming came to me and I understood it. My brother was six years older than me, so when he was betting I used to go with him to where the illegal places were. There were places with confectionary stores up front, and then you'd go through the back door and there was gambling – like in the movie *The Sting*³, in the back when they go to the horse parlor. That's what I remember growing up. There were two of these stores in the area that I lived in. By the time I was eighteen or nineteen years old, I fully understood it. I went to Youngstown, Ohio, which was a wide-open town in the '60s – very, very wide open. I had a lot of friends in Youngstown and there was a lot of gambling. So, with that, I kept getting more and more involved in it. I played lucky as a kid once, earning what I would consider major scores. In today's market they wouldn't even be called major scores. I got to know a lot of people real quick. [*The interview was interrupted when Vinny Magliulo and Brent Musburger entered the room. Mr. Vaccaro and Mr. Magliulo discussed a customer who had just placed a significant bet on the Yankees.*]

When was the first time you visited Las Vegas?

My first time, I was a little bit of renegade. It's 1964, I'm eighteen years old. I got three of my posse and we got in my '56 Chevy. I had to come see what Las Vegas was. I had to come. We drove out here and stayed about three-and-a-half, four days. I was mesmerized, even at that time. There were only five hotels on the Strip, and I remember first going downtown to the Golden Nugget. We got thrown out, so we went across the street to the Horseshoe. We got thrown out again. My friends stayed in the car, but I said, "Fuck this! I'm going back. I got to see what's going on." I moved around for about an hour and a half, and I was done at that point. So then, when I turned of age, in the late '60s, early '70s,

² Louis Esquino owned a local sports betting pool in Pittsburgh, Pennsylvania.

³ *The Sting* is a 1973 film about two professional grifters who develop a complicated con scheme to steal money from a dangerous crime boss. See *The Sting (1973)*, IMDb, <https://www.imdb.com/title/tt0070735/> (last visited Feb. 20, 19, 2019).

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every time I made any money back home I would come back to Vegas. I'd last two or three days, go broke, and go home. The last time that I visited before I officially moved here, my friend at the time, from Youngstown, was a break-in craps dealer at the Golden Nugget. He said, "Jimmy why do you keep going home, getting money, and coming back?" I said, "Chris you're right." So, in the first week in January of 1975, which would start my forty-fourth year here⁴, I said, "Yeah, why should I go home? I just come out here and start from scratch." And I understood at the time, I had to get inside. I knew what the outside was, you know, how to do everything, but I still wanted to be connected to the inside to see what it was really like.

What was your first job in Las Vegas?

I dealt for about sixteen months. I was dealing at the Royal Inn and then got to know Frank Toti, who was Michael Gaughan's⁵ partner at the time, way back when. Frank was an owner of the Royal Inn, but we used to bet every Friday night when football season was around. He would get me off the table game or whatever and we would go make bets. So that was the introduction of them knowing that I knew a little bit about the sport.

Michael Gaughan gave me my first job about three weeks after I got here – and like I said, that'll be forty-four years in January. At that time, as you know very well, the hotels did not have race and sports books. Anyway, it moved really quickly from there. I got very fortunate. Michael Gaughan took me out to run his first sports book. We didn't have a race book at that time at the Royal Inn – that was his first casino. I can still remember, and I cannot lie about this although it sounds phoney, when Michael said, "Okay, we're going to open up a sports book," we had a card table and a Simplex clock – a little thing where you write the ticket, hit the button, and the ticket comes out. So we opened up as they were building this little sports book at the Royal Inn and naturally things got up-scale after that, but that was it. I think we had three windows. I had no office. I just stood in the back with the ticketers.

Then, when the Barbary Coast opened, it was like New Year's Eve every day. Johnny Spot used to work for me, he's the boss at the LINQ. Johnny was the first person I called back East. I said, "Get your ass out here." He says, "What for?" I said, "We're opening up a sports book," and he says, "Are you crazy?" I said, "Spot, just get in your car." He was in Steubenville, Ohio, and he came out. So as the Barbary Coast sports book got bigger and bigger, Johnny liked to bet \$10, \$20, \$30. He always had an opinion. He had this little thing on the wall

⁴ Mr. Vaccaro's interview took place in October 2018, marking January 2019 his forty-fourth year in Las Vegas.

⁵ Michael Gaughan owns the South Point Hotel & Casino.

he called “Spot’s specials” for the day.⁶ It was okay for a while, then one day as I was walking in to the Barbary Coast, I heard a lot of commotion. I thought, “What the hell’s going on?” Well, some guy went zero for three on Spot’s specials. So, the guy ripped the Spot’s specials board off the wall and is throwing it and he was screaming, and I asked him, “What’s going on?” He says, “Tell your fuckin’ guy not to fuckin’ give any fuckin’ losing odds!” I said, “John that’s the end of you giving picks.” So we went through everything: Up, down, tickets. . . There was the day Michael Gaughan ripped the computers out and threw them onto Flamingo Road because it was Sunday morning and the computers went down. The people who supplied us the computers were closed. Their off days were Saturday and Sunday. Well that changed after the Monday Michael went down. “I don’t care if you guys don’t work from Monday to Friday, you can’t be closed on Saturday and Sunday!”

From there, we opened up the first race and sports book at the original MGM. Then Steve Wynn gave me a call. I went to the Golden Nugget, but when Steve called me, for the previous week or two, you would hear all the stories about how he was building a place called the Mirage at the time. So he called me because he wanted to understand what race and sports books did, what I could do, but he didn’t want to wait until the Mirage was open. So that’s when he brought me down to the Golden Nugget in ‘87, and two years later we opened up the Mirage. Then, after I went over to William Hill for two years, Michael Gaughan called me back to the South Point. It’s been over five years now, so it’s been a good ride. I ain’t done yet and I wouldn’t trade it for anything. The ups and the downs and everything else.

Did you always prefer the sports gaming side of things, as opposed to table games?

Yes, much more. They didn’t get me. I liked to shoot craps and twenty-one I played very, very seldom. Craps I played a little bit lucky. That’s hard to say for most people, to say you played lucky. I made numerous scores. I wasn’t afraid to bet, I know that. It’s a little different now. I haven’t made a bet in five years. I don’t need to anymore. When you are betting on that side and trying to win, not for the recreational side, when you’re trying to win, it’s time-consuming - your whole life is different. I’m to the age now that I don’t need it, so it’s been quite a while. But yes, I bet on sports from the first day that I got here. Actually, I was servicing a guy back in Pittsburgh – a good friend of mine – he was a medium-sized book-maker and I would keep him up-to-date. I would check out

⁶ Spot’s Specials consisted of three free sports betting picks offered at the Barbary Coast.

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Churchill's line⁷ every day and Sammy Cohen's line⁸ every day, call him up if anything big was going on and he sent me \$300, \$400 a week, which at that time paid the rent. There was only one Western Union place in town, now where the El Cortez is. You couldn't get any money anywhere else, so I had to get downtown to get to the Western Union. I would ask, "Did you send the money yet?" He'd say, "Yeah, yeah, don't worry about it, don't worry about it."

It worked out well from the personal side, me doing what I was doing, getting to know the right people, at the right time. I stayed broke for about the first year-and-a-half just trying to maneuver, trying to make a little bit of a score. And then about the same time we opened the Barbary Coast, which will be forty years ago next month⁹, my intuition was better, and my thought process was better. I got to know the right people, and made what you would consider a lot of money. I got a hold of a lot of money, and then as I call it, it was a hurricane ride for about twenty years. When you're in your late thirties and early forties, you know, you never went home. My thing was, who wanted to go home?

What is your current role at the South Point Hotel & Casino?¹⁰

So, what I basically do now, I'm a sidekick. I assist Chris¹¹, I give my opinion on things or send the rules that need to be changed. When Michael Gaughan re-hired me, the friendship that we had was incredible. For a billionaire and a guy like me – he simply said, "Watch over my race and sports book, now get out of my office." So, that was it. To some degree I'm an overseer. I don't horn in when I shouldn't. The kids know what they're doing, but if there's something real, real big, they come to me and Chris and then I can go out and say, "You do this, do this, do this." But the kids are so bright, and with the technology they have, they'll find out what the hell's going on. You know,

⁷ Churchill Downs Race & Sportsbook was an independent a race and sports book owned and operated by Harry Gordon. See Scott Schetter, *Wish we still had Vegas' Churchill Downs*, GT GAMING TODAY (Nov. 28, 2017 3:00 AM), https://www.gamingtoday.com/article/71629-Wish_we_still_had_Vegas_Churchill_Downs.

⁸ Sammy Cohen operated a race book on the Las Vegas Strip beginning in the 1940s. See Joe Delaney, *Sports betting another entertainment option*, LAS VEGAS SUN (June 5, 1998, 10:05 AM), <https://lasvegassun.com/news/1998/jun/05/columnist-joe-delaney-sports-betting-another-enter/>; *Sammy Cohen Opens In New Horse-shoe Club*, LAS VEGAS SUN (Aug. 14, 1951), <https://lasvegassun.com/news/1951/aug/14/sammy-cohen-opens-new-horseshoe-club/>.

⁹ Mr. Vaccaro's interview took place in October 2018 marking November 2018 the fortieth anniversary of the Barbary Coast.

¹⁰ In February 2019, Mr. Vaccaro took a position as the Director of Sports Relations for Rivers Casino in Pittsburgh, Pennsylvania. See Todd Dewey, *OddsMaker Jimmy Vaccaro leaves Las Vegas after 44 years*, LAS VEGAS REV.-J. (Feb. 1, 2019, 11:00 AM), <https://www.reviewjournal.com/sports/betting/oddsmaker-jimmy-vaccaro-leaves-las-vegas-after-44-years-1587425/>.

¹¹ Chris Andrews is the current sports book director for the South Point Hotel & Casino.

naturally, there's still a feel for it that I obviously still have from way back when, but as far as the tech side, these kids are right on. They move ninety-nine percent of the time. I'm just standing back and not doing anything, just watching. When there's a big crowd or something going on, they know what they're doing. It's quite different than what it was.

PASPA

What do you expect the ripple effects of the invalidation of PASPA will be?

Well, I remember in '92 when PASPA came up, the people – forget me, running a sports book, I mean the owners, the people who own these places – they were kind of glad because that meant there was more of a monopoly out here. They didn't want anybody else doing it. So, at the beginning it was like, "Fuck them. Who cares about them? Now they have to come here." And they did, the sports books have thrived since then, but now they have to keep up with the times. You have to offer it. You know what's coming. Vinny¹², my nephew, and Chris, they've been traveling around the country and we've been presenting deals to a lot of other states. You just have to get involved sometimes. Even Michael Gaughan, at the beginning, you know even out here was saying, "Who needs phone apps? We want people to come into our casinos." But he still had to do it, because if you didn't do it, then the customer would sign up somewhere else and be a customer somewhere else. So, you take the shot of like, okay he's going to take his wife to dinner one night and take his kids to school, but he still going to be our customer. I think Michael was only the third or fourth place to have the phone apps, so we stepped up real quick; Michael stepped up real quick. We had to do that. So, the PASPA thing, at the beginning was viewed quite differently than it is now because, as I told you a few minutes ago, nobody out here wanted them to be able to book sports anywhere else. Now, like anything else, everybody keeps reinventing themselves; so are we.

With new jurisdictions establishing their own sports wagering, have you already seen an impact on the Las Vegas markets?

I personally feel the numbers this year are higher than last year already, in the first five weeks of the season. The only thing that will make a big difference is if California opens up. That I think would be a whole new ballgame. We actually have people right now who live in California and they come to town,

¹² Vinny Magliulo worked closely with Mr. Vaccaro and is another prominent bookmaker in the sports betting industry. Mr. Magliulo previously directed sports books at Caesars Palace and the Wynn Las Vegas prior to taking a position as a Vegas Stats & Information Network (VSiN) oddsmaker. Mr. Magliulo is also the sports book director for Gaughan Gaming.

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sign up, and deposit money. Then when they go back, now it's a Sunday morning they just drive right over the state line, make their bets, and go back home. It's convenient. Who wants to drive the extra 150 miles when you can just get on the phone, make your four team parlay, and then go home and watch TV? So, that's a big part of it. Plus, even after everything is done, even after everything is settled, the people that do it right will always be okay. If you're going to do it silly, you know, sooner or later the people who are playing will find out that the guy across the street has a better product. So, you must keep maintaining stability, thoughtfulness, understanding, and everything else. We'll be fine. Each Sunday so far has brought in a little bit more than the previous Sunday. That's incredible to me, just incredible. The number keeps going up and up and up.

Have you been consulting with other jurisdictions who are wanting to establish their own sports wagering market?

Yeah. Vinny, my nephew, and Chris are talking to those people. Vinny's into that more than I am. How that works is the gaming representatives from other states get a hold of me or my nephew, then we call Ryan – who is the general manager – then they set up something to go speak to him. I think my nephew is going somewhere today. He's in Colorado, and he and Vinny were in Minnesota last weekend. There's going to be a lot of expansion.

Do you feel these other jurisdictions are just testing the waters? Or do you think they legitimately want to open their state up to sports wagering?

Vinny: I think they do legitimately want to set up their own, and what they're preparing to do is approach their state legislators and then reconvene after the holidays. Then they will approach them again and say, "We want to move forward." For instance, if Oregon adds sports wagering, they would have a big jump on the West Coast compared to, let's say, Pennsylvania. New Jersey is already up and running, as is Delaware and Rhode Island. They don't want to see their citizens driving to adjacent states.

Jimmy: So what you're seeing now, as Vinny just said – this is just an old-time bookmaker's guess – I believe the first three months of next year we'll be involved with other states and I think it goes crazy after another six to eight months. I think, and that's just a guess, it's almost like some of the states are waiting to see how the other states are doing before they do it. So, the Atlantic City stuff, they're jammed already, they're jammed. So, like Pennsylvania sent their \$10 million in for licensing from what I understand a few days ago.

Vinny: Actually, Rush Ltd. just paid the \$10 million license fee last week.

Jimmy: So I believe, it's just a guess, but I know that they're doing their due diligence. They've been doing it and we'll wind up with a few sports books in

other jurisdictions. There's no doubt in my mind.

Do you feel like this expansion is good for the industry?

Jimmy: Well, why not? I think we know what we're doing.

Vinny: It's a fascinating process, it's interesting.

Jimmy: I'll tell you the same thing I told everyone else. The money is where you law students are going to be. Because, like I said, even with all the technology, yes, you still need an overseer. You still need the guy at the end, so that hopefully you won't have problems like they did in New Jersey with that \$82,000 payout or whatever, which is insane.¹³ But, the compliance, the auditors, the lawyers – that is where all the money is at. Trust me on that one, kid. I keep telling the story, the first time I went up for the key employee license for the Royal Inn it was like one page, and for the Mirage there were about thirty pages. Now, it's like fifty pages! So, I don't know what they're talking about. You keep up what you're doing, and you kids are going to get a chance. No doubt about it.

Do you view yourself as a pioneer of sports wagering?

Well, the first break came from Michael Gaughan. At that time, it was just the Stardust with Lefty Rosenthal and Bob Martin at the Plaza who had sports betting. The Circus Circus tried it, but forget about them. They only lasted about four months way back when, because they screwed up so bad. So, we constantly just went to the Stardust and the Plaza, the first two legitimate race and sports books that were inside a casino. And then Michael was third with the Royal Inn, but we were still third. Then, there was Castaway a few months after us. So there were only those four for a while, but Michael changed the industry. When we moved to the Barbary Coast, when we opened up that sports book there, the next year was mayhem! You guys are too young to know, but if you had a Caesars Palace chip, you could use it at the Barbary Coast. Nowadays you can't do that stuff. So every Monday, they'd have what they called a "run" on the chips. You'd go to the place that have your chips and would buy them back and picked up money at the other places. So one weekend they turned the money in and Michael Gaughan called me. He was screaming on the phone so I went upstairs and asked, "What's going on?" He said, "What the hell are you doing?" "What do you mean what am I doing? Nothing." He said, "Harry Wald called me." Harry was the president of Caesars Palace at the time. We had \$250,000 worth of chips from

¹³ In September 2018, FanDuel, an online sports betting company, made an \$82,000 payout on a disputed \$110 sports bet after the company's automated system mistakenly generated long odds on the final moments of a Sunday football game. *See FanDuel Pays New Jersey Man in Full After Pricing Error in Raiders-Broncos*, ESPN.COM (Sep. 21, 2008), http://www.espn.com/chalk/story/_/id/24744967/fanduel-pay-man-full-82000-disputed-bet.

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Caesars. I said, "Michael these are just people from the Caesars that came up and bet on the sports." So Michael called Harry Wald and he says, "What do you mean? We don't have a Sportsbook in here?" So within eighteen months the Flamingo, Caesars, the Dunes, and then the MGM started thinking about doing it. Michael jump-started it because you couldn't move in the Barbary Coast on Saturday and Sunday. Ninety percent of the people were from the MGM, Caesars, and the Dunes.

Vinny: Including their dealers and their employees too.

Jimmy: Michael was the first one to go twenty-four hours too. That was a genius move. The first time he told me we were going to go twenty-four-hours, I was like, "What, are you crazy? Nobody's going to go!" He said, "Shut up and go downstairs." What we found out was every dealer in town off of a late swing would stop at the Barbary, make their bets, and go home. They still do.

Vinny: All the casino folks, dealers, floor people, bartenders, waitresses. We're a three-shift town, right? So, when they get off on swing days or graveyard, what do they do? Some of them go to a local bar or maybe home, but a lot of them come here. This is where they are on Friday night and Saturday morning, putting in their bets, playing cards, unwinding, having a few drinks. This is it, this is where they come.

What impact will the Raiders' moving to Las Vegas have on the sports gaming market?

Jimmy: It will triple with the Raiders, because its football. Well the thing that fell unbelievably was the outcome of what the Golden Knights did, you know? If they had just been the twenty-win and fifty-loss team, it wouldn't have been like this, but that did it. Plus, the other thing which is good is now is your ten-, eleven-, and twelve-year-olds. You know in five years, this will be their team, even though their families came from Buffalo. You'll see that it is very good. It's good for the NFL, which kicks hockey's ass. How else can I put it?

Vinny: Think about this: the best way I can sum it up is there are eight regular season home games and two pre-season games in the NFL. Those will be events because of the attraction of football. That's sixty-five-thousand people, and the other team is going to have a following as well.

Jimmy: It will absolutely juice up the Rebels. My goodness! Now you really can make a weekend. You can go to a college game Saturday, and pro game on Sunday. It'll be a monster. I was talking about this the other day. I don't go down to that part of town that much, but I went down the other day. They got one of the walls of the stadium up already! Sheesh!

Vinny: The thing about this is it's not just the Raiders – it's that Arena. Yeah, the Vegas Bowl is one thing, and you'll see a bigger bowl at some point when the current TV deal runs out. I want to say the deal is three or four years, so fast-forward about five years from now, and the playoff will probably expand beyond

four teams. The college football playoffs are just going to get bigger. Fill in there what else is coming: the Super Bowl – every new arena gets a Super Bowl within its first decade. Oh and by the way, what are they using for Final-Fours now? The football arenas. So, you start thinking about those things and it's as much about the facility as it is about the team.

Jimmy: We see it happen already with the conference championship, with the Pac-12 tournament; you can't get a seat!

Vinny: Yes, the basketball tournaments like the Pac-12 at T-Mobile, are phenomenal! So, I believe we'll have a regional first and then gradually we'll have a first and second round. At some point, I'm confident we'll get a Final-Four.

ESPORTS

What efforts do you put into developing new sports wagering products like esports?

Jimmy: It's like everything else. If it's doing good somewhere, we'll do it. End of story. Casino owners, I love them. They pretend they're all friends, but as soon as they find out one's doing something that they ain't doing, its, "Get in here. What's going on over there?" It's just the nature of the business. So yeah, we'll end up doing it too, sooner or later.

I was watching something the other day, and I had to run on and get the kids. They were having a competition with drones. I said, "This is way out of my league here," but if those kids are playing it, we'll be offering it sooner or later. It's only a matter of time. We have this week a big bull-riding thing – stay on the bulls – my goodness! If you would have told me this forty years ago, there would be, you know "PBRs," I would say, "What, are you crazy?" Michael Gaughan has 1,500 stalls in the back with air conditioning so that the horses have a nice summer when they come out here. He bought seventeen acres of land back there for \$17 million to build more stuff for the horses. Michael does a lot of things right!

Vinny: He's a visionary. I mean the studio – I should really talk to you about the studio – the VSIN Studio. So, we built a glass studio in the middle of the casino floor. I'm going on live in fifteen minutes. The point I'm making about that studio, is that Michael Gaughan – there were sixty slot machines in that spot. Not many casino operators would have the vision and the foresight to say, "Wait a minute, I want to have an attraction here." And what that is, in essence, is the point of reference for legal sports wagering in North America, because the backdrop is this sports book. So, when I go on live at three o'clock – you heard a while ago about a gentleman betting \$30,000 on the Yankees today, so if that happens or something like that happens, it's in real-time and it's reported. People

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are watching.

Jimmy: The response is incredible.

Vinny: So, the point is that Michael Gaughan, who again – you know casino floor real estate is very valuable real estate – so you think about sixty slot machines being moved out to set up for a studio. Not too many people would do that.

Jimmy: The cost of the studio was \$900,000, and Michael said it was well worth it.