

THE GOOD THE BAD and THE UGLY

by Howard W. Herz

Chip and check collecting as a hobby does not have a built in protection from problems of authenticity and fraud. Almost every hobby has it's darker side and chipping is no exception. Although problems of misrepresentation are not as rampant as in some hobbies, our hobby today is facing an increased number of frauds. Recent events that have cast doubts on slug core checks have brought the question of fraud to the minds of many collectors. I have always believed that education is the best defense for any collector. Taking on the problems of fraud and misrepresentation is an excersise in education and investigation. What you don't know can kill your wallet...but it should not stifel your enthusiasm for collecting. What may suprise most collectors is that counterfeit and alterations have been around for years in our hobby...they are not just a recent phenominum.

One of the fundamental principals that will guide us in our investigation of genuine checks, counterfeit and alterations can be stated as follows: EVERY CHIP WILL HAVE THE CHARACTERISTICS OF THE PROCESS BY WHICH IT IS MANUFACTURED. Whether those characteristics are from a licensed manufacturer or from a home made

counterfeit, it will be those characteristics that will most likely identify the source of manufacturer.

Let's start with some definitions to build a foundation of understanding. From the standard dictionary definitions, I have selected those that most readily apply to the subject at hand.

original ... 4. created, undertaken, or presented for the first time.

alter 1. to make different in some particular, as size, style, course, or the like; modify...

alteration ... 2. a change; modification

counterfeit, *adj.* 1. made in imitation with intent to deceive; not genuine; forged. 2. pretended; unreal. - *n.* 3. an imitaitaion intended to be passed off as genuine; forgery.

fake *v.* 1.. to create or render so as to mislead, deceive, or defraud others. ... 3. to counterfeit

fantasy ... 8. an imaginative or fanciful creation; intricate, elaborate, or whimsical design.

faux ...artificial or imitation; fake.

forgery ... 3. any spurious work that is claimed to be genuine, counterfeit

reproduction ... 2. a copy or duplicate of an original

restoration ... 3. a return of something to an original or unimpaired condition. ...6. a reconstruction or reproduction, as of an extinct form, showing it in the original state.

To begin with, we have to define what we consider to be "original".

Original Gaming Checks: Any gaming check and chip that is produced by a manufacturer / distributor by agreement with a customer based on the customers specifications, design and consent and is intended for use in a gaming operation.

Re-Ordered Original Gaming Checks: Any gaming check and chip that is produced by a manufacturer / distributor by agreement with a customer based on the the customers request for additional checks from the original specifications and design of a previous order and is intended for use in a gaming operation.

Both of the above definitions seem to be obvious and rather simple. The critical part of the definition is the concept that the checks were made by agreement between an operator and a supplier.

Counterfeits

Historically, alterations and counterfeiting can be grouped into two distinct periods of time. The period before the 1980's, and the period after. Before the 1980's and the rise of active chip collecting, gaming checks were the currency of the gaming industry and their redemption was limited to the gaming operators who issued the checks. Alterations and counterfeits were made to deceive gaming operators and primarily sought to achieve redemption of a check without detection. Counterfeits and alterations from this period of time tend to be of sufficient quality to avoid detection during an active game.

Many parts of the gaming industry have been self regulating throughout its history. The suppression of counterfeiting was primarily the domain of the gaming operators who did not hesitate to use force when a cross-roader was bold enough to try counterfeiting. There are probably both counterfeit checks and a few counterfeiters in Lake Mead. In an industry that is not known for its tenderness to problem makers, enforcement tended to leave the heirs and survivors with a clear understanding that counterfeiting checks was neither popular nor tolerated.

Some of the classic examples of early counterfeits and alterations are noted below: Using the basic definitions above, these items can be classified into counterfeits, alterations or a combination of both.

These classic alterations uses a combination of painted inlays on an original gaming check along with original inlays. The Harrah's \$25/5 has painted inlays.



A large number of the counterfeits in the early period of gaming were made for the "middle" denomination of \$25. It is presumed that this denomination would not bring a lot of attention in a game as would a higher value, yet would be of sufficient worth to make the counterfeiter money.

Fremont Hotel \$25:

Perhaps the most deceptive alteration of all, this check has the almost correct edge insert colors with a reproduction inlay. The primary indication that the inlay is a reproduction, is the fact that the "linen" hatch lines on the surface of the check are not also on the inlay as would be the case for an original. In this particular case, the inlay also displays slight differences of size and clarity.



Genuine Fremont Hotel \$25



Concoction Fremont Hotel \$25

Misrepresentations

With the rise of collecting, the value of many checks began to exceed their face value and the concept of counterfeiting and altering took on a different target. It might be easy and convenient to categorize certain spurious issues of checks into the general category of counterfeits, but the circumstance of their production will provide a more accurate classification. We have used the definitions above to expand the classification of some of the different checks that have been produced under less than original conditions. The stories of their production have been included to give a greater understanding of what these items are.

Original Manufacturer Unauthorized Issues

In addition to the regular counterfeiting and altering by cheaters, some of the counterfeits that are prevalent today grew out of practices of a self regulating industry and were not considered to be problems before collectors and collecting became a factor or consideration in check values.



One of the most interesting examples of “official” manufacturer’s “counterfeiting” of checks began when a group of gaming checks were manufactured for a casino that never opened. In an attempt to dispose of the checks and recover their cost of production, the official checks of an never-licensed casino were offered to a local Las Vegas man. The checks were sold as gift shop items and were quite successful. So successful in fact that the man asked for more checks. Having sold all of the checks from the cancelled order, the manufacturer began to produce checks that they had made from other casinos that were no longer in business. The customer requested that the checks be identical to the originals and the company complied as close as they could. The only difference in the original checks and these MANUFACTURER’S UNAUTHORIZED REPRODUCTION CHECKS was the the edges of the reproductions were perfectly straight whereas the originals had slightly curved edges. In addition, some of the reproductions were made with polished metal inlays by an unintentional accident. These checks constitute our category of unofficial reproductions that we define as:

Manufacturer’s Unauthorized Reproduction Checks

Gaming checks and chips produced by a manufacturer / distributor WITHOUT the consent of the

original customer. These checks are of identical or exceptionally similar design and appearance to the originals.



Genuine



Imitation Reproduction

The story of these Unauthorized Reproductions does not end here. Another Las Vegas man also found that the reproductions sold very well and ordered reproductions of additional defunct casino checks. These reproductions however were not identical. Since the period of time when the originals were made, the manufacturer had changed his manufacturing methods and the unauthorized reproductions that he did produce were identical in colors only. The mold design of the originals been an incused design in the surface of the check. The MANUFACTURER’S IMITATION REPRODUCTION CHECKS that were made had injection molded designs rather than

incused designs. These checks constitute our category of unofficial reproductions as:

**Manufacturer's Imitation
Reproduction Checks**

Gaming checks and chips produced by a manufacturer / distributor WITHOUT the consent of the original customer that imitate the designs of original checks.

The production of these checks was initially done for gift shop sales, but they soon entered the small collectors market of the time and caused an uproar. The manufacturer of the metal inlay checks stopped making the unauthorized reproductions, but they can still be found in the collector's market place.

...The story however, still does not end here....

To obtain additional reproduction checks to meet the growing demand in the marketplace, the original customer who successfully sold the original group of checks from the never-licensed casino went to one of the clay check manufacturers and ordered exact reproductions of several defunct casino checks that they had produced.



These included the higher denominations from a well known Las Vegas casino and a Reno area casino. These checks, however, found their way to a collector / dealer.

The idea of marketing defunct checks appealed to the manufacturer who proceeded to produce a series of FANTASY DENOMINATION checks of high denomination for a defunct casino. These checks constitute our category of unofficial reproductions as:



Fantasy Denomination Checks

Gaming checks that are produced WITHOUT the consent of the original customer in denominations that were never originally ordered by the customer. The color combinations of fantasy checks may or may not conform to generally used colors for the denominations.



Unapproved Denomination Checks

Non-redeemable and non-live gaming checks and chips produced by a casino owner without the required approval of the official gaming control authority specifically for sale to collectors.



With the dramatic rise in popularity of gaming checks, the lure of the collector's dollars became the incentive for a dealer and a casino owner to create a set of checks that we classify as UNAPPROVED DENOMINATION CHECKS for a small casino that could hardly afford penny slots. By ordering a limited number of odd and higher value checks, the owner created special sets to be sold to collectors. The issue of what these checks are is clouded by the fact that the man owned a casino property - but was not fully licensed. It is also interesting that the property could have ill afforded the use of a \$100 check in any of its games let alone the higher denominations. The checks were spurned by collectors as a fraud on the hobby. These checks constitute our category of unofficial reproductions as:

Not satisfied with sales to customers who wanted the look and feel of genuine casino checks, the man who brought the hobby *Manufacturer's Imitation Reproduction Checks*, developed a series of SOUVENIR FANTASY COMMEMORATIVE CHECKS that depicted the logos of defunct casinos along with the dates of opening and closing of the casinos. These checks included values up to \$5000. Each of the casino groups have identical colors for each denomination, a practice that would not be followed between live gaming houses. Although the dating on these checks would indicate that they are not original issues, many people still can not grasp that notion that a business would not put the closing date on a live check.

These checks constitute our category of unofficial reproductions as:

Souvenir Fantasy Commemorative Checks

Unofficial Gaming check produced as a souvenir that depict logos and casino artwork WITHOUT official authorization from the original owners.





Las Vegas gift shops have sold sets of gaming checks for as long as they have existed. These sets have varied from the plain sets of colors to sets of checks with highly detailed inlays and inserts from fictitious casinos. These checks constitute our category of :

Fantasy Casino Checks

Gaming checks with inlays from fantasy or faux casinos.



Manufacturers and distributors usually set aside a specific set of colors to avoid conflicts with live casino checks for these sets. One of the telltale features of these sets is that the colors for denominations and the insert colors will not vary from set to set of different fantasy casinos. In effect, the manufacturers have created fantasy color combinations for these sets.



With an ever increasing number of movies being filmed in casinos that include gambling scenes, a separate category of MOVIE PROP CHECKS is appropriate. These are a distinctly separate category, having been created in the name of a faux casino for the movie or as non-redeemable movie props for an operating casino shown in the movie. These checks constitute our category of :

Movie Prop Checks

Gaming checks of non-redeemable values created as movie props for either existing or faux casinos.

Our final category of gaming checks represents genuine checks that were produced for a casino operation that never opened. In the pure sense of the definition, if the casino never operated, the checks were never live checks and by most collectors standards are not "casino" issues. A number of cases exist where a manu-



facturer has sold these checks to recover their cost. It is the choice of individual collectors to consider these as “casino” checks or reject them for never having been in play. These checks constitute our category of:

Non-Operating Casino Checks

Gaming checks made for a casino that never opened and have never been in play by the original gaming operator who ordered the checks.



All of the categories of checks that have been listed above have one characteristic in common. *They were all made by licensed manufacturers of gaming checks.* Their physical characteristics are all genuine and indicative of the manufacturing process by which they were made. The problem that these checks share is that they are frequently perceived as being the checks of a licensed gaming operation. It is their characteristics of denomination, color

inserts, detailed inlays, and original molds that tends to give them an “official” look without any “official” sanction what so ever. We feel that collectors should educate themselves and be aware of these “imposters” that masquerade as “official” looking checks.

Counterfeit checks today are a rarity. With improvements in technology, check manufacturer’s have made counterfeiting difficult but not impossible. From a collector’s perspective, problems are more likely to arise in the form of checks that misrepresent than those that are total fakes. And this is what brings us to another area of deception found in our hobby.

Alterations

alter 1. to make different in some particular, as size, style, course, or the like; modify...

alteration ... 2. a change; modification

The definition of alterations stresses that the item has been CHANGED from its original state to represent something else. In the case of gaming checks, alterations are used to change the appearance of a check. This change can be to enhance the value by creating a rarity .

It is arguable that alterations can vary in the seriousness of the fraud they perpetuate based on the amount of change that they make. So what is the difference between an alteration, a restoration and a repair. We would define the essential differences as follows:

An ALTERATION changes the item from what it was to something new. An example of an alteration would be removing the plastic from a

slug-core check and applying a new, different color plastic to the core - thus creating a different color than what the original was. A number of these types of alterations have been made to slug core checks to create new patterns and trial pieces that in fact never existed. This type of alteration is clearly a fraud.

A RESTORATION is any process that brings an item back or near to its original condition. It can be said that cleaning and the removal of dirt might be considered as a restoration. The restoration of faded color with dyes would be an alteration as the original coloring of the check is replaced with a similar, but different coloring agent.

A REPAIR is a process that would bring a damaged item back or close to its original condition. An example of this would be glueing an inlay back in. A more extreme example might be glueing a broken check back together or mending a broken edge chip back into place.

To collectors, the most difficult problem in detecting alterations is the fact that they include original material that has been manipulated to create a new item. The “original-ness” of the item often distracts your attention from the true changes that were made. One of the most interesting examples of alterations involved the brass core gaming checks of Harvey’s Resort Hotel. A gang in the San Francisco area purchased a number of the \$1 slug-core checks from Harvey’s. Unfortunately, all of Harvey’s checks had the same number of brass inserts on each denomination. The gang removed the original yellow plastic covering from the \$1 checks, then removed the brass \$1 denomination. They then glued brass \$500 denomination lettering to the slug core and

replaced the plastic coating with pink plastic. The triple alteration passed inspection in the casino cage until the total count of \$500 checks in the cage exceeded the total the club had ordered. Upon examination the fraud was detected



Recently, a number of brass core checks in previously unknown colors has surfaced in the hobby. These checks were primarily alterations of the plastic coloring to produce “rare off color samples”. By using the same color formulas as the original manufacturer, the alterations appeared authentic. In the case of the brass cores, the core was original, but the plastic was altered. As of June, 2002, the producer of the altered cores was working on a two step alteration to create both a new color and an unreported denomination for an unethical dealer who had a target customer. Fortunately, the controversy over the brass core checks has dampened the dealer’s greed, but the potential hazard remains.

Unfortunately the best protection against alterations is knowledge. With the limited amount of research that our hobby has due to its infancy, knowledge is not always easy to obtain. There are a number of analytical tools at the collector’s disposal that will help with detecting alterations.

Each Alteration is Unique.

Alterations are not the product of a consistent manufacturing process - they are generally hand made and will often bear the “fingerprints” of what ever process was used to produce them. Their uniqueness can be the most valuable indication of an alteration

Even in cases such as the Fremont \$25 checks, the process was not identical to the original manufacturing process and the characteristics of the alterations had “fingerprints” such as the lack of detail, lack of “cross hatching” and crude inlay placement.



Genuine



Altered

Is the Item Consistent with Genuine Manufacturing Process?

Does the item in question have the characteristics of a genuine item. This, of course, requires a certain amount of knowledge for comparison, but a little research may clarify the question.

Provenance. Does the item in question have a known origin. Frequently, the source of an item can be an excellent testament to its authenticity. In the recent controversy over the authenticity of the Harrah's pink \$2.50 check, the original had come to the market place from the estate of one of Harrah's top executives while the others had surfaced without any apparent pedigree.

Source. Is the source of the item reliable? The reputation of the source can be helpful, but honest people do make mistakes.

Is It Logical? Is the item logical. Does its existence make sense. When you analyze the item, is it historically correct? Is the item composed of the right elements in the correct order? Here, again, knowledge may be lacking and research can be required. One of the best tests can be a historical one. A good example might be that Hat & Cane molded checks were not around in the 1930's...etc.

What Alone Does the Item Represent. Is the item, or is the holder it is in, making a representation that may not be correct or truthful. In any examination for alteration, pay attention to the holder first, but then pay more attention to the actual item. Do not be misled by the package. Frequently the obvious is hiding in plain sight.

Compare. If you can compare the item to another from a different source, this may give you the best test of authenticity.

Seek Expertise. Many of your fellow collectors have gained an expertise in certain areas of collecting. Although they may be modest in their outlook, their knowledge can be very helpful. Two points of view can also expand the possibility of a solution.

Document Your Research. As a collector, you can contribute to the body of knowledge of checks that will help others. By keeping a record of what you have found, you can assist others as well as be certain that your findings are not forgotten.

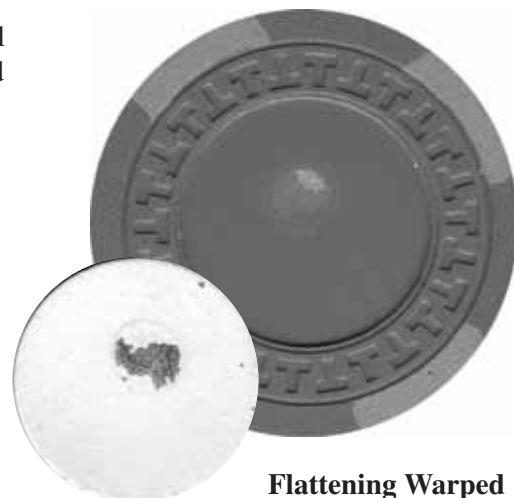
Alterations present a special challenge to collectors. They can inflict financial damage on a casual buyer, but knowledge, research and determination can greatly diminish their damage.

Restorations & Repairs

Restorations and repairs constitute a category of alterations to the condition of a check that will always remain controversial. By definition, they are an attempt to bring a check or chip back to a more original condition. Unfortunately, I do not agree that restorations and repairs are always necessary. Whatever life a check has had is part of its character and history and I tend to respect that character. What is important in restorations and repairs is that they do not bring a check to a state of condition that is better than it ever was! Some of the more common types of restoration and repair are listed below.

Cleaning. Definitely a type of restoration, cleaning attempts to remove debris and dirt from the surface of a check. The effect of cleaning may be an enhancement of the color and mold definition when dirt is removed, but should not alter the base color of the check. The most common inconsistency that cleaning produces is that the color and lack of dirt in the details of the check are not consistent with the wear of the check.

Repairing Inlays. Inlays frequently lose their adhesion and can fall out of a check. Restoring an inlay can be a difficult task as the position should be exactly as the original for the texture on the face of the check to remain in alignment. Inconsistencies between the edge of the inlay and the check are common in repairs.



Flattening Warped Checks. Heat can be applied to remove a warp from a check, but the heat and pressure may flatten the detail of the surface of the check.

Filling Cancellation Holes. Holes and other types of cancellation can be repaired, but the consistency of the repaired area and the other surface areas of the check will often reveal the repaired area.

Removing Cancellation Hot Stamps. Cancellations of a check by using a hot stamp can be removed. In most cases the color of the cancellation is removed, but the impression of the stamp will remain impressed in the surface of the check. Be sure to examine the surface of the check in differing levels of light and from different directions.



Restoring Faded Colors. In most instances a faded color can not be successfully restored without the introduction of a dye. An attempt to restore color frequently results in variations that are not original and can be easily detected.

Repairing Breaks and Cracks. One of the most frequently made repairs to gaming checks is an attempt to fix a break or crack in the check. Only the most careful and diligent repairs of breaks are hard to notice. By turning the check in a constant light source, the crack should become visible. ▽



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