



Department of Justice

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STATEMENT

OF

THE HONORABLE WILLIAM B. SAXBE
ATTORNEY GENERAL OF THE UNITED STATES

TO

PARTICIPANTS IN STATE LOTTERY MEETING

FRIDAY, SEPTEMBER 6, 1974

U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C.

I am pleased that so many of you have taken the trouble to come here today in response to my invitation to discuss, in a spirit of cooperation, the apparent conflict between operation of state lotteries and federal statutes.

In fact, so many showed up that we thought for a while that we would have to have a drawing to see who would get seats.

At the outset, I want to assure you that we have no aim or wish to put your lotteries out of business.

But, as you know from previous meetings with Department officers, there is a serious legal question that cannot for much longer go unanswered.

I'm sure you share this concern, and I hope this meeting will lead to a solution. For it ill behooves any of us, at this time when government is viewed with so much cynicism to violate the law or to fail to enforce it.

So today I would like to have Justice Department officials outline for you the federal statutes that apply to state lotteries and bring you up to date on legislation pending in Congress that could provide a partial solution to the problem.

They will also discuss possible courses of legal action by the Department if legislative relief does not materialize.

On the platform with me this morning are Mr. Henry Petersen, Assistant Attorney General in charge of the Criminal Division, and two of his associates, Mr. William Lynch and Mr. Marvin Loewy. Also present is Mr. Vincent Rakestraw, Assistant Attorney General in charge of Legislative Affairs.

After our presentation, we invite your questions. I'm sure you will take issue with some things that we will say this morning.

I understand that. Not so long ago I wore your hat when I represented the Sovereign State of Ohio as Attorney General. I sometimes disagreed with the Justice Department positions. Today, however, I wear another hat. Now, it is my duty to interpret the federal law and enforce it to the best of my ability, even though you may dispute my interpretation.

I would suggest that you limit your questions to the broad problem and not address inquiries to the particular peculiarities of your own state statutes. I think also that discussions of problems involving banks and newspapers in state lottery operations deserve another forum.

I realize that I'm proposing so many caveats that you might have to set up a lottery right here to decide which one to heed, but I would further hope that we could avoid discussion of those states that permit bingo and lotteries by nonprofit institutions. That issue, too, I think, would be better discussed at another time.

If you would let me throw one more into the hat, I think too, we should not digress into the tax problems which lotteries may have. This issue is appropriately before the Internal Revenue Service.

I'm sure you have some constructive advice. I also know you won't hesitate to lay that advice on me.

Maybe, then, through this give-and-take process we can reach an understanding of the scope of the problem and how best to handle it.

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