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19 CHAIRPERSON JAMES:

20 Mr. Rappaport?

21 MR. RAPPAPORT: Madame Chair,

22 distinguished members, my name is Jim Rappaport, I'm

23 the former chairman of the Massachusetts Republican

24 Party and was our Republican candidate for the United

1 States Senate in 1990. I own and manage several
2 business, including a commercial real estate investment
3 and management firm that employs over 35 people and
4 currently has commercial investments well in excess of
5 \$250 million in five states. Our various companies
6 employ several hundred people, with revenues in excess
7 of \$80 million.

8 I'm here today to tell you that I do not
9 gamble and I do not play the Lottery and I pay a lot of
10 money in taxes, both personal, property and corporate.
11 But while opponents of the state lottery may say that
12 I'm a wealthy person who lets the poor pay taxes
13 through the lottery I believe that at the end of the
14 day, the Lottery is a voluntary tax.

15 A well run and efficient state run lottery
16 like we have in Massachusetts provides substantial
17 social benefit, more than \$700 million to the cities
18 and towns of our state, last year alone. That is over
19 \$700 million that did not go into illegal gambling.
20 And although I am certainly aware that gambling can
21 become a devastating and tragic addiction for some, it
22 is for most, an enjoyable game. Many of the people
23 with whom I work enjoy playing the Massachusetts

1 Lottery and other forms of gambling. On employee calls
2 it her cool beans money.

3 CHAIRPERSON JAMES: Excuse me, her what
4 money?

5 MR. RAPPAPORT: Her cool beans money, it's
6 cool beans when she wins.

7 In addition, I'm here to say that my
8 philosophy of limited government and personal freedom,
9 responsibility and accountability, say that we should
10 allow state lotteries to exist and to prosper. At the
11 same time, we must always remain cognizant of our
12 social responsibilities. We have a state lottery in
13 this state because at the people's behest, their
14 elected representatives voted for it, the people of
15 Massachusetts play it regularly, and they like where
16 the money goes.

17 Barring state lotteries or even imposing
18 excessive regulations on state lotteries will not
19 eliminate gambling any more than the 18th Amendment
20 eliminated the consumption of alcoholic beverages. The
21 choice is not between state lotteries and other forms
22 of gambling, and having no gambling, the choice is
23 between having state lotteries and illegal gambling.

1 The Massachusetts Lottery was formed, in
2 part, to capture some of the money spent illegally on
3 gambling and it succeeded not only in reducing illegal
4 gambling, but also in redirecting some of the money to
5 benefit society. In Massachusetts, Lottery profits
6 help fund local government programs like police, fire,
7 libraries and programs for our seniors.

8 In this day and age of devolution of power
9 away from Washington and towards the people at the
10 local level, designing new programs and regulations
11 are, quite frankly, silly, counterproductive, and
12 doomed to failure. That states do not need the federal
13 government telling them how to run the state lotteries,
14 or to tell the people not to spend their entertainment
15 dollars on a state lottery or other forms of gambling.
16 The federal government has enough other areas in which
17 it can improve its existing performance, without
18 creating new oversight that will prove completely
19 inadequate.

20 CHAIRPERSON JAMES: Thank you,
21 Mr.Rappaport.