CHAIRPERSON JAMES:

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

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

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

In a sense, the towns and cities of Massachusetts are partners with the Lottery, they are shareholders in the net profits realized each year by
the Lottery. I believe that the Lottery is one of the least painful ways of raising necessary revenue, is a voluntary activity that most people find enjoyable, while enjoying themselves they do good for themselves by doing good for their local government.

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

In Massachusetts we recognize our responsibility to address this problem. Lottery funds provide a million dollars a year to the Department of Public Health to finance programs designed to help compulsive gamblers overcome their addiction. This is a million dollars that would not be available except
for the existence of our State Lottery. The Lottery also takes substantial steps to inform the players and their families, about the availability of help through the compulsive gambling 800 number.

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

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

MR. MAGINN: I'm finished.

CHAIRPERSON JAMES: You are?