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CHAIRPERSON JAMES:

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Mr. Maginn.

1 MR. MAGINN: My name is Robert Maginn, I'm
2 a senior member in a management consulting firm here in
3 Boston.

4 When Joe Malone, our State Treasurer, first
5 took over in 1991 as the State Treasurer for
6 Massachusetts, our company worked closely with him to
7 reform the office of state treasurer, which includes
8 administering the Massachusetts State Lottery. These
9 reforms have saved the taxpayers of Massachusetts over
10 \$1 billion a year.

11 The story of the Massachusetts State
12 Lottery, in my opinion, is an unqualified success. In
13 the next fiscal year the Lottery will return over \$600
14 million to cities and towns across the Commonwealth.
15 These funds that go back to cities and towns are
16 completely unrestricted, they can be used for whatever
17 is deemed necessary, such as police and fire
18 protection, new teachers, computers for our schools,
19 programs to benefit the elderly. As I said, whatever
20 the community believes is in the best interest of the
21 local needs.

22 In a sense, the towns and cities of
23 Massachusetts are partners with the Lottery, they are
24 shareholders in the net profits realized each year by

1 the Lottery. I believe that the Lottery is one of the
2 least painful ways of raising necessary revenue, is a
3 voluntary activity that most people find enjoyable,
4 while enjoying themselves they do good for themselves
5 by doing good for their local government.

6 Some people are concerned that government
7 sponsored lotteries either create or encourage
8 compulsive gambling. There is no denying that
9 compulsive gambling is a serious problem, one that can
10 tear apart and destroy families. But compulsive
11 gamblers have been with us forever, long before any
12 state lottery was created, even when gambling was
13 illegal almost everywhere in our country, the numbers
14 racket thrived in our large cities. The simple fact is
15 that compulsive gamblers will always find a way to
16 satisfy their addiction, legally, or illegally. The
17 only effective way to deal with these problems is to
18 deal with them directly, through treatment.

19 In Massachusetts we recognize our
20 responsibility to address this problem. Lottery funds
21 provide a million dollars a year to the Department of
22 Public Health to finance programs designed to help
23 compulsive gamblers overcome their addiction. This is
24 a million dollars that would not be available except

1 for the existence of our State Lottery. The Lottery
2 also takes substantial steps to inform the players and
3 their families, about the availability of help through
4 the compulsive gambling 800 number.

5 To sum up, the Massachusetts Lottery,
6 through its free and voluntary decisions of its
7 citizens, raises a large sum of money which is made
8 available without restriction, to all the towns and
9 cities in our Commonwealth. Moreover, it makes
10 substantial contributions to fund the treatment
11 programs aimed at discouraging, treating and hopefully
12 curing compulsive gambling.

13 CHAIRPERSON JAMES: Thank you, Mr. Maginn.
14 I would ask you to submit what is left--

15 MR. MAGINN: I'm finished.

16 CHAIRPERSON JAMES: You are?