CHAIRPERSON JAMES:

Mr. Rappaport?

MR. RAPPAPORT: Madame Chair,

distinguished members, my name is Jim Rappaport, I'm the former chairman of the Massachusetts Republican Party and was our Republican candidate for the United
States Senate in 1990. I own and manage several business, including a commercial real estate investment and management firm that employs over 35 people and currently has commercial investments well in excess of $250 million in five states. Our various companies employ several hundred people, with revenues in excess of $80 million.

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

A well run and efficient state run lottery like we have in Massachusetts provides substantial social benefit, more than $700 million to the cities and towns of our state, last year alone. That is over $700 million that did not go into illegal gambling. And although I am certainly aware that gambling can become a devastating and tragic addiction for some, it is for most, an enjoyable game. Many of the people with whom I work enjoy playing the Massachusetts
Lottery and other forms of gambling. On employee calls it her cool beans money.

CHAIRPERSON JAMES: Excuse me, her what money?

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

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

Barring state lotteries or even imposing excessive regulations on state lotteries will not eliminate gambling any more than the 18th Amendment eliminated the consumption of alcoholic beverages. The choice is not between state lotteries and other forms of gambling, and having no gambling, the choice is between having state lotteries and illegal gambling.
The Massachusetts Lottery was formed, in part, to capture some of the money spent illegally on gambling and it succeeded not only in reducing illegal gambling, but also in redirecting some of the money to benefit society. In Massachusetts, Lottery profits help fund local government programs like police, fire, libraries and programs for our seniors.

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

CHAIRPERSON JAMES: Thank you, Mr. Rappaport.