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THE CARL AND WINIFRED LEE HONORS COLLEGE
CERTIFICATE OF ORAL DEFENSE OF HONORS THESIS

Lisa Nelson, having been admitted to the Carl and Winifred Lee Honors College in the fall of 2008, successfully completed the Lee Honors College Thesis on April 13, 2012.

The title of the thesis is:

*Two Viable Ways for the U.S. to Raise Revenues: A Discussion of a National Lottery in the U.S.
and Advertising on dot-gov Websites*

Dr. Kathleen Sinning, Accountancy

Mrs. Barbara Sagara, Business Information Systems

Two Viable Ways for the United States to Raise Revenues

A Discussion of a National Lottery in the US and Advertising on Dot-Gov Websites

Honors Thesis by Lisa Nelson

Defended on 4/13/12 at Western Michigan University

INTRODUCTION

This paper was written to inform the reader of two viable options for the United States government to raise money that is not an explicit tax. The paper will investigate opportunities to raise revenue to decrease federal debt and fund programs that are currently being funded by tax revenue. The first idea in part one is a national lottery that the federal government could implement. I discuss the possible positive and negative outcomes of a national lottery and use the UK national lottery as an example. Part two will explore allowing the sale of advertising space on dot-gov websites. It will also provide the positive and negative outcomes and use an example in the advertising on the Washington State Ferries website. I cited multiple sources in the style of APA Fifth Edition and include the US Census Bureau, Wall Street Journal, American Psychological Association, the Washington State Department of Transportation, and many others. I believe that I used appropriate and credible sources because they are from respected organizations and often included their own citations within the article. The goal of my papers is to explore two non-tax options of raising revenue for the US government, which are a national lottery and allowing advertising on dot-gov websites. I hope to clarify each aspect of the ideas and give the readers enough information to create an informed opinion.

Part I: Using a National Lottery to Reduce the Federal Deficit without Raising “Taxes”

I. OVERVIEW

A National Lottery in the United States is an idea that could be a step towards fixing the national deficit or relieving the country of some of the burdens of debt. It is a way to raise money without explicitly raising taxes. In this section, I will discuss the history of lotteries in the United States, look at national lotteries from around the world, and compare the benefits of a lottery with the problems that may occur and the controversies involved. There is a long history of lotteries that starts at the formation of the US. State lotteries were the most prevalent, but some national lotteries were attempted and failed. In the present day, many countries have national lotteries, but the US is not one of them. If implemented, the US government could use the other countries examples to decide how to form the national lottery. Our country could benefit greatly from a national lottery as a way to raise revenue, but many still have reservations. There are many social implications regarding a lottery, such as the risk of gambling addictions. The next sections will explore the multiple aspects of a National Lottery in the United States and enable the reader to have an informed opinion.

II. HISTORY OF LOTTERIES IN THE UNITED STATES

“A tax laid on the willing only.” – Thomas Jefferson

The history of the lottery is a long and controversial story that dates back hundreds of years. In the beginning of the formation of the US, these taxes seemed like an intelligent and fair way to raise revenue. When put into practice, state and federal lotteries created ethical and social dilemmas, many of which still exist today. The British colonies in the United States adopted lotteries in imitation of England, which had already been raising revenues through a lottery since

the 16th century (Henson, 2007). The colonists of America viewed this as a quick way to raise money for the new country and eagerly started their own in the 17th century. During this time, the colonists viewed explicit taxes extremely negatively, so lotteries filled the gap in the revenues that taxes could not fill. The lottery revenues were often distributed and used as taxes were and not for specific projects. Lotteries were run by both private parties and the government and were used for many of the same public services as they are today, such as roads, libraries, and bridges (National Gambling Impact Study Commission, 2004). In the 17th century and still today, there are individuals who view lotteries as a tax disguised as entertainment, and this will be discussed later on as a negative effect of a federal lottery (Henson, 2007).

Congress did create multiple federal lotteries for improvements and it was popular with the citizens, but the individuals in charge stole the proceeds. A specific example is in 1823 Congress passed a private lottery for the sole purpose of the beautification of Washington DC. The private organizers stole the proceeds and the winners were never paid (Dunstan, 1997). The public slowly became disillusioned by the lottery as mainly private parties ran it and fraud became more prevalent than did winners receiving prizes. In the middle of the 1800s, many social movements were being started and society started reviewing the social implications of state lotteries (Henson, 2007). Lotteries started being viewed as a means of taking advantage of the poor, which is still an opinion of citizens now (Collender, 2009). Income taxes became the main source of revenue and lotteries were not as vital to the states and were banned by states across the country before the end of the 19th century (Henson, 2007).

After lotteries were banned across the country, there was no need for them to raise money until after the Civil War when more revenues were needed to invigorate the multiple states' economies. The South adopted lotteries in order to rebuild their states. A private party in

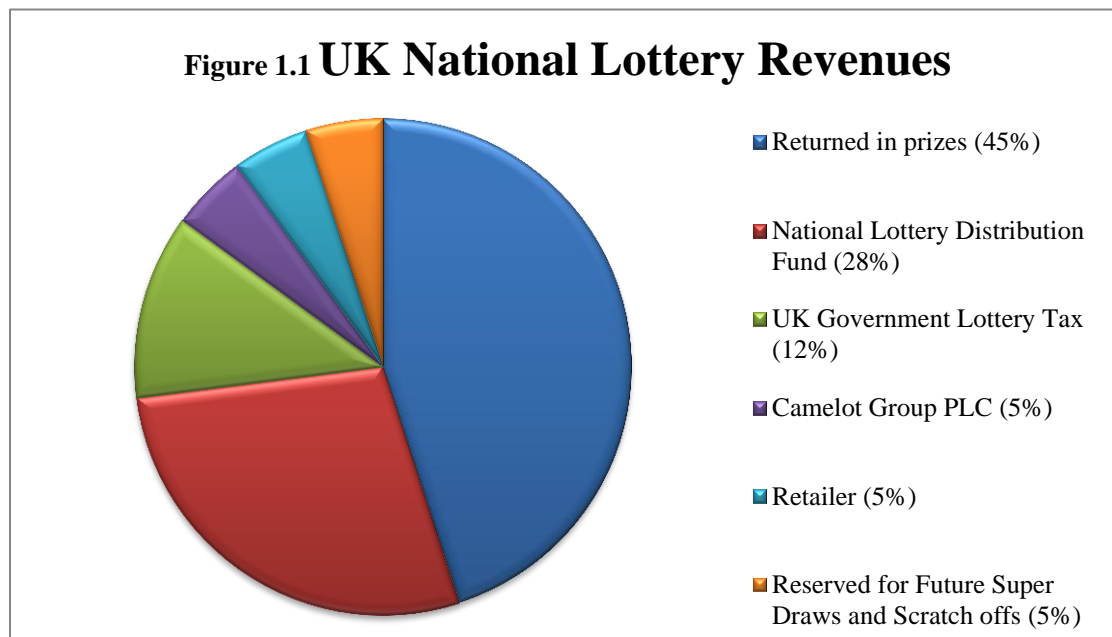
Louisiana created a 25-year charter to be the only lottery run in the state and it was the only legal lottery in the US in 1878. By 1894, there were no legal run state lotteries, due to a Congress enacted prohibition and this continued until 1964. In 1894, there was still rampant support for lotteries as a way to raise revenue and the National Conference for Legalizing Lotteries was formed in support of state and federal lotteries as a way to fund charitable causes. New Hampshire was the first state to enact a lottery in 1964 and now 42 states and Washington DC have lotteries. These lotteries include states that have joined forces to create multi-state lotteries, such as the Tri-State Lotto and the Multi-State Lottery Association that created Powerball. Currently, there is not a lottery run by the federal government, mainly due to the controversy and the difficulty in enacting one (Henson, 2007).

III. WORLDWIDE NATIONAL LOTTERIES

Throughout the world, federal or national lotteries are a popular way to raise revenue for the different countries. If a national lottery is established, it is prudent to observe the way it is done throughout the world and form their own based on the positives in the other countries and exclude the aspects that would not be as affective in the US. Some countries that have a lottery include the United Kingdom, New Zealand, Canada and Australia (Which Lotto?).\ In Europe, the government runs most of the national lotteries and the revenues are used for a variety of different things depending on the country. It is important for the United States to observe the way other countries have done it in order to make decisions about the most effective way to run a lottery.

Some of the ethical issues surrounding lotteries are even more rampant when endorsed by the federal government and this can be understood when analyzing the different countries. The

United Kingdom's National Lottery differs from many of their European counterparts because a company called Camelot privately runs the lottery. In the early 90s, companies had to bid in order to obtain the UK lottery license and they were one among seven that bid for it (Camelot gets nod for UK lottery , 2007). They were able to obtain control of the National Lottery because they promised to return the most to the National Lottery Distribution Fund over a course of seven years (Lloyd, 2012). After bidding in 1994, Camelot started the UK National lottery. After the seven-year license agreement, they were awarded it again in 2001 while bidding against The People's Lottery. Camelot is a publicly traded company that has a monopoly on the lottery industry in the UK. The government chose to hand the control to the company because they promised to return the highest amount to the National Lottery Distribution Fund (Lloyd, 2012). The way Camelot distributes the proceeds presently can be seen in Figure 1.1 below.



(Lloyd, 2012)

It is observed in Figure 1.1 that the largest percentage (45%) of the proceeds is returned in prizes and this is the norm of most lotteries. The second largest percentage is the National

Lottery Distribution Fund and this requires more analysis. The National Lottery Distribution Fund proceeds are used for things such as the arts, sports, and charities. The different organizations bid on the funding they get from this fund (Lloyd, 2012). A large part of the fund goes to the Royal Opera House in the UK and this makes sense because they are a wealthy organization and this would lead one to assume they have more bidding power than a charitable organization. The majority of people attending art and sporting events are wealthy or middle class and this does not benefit the majority of citizens that are purchasing lottery tickets. Individuals who buy lottery tickets are often in the lower income classes and some buy tickets thinking they are benefitting charities and the overall good, when in actuality, due to the bidding process only a small amount goes to these causes (Endersby, 2009). Since it is run like a business and their main goal is to raise a profit, the distributions of the proceeds would not always be in the best interest of the UK citizens, but of Camelot and their revenues. Due to the distribution of the UK lottery, it would not be the best model for the United States, which should be focusing on reducing its deficit and distributing the revenues to education and other charitable causes.

Camelot Group PLC has also recently been dealing with email fraud that has been rampant across the UK. Someone is sending emails, seemingly from Camelot, to infiltrate citizens' personal and financial information (UK National Lottery Scams, 2009). This could be detrimental to the lottery as Camelot's focus could shift to the scandal, as it should be their priority to stop it. This is a negative outcome to only one private party running the lottery, as their financial needs could change due to outside sources and they may need more money for themselves. The part of the lottery that would probably suffer if the focus was to reduce costs would be the amount of the prizes distributed to their customers. This is an important point to consider when considering running a national lottery privately because a private party could be at

a higher risk for fraud. If it is run by the government, the lottery may be able to be regulated more carefully and some of the issues avoided because the focus would not be on running a business. In addition to observing lotteries around the world, the positive and negative issues that may arise due to the implementation of a national lottery must be discussed, and this may affect the regulation in the United States (Lloyd, 2012).

IV: POSITIVES OF A NATIONAL LOTTERY IN THE US

One of the positive outcomes of a national lottery is the amount of revenue that can be earned for the federal government. Each year, the state lotteries make a large profit, which they put towards education and other programs. The state lotteries make significant revenues and this is an indication that a national lottery will make revenue (National Conference of State Legislators, 2006). Another positive is that it is a voluntary way to raise revenue, unlike taxes. Citizens are not forced to buy lottery tickets, but there is still substantial money to be raised. Individuals choose to play the lottery often for entertainment or they believe they are contributing to society positively. Over time whenever there have been state lotteries, citizens have been a part of it. There has been no evidence of it influencing society negatively and people prefer having a lottery to having to pay more taxes (National Gambling Impact Study Commission, 2004). Expanding on the positive outcomes of a national lottery, the state's views must be discussed.

In the history section above, it was observed that there was a fluctuation regarding the state lotteries. They switched from legal to illegal in the past and back to legal now. Presently, 42 states and Washington DC have lotteries (Henson, 2007). The majority of US citizens and states are in favor of the lottery and the federal government will not get enough resistance for a

national lottery to create conflict within the country. There is a huge following for the state lotteries and if the national lottery is started, there will only be more options for individuals. The states will not be losing tax revenue as the winners will still have to pay the taxes on the money, but the federal government will get the money from the ticket sales. Another observation of the lottery over time is that it is always changing and growing. It is becoming more automated and in the past, it grew from individual state lotteries to states combining into Mega-Millions and Powerball. This is evidence that there will not be resistance to a national lottery because it is an ever-changing industry (National Gambling Impact Study Commission, 2004). There is millions of dollars spent on the lottery each year and a national lottery will help the federal government raise revenue. Next, the negative issues of a national lottery will be discussed to provide more information to the reader about a national lottery in the US.

IV: NEGATIVES OF A NATIONAL LOTTERY IN THE US

From the beginning of lotteries to now, the lottery is viewed by some as a social evil, on par with alcohol and cigarettes, which creates revenue for the government sometimes referred to as a “sin tax.” (Pascale, 2010). For the federal government to endorse a national lottery, they may be supporting an addictive and bad habit. It will release the stigma from all forms of gambling therefore creating more gambling addictions (Henson, 2007). The goal of government should be to reduce harm to society and a federal lottery may increase it. It could also create discord among the states as some do not allow a state run lottery and they would not approve of a federal lottery, which would create conflict. Individuals justify their playing of lottery as giving to charity, but their view on how much is actually given to charity and education is distorted, as they do not know the actual numbers (Collender, 2009).

Another controversy with a state or federal lottery is the fact that it is sometimes viewed as a hidden tax. It is argued that playing the lottery is voluntary; therefore, the revenue cannot be a tax (Henchman, 2008). The purchase of the lottery is voluntary, but the tax portion of the ticket price is not, so because it is voluntary it does not make it any less of a tax. The government is reluctant to call the lottery revenues a tax when in actuality they are used to fund programs that taxes fund as well. There is a stigma associated with taxes and therefore the government avoids using the word tax when referring to lotteries. The creation of a federal lottery could lead to even less transparency, more controversy and distance between the citizens and the government (Henson, 2007).

Some believe that there is already a semi national lottery because there are multi-state lotteries, such as Powerball and Mega Millions. The tickets are sold in many states and have substantial prizes that are up to millions of dollars. The federal government may not be able to match the prizes already presented on a state level and in order to compete may have to create prizes of extreme levels, such as billions of dollars, extreme vacations, or other unrealistic prizes. The states may not agree with the creation of a federal lottery because it could take away from the state lottery revenues, so a federal lottery may have to establish a way to share revenues with the states in order to appease the state governments (Collender, 2009). Further, if the federal lottery had to share the proceeds, would it not make the revenues that go to the actual federal government so little there would be no way to justify a federal lottery?

States may show resistance to a national lottery for a multitude of reasons besides less tickets being bought from their lotteries. Some states do not have lotteries currently including, Alabama, Alaska, Hawaii, and Mississippi (US Census Bureau, 2011). This could be for a multitude of reasons based on need and moral viewpoints. If the state governments have moral

objection to enacting a lottery and if the national lottery had them sell tickets in their state, this may create conflict within the government that will create distance between those states and the federal government. The negative issues that may arise in the formation of a national lottery need to be carefully reviewed and the lottery needs to be organized in a way to mitigate the issues as discussed in the conclusions section. The information presented above will be tied into my opinions in the 'Conclusions' section as well as with the information in part two of the paper discussing advertising on dot-gov websites.

PART II: Advertising on dot-gov websites

I. OVERVIEW

Online advertising is rampant and people regard the advertisements online as the norm. It is accepted as a part of browsing the internet and while pop-up advertisements may be the most irritating invention by man, they, and other forms of online advertising, greatly create awareness for the advertisers and revenue for websites selling the advertising space. There is one realm that you will not see the advertisements from private parties or political campaigns and that is the dot-gov websites. Whether it is a federal or state website, no advertising is permitted (GSA Federal Acquisition Service). The dot-gov domain was created to provide a secure and trusted environment for the government to reach out to the citizens and provide information. For example, irs.gov provides tax laws and information regarding filing tax returns and citizens can trust this information to help in filing their taxes accurately. An individual knows if they go to irs.gov or their states website, they can trust the information they receive and use it without consequence because of the dot-gov in the URL name (Lewyn, 2011). If advertising space were allowed to be sold on the dot-gov websites, the federal government would be able to raise revenues that can be used towards reducing the national debt. The sections below discuss the positive and negative issues of advertising on dot-gov websites and in the conclusion an opinion formed after considering all the facts.

II. POSITIVE OUTCOMES

Even though there are many opposed stances to advertising on dot-gov websites with valid opinions the positives of the idea need to be discussed because the advertisements could turn into a revenue generator. While the government does not allow advertising on websites, they

do allow advertising on other government-funded projects. There is advertising currently on public transportation such as city buses and in train stations. If you go into a public transportation center, there is advertising all over the walls and on the vehicles. It may be argued that these things are not so different from online advertising.

In Texas, there are even public schools putting advertising on school buses in order to offset the lost revenue from state budget cuts. The success of the advertising varied between districts. There was controversy about the psychological effect of the commercialization of school on the students. Some of the psychological effects that advertising can have on children include changing their behavior. Research done by the American Psychological Association has shown a correlation between childhood obesity and advertisements about junk food. Also, children tend to interpret all advertisement as truthful and fair, so they cannot differentiate exaggeration and bias in the advertisements (Dittmann, 2004). From the observation of the Texas school children after being exposed to the advertising on the buses, it appears they have not been negatively affected (Smith, 2012). On the government websites it is mainly adults viewing the advertisements and they are less impressionable than children viewing advertisements. In addition, since they will be heavily regulated, the content should not be as impressionable as other forms of advertising. Adults will also begin to have higher expectations as discussed next.

With the high expectations that the newer generations have of websites, such as, mobile apps, real time updates, and a plethora of information, the websites need more money to run. Advertising on the websites can be a way to support the new technology necessary to keep up with the modern times (Shouse, 2011). The government always needs more money and the added costs of developing the websites can be absorbed from the revenues of the dot-gov websites

selling advertising space. If done properly, the revenues from the advertisements could be used towards the website development and reducing the nation's debt. There are untapped revenues that can be earned by the government if they sold advertising on dot-gov websites that can be used in other ways as well. It would be a way for the federal government to reduce debt by advertising on websites such as irs.gov and for the states to raise money by being able to advertise on their websites. By allowing them to keep the dot-gov name and sell advertising space, the information on the websites would not lose their credibility and they would be able to raise revenues. The alternative to having a dot-gov domain is to change their website to another format, like dot-com, in order to be able to sell advertising (Washington State Department of Transportation, 2011). This may be effective in some ways, but it may change the opinion of the user on the dependability if they notice the website has changed to a domain not endorsed by the federal government. Some states have begun to try raising revenues through advertising on their websites by redirecting users to a dot-com website instead of the dot-gov websites to avoid violating the dot-gov website policy "Final Rule - 41 CFR Part 102-173" (.Gov Name Registration Service, 2003). Washington Department of Transportation has set up a pilot project and the next section will detail the regulations and struggles of the project (Washington State Department of Transportation, 2011).

III. NEGATIVES

The government currently does not permit advertising on these websites because it is worried about the reputation of the US government being tarnished. If the advertisements were allowed it would need to be decided by the government whether any private party would be allowed to purchase advertising space or what kind of regulation there needs to be on the advertising. The government would most likely want to create rules regarding the advertising

regarding what kinds of content they would allow. They would not want advertisements with bias towards a political party, sexual content, opinions, among other things, to avoid conflict and controversy. The content of the advertisements needs to follow certain guidelines and get approval from the government (Mulholland, 2011). Many of the risks of the advertising include the social effect, but there are also many other issues that may arise in the implementation of the online advertising.

Another negative of online advertising overall is the risks that it poses to the websites and the users. Advertising is a portal for computer viruses and malware and criminals are taking advantage of the frequency of online advertising and the vulnerability of the users. ABC news reports that major commercial websites such as weather.com, foxsports.com, and monster.com have had problems with virus' or "malvertisements," as they have been called (Acohido, 2011). A malvertisement is malicious advertisement that is on the Internet that can infect the viewer's computer with malware (malvertisement, 2011). Organized crime groups have been able to raise the amount of infected advertisements that appear by pushing their ads into the distribution systems of legitimate advertising agencies that the major websites use (Acohido, 2011). This would make the advertising on the websites more costly because either the advertising agency or the government entity would have to regulate the advertisements closely. As the malware becomes more advanced therefore so will the defenses that fight against it have to be more advanced and will increase costs further. This contributes to the problems when implementing the online advertising on dot-gov websites and needs to be considered in the decisions.

There are many negatives to advertising on dot-gov websites from the social implications to the costs outweighing the benefits, but I believe the most vital thing to consider when discussing the negatives of allowing advertising on dot-gov websites is the costs. Due to the

many regulations that are necessary for protection against sensitive content and viruses added to the costs of starting the project it is important to make sure the benefits outweigh the costs or it will be a waste of time and resources. Aside from costs, it is important to make sure the dot-gov websites maintain their reputation of being reliable and trustworthy. The users may start to view the government as a non-trustworthy entity if there is corporate advertising on the websites endorsed by the government (Davidson, 2011). In the next section, an example of the implementation of advertising on a Washington State website is provided in order to present a well-informed opinion.

IV. WASHINGTON DEPARTMENT OF TRANSPORTATION PILOT PROJECT

On January 3, 2011, the Washington State Ferries website began advertising through banners. They still abided by federal law by redirecting the users of their dot-gov website to a dot-com website. It is a pilot project that the Washington legislature allowed funding of \$75,000 for to get interested buyers and implement the advertising. The purpose of selling advertising space is to raise revenues for a struggling state and this pilot project to see if they should expand it to other websites. Some goals of the project are to observe the demand of the advertising space, evaluate the public's online experience and perception of the government, and working through the issues, hardware or legal related. They are following other states who have implemented advertising online by using dot-com websites including Oregon Department of Transportation, California Travel and Tourism, various Chicago websites, Florida Property Appraiser, and a Boston Travel Authority. The programs are selling commercial advertising space in order to raise revenues for the state without raising taxes or by other means. The Washington Department of Transportation (WSDOT) provides an amount of transparency on their advertising project that makes it an excellent example. The results of the first year may be

surprising and the advertisements must meet certain requirements and regulations (Washington State Department of Transportation, 2011).

The advertisements strictly started on the Washington State Ferries website and the pilot project to decide whether it will be expanded to other websites depending on how well the regulations are followed and the interest generated. The advertisements have to meet requirements detailed in Figure 2.1 below.



The requirements and the regulation of the advertisements ensure that the state will not be associated with negative or bias advertising and offensive opinions. The Wall Street Journal reports that the Washington State project only earned \$30,000 and only \$15,000 was revenue for

the state (Lewyn, 2011). The state attributes this to lack of awareness by companies that could buy advertising space. They are extending the pilot program and allowing more advertising because they are optimistic that the revenues will grow. Another advertising company will be used and the advertising will expand to other websites such as one that contain the weather and traffic conditions (Washington State, 2012). All of the information has been discussed to be able to form an opinion and the conclusions next will present my opinions and ideas regarding the implementation of a national lottery and advertising on dot-gov websites.

CONCLUSIONS

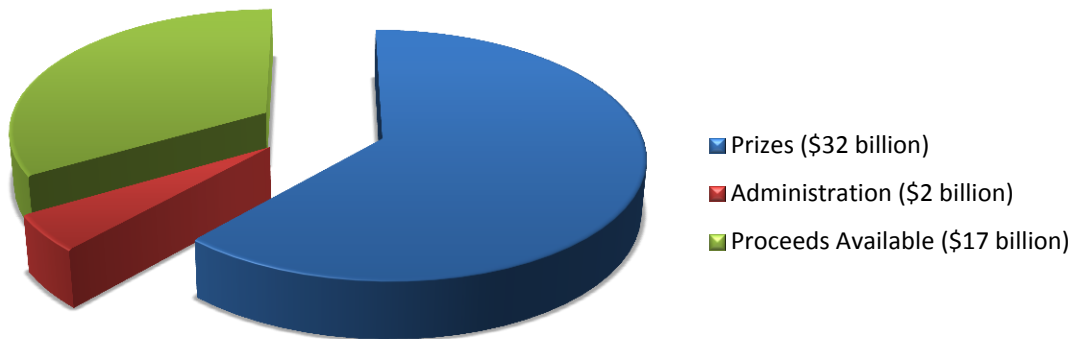
I believe a combination of the national lottery and advertising on dot-gov websites would be the most effective. The projects should be implemented at different times because they will both be costly at the beginning and it will take time for them to start earning money. The government still needs to be cautious when creating new projects and it cannot be seen as an excuse to spend more. The government should always have an attitude of cost cutting where it is appropriate. In the next two sections I will discuss my conclusions regarding the two ideas and present my opinions on the organization of the two ideas.

I: ORGANIZATION OF A NATIONAL LOTTERY TO MITIGATE NEGATIVE PERCEPTIONS AND EFFECTS

The information in part one regarding the national lottery has helped me form many opinions responding to the negative issues and regarding the ways it can be organized. In order to respond to the negatives listed in part one, the national lottery would need to be laid out in the best way possible. There is not a perfect way for a national lottery to be run and there are multiple opportunities for the layout and the use of the revenue. A national lottery would be much different from the state and multi-state lotteries that are already in existence. The focus of the revenues would be for things that are in the interest of the federal government and the whole US as opposed to individual states. The chart on the next page (Figure 1.2) details how the total state revenues from the lottery in 2010 were used and these numbers can be used for the estimates for the national lottery (US Census Bureau, 2011).

Figure 1.2

Total 2010 State Lottery Income Apportionment (Total: \$53,095,974,000)



Information from the *Income and Apportionment of State-Administered Lottery Funds: 2010* on census.gov

The earnings from the national lottery can be used to reduce the national deficit, which is approximately 1.4 trillion dollars (Chantrill, 2012). The government should focus on reducing the national deficit and the United State's debt to other countries. It should also allow the states to use their lottery earnings to fund education and other public services instead of using the national lottery. In congruence with a national lottery, the federal government would need to focus on cutting spending to avoid the revenues from the national lottery being used as an excuse to spend more. It needs to be apparent to the United States citizens what the national lottery revenues are being used for and this will entice them to buy the tickets for the good for the good of the country because reducing the deficit is a major issue in many people's viewpoints. They should use advertisements create awareness and take surveys before and after its implementation to understand how the US citizens view it and the positives and negatives of it. Making everyone aware of the goals of the national lottery would hamper some of the negatives and the resistance from the states.

In my opinion, the national lottery should be temporary until the deficit is reduced to what is deemed an acceptable level and then re-evaluated to determine whether it needs to continue. This could help avoid some of the controversy from the states regarding the national lottery taking away revenues from the states. The federal government could force states to sell them next to their own if they have a state run lottery already and this may be the best option because if states are allowed to choose whether they sell the tickets, many of them may refuse. If it is explained to them that the national lottery will be advertised as being used primarily as a way to reduce the national deficit and individuals may choose to buy the tickets based on which causes they would like to support, the states may not oppose it too much. Another way to enact a lottery would be to make it an option on the federal return that individuals would be able to give five, ten, or twenty dollars to be entered in certain lotteries (Feiner, 1995). This would eliminate the states having an option to reject the national lottery and give every citizen the option to play.

Instead of being run by a private company, like the UK lottery, a national lottery in the United States should be run by the government. I believe that this will focus the revenues more to being used for what they are intended, such as, reducing the deficit. If they are privately run, they could be used for other things or the focus could be to raise a profit for the company instead of the good of the whole nation. In addition, the system of bidding for the money from other organizations is not in the best interest of the US national lottery. It should focus on the main goal and this could be reducing the deficit. All other factors aside, if we refer to Figure 1.2 where it shows that the proceeds available in 2010 from every state lottery together was \$17 billion and we apply this to a US national lottery run over ten years, the earnings would be \$170 billion (US Census Bureau, 2011). I believe that this could be attained and if the government was to cut costs while enacting the national lottery a significant reduction could be made in the overall deficit. An

argument can be made that the amount of money made will not equal this due to the obstacles the national lottery will face, such as resistance from the states and the implementation of the lottery. The amount of money that can be generated will be substantial and I believe it will gain momentum as time goes on. Anything to reduce the deficit in the United States is needed and as long as the government maintains an attitude of cost cutting, I believe the positives of a national lottery outweigh the negatives.

II. OPINIONS ON DOT-GOV ADVERTISING

I believe the federal government and other states could learn from Washington State. States should be allowed to have a choice whether they want to sell advertising space and be able to run pilot projects. The advertisements need to be heavily regulated to not tarnish the image of the government and avoid the biases that may occur within the advertisements. Such advertisers that need to be avoided are political and lobbyists as discussed earlier. Furthermore, there are some advertisements that may benefit the image of the government and the individuals using the dot-gov websites. These include advertisements for job-search websites and non-profit organizations and the amount of traffic and the wide variety of people viewing the advertisements would guarantee the company's exposure (Lewyn, 2011). The advertising space would be viewed as valuable to many private parties and companies.

Another way for the federal government to raise revenue would be to require the states to pay a fee to be able to advertise or receive a percentage of revenue from state advertising. This would allow the federal government to avoid advertising on the federal government's dot-gov websites, such as irs.gov, but still receive revenue from the advertising on state dot-gov websites (Feiner, 1995). There would be more expenses associated with advertising on dot-gov websites,

but if a pilot website is used the government would be able to see if the advertisements are an effective way to raise revenue (Washington State Department of Transportation, 2011). As many good things that could happen with the revenues earned from the project the risks cannot be ignored.

If implemented over time the positive outcomes of the advertising may outweigh the negative. If advertisers are interested, and I believe a government website is an attractive place for advertisers to reach a wide range of buyers, the revenues can be used to reduce the national debt. In my opinion, advertising on dot-gov websites is an appropriate way to raise revenues for the government and is an untapped source of revenue that needs to be taken advantage. A pilot project may be the most effective way to try it, as seen in Washington State, and I believe it can gain momentum over time and generate much needed revenues for the country. The pilot project on the Washington State Ferries website did not generate as much interest as the state thought and I believe this occurred because the ferries website may not be the ideal spot for advertisers and the other websites might generate more traffic and interest (Mulholland, 2011). The state still decided to expand the program because the government thinks it will grow and generate more interest (Washington State, 2012). The regulations of the advertising were effective in insuring that improper content was not portrayed and I believe that the federal government could use this to appease their worries that the advertising will taint the dot-gov domain.

Overall, I believe that I achieved my goal of presenting the facts regarding the implementation of a national lottery and allowing advertising on dot-gov websites in the US. I provided both the negative and positive outcomes and provided an example of each idea. There are many risks involved especially at the start of both projects, but both can be major revenue earners for the United States. It could be used in combination with cost cutting to reduce the

national deficit and reduce our dependence on foreign loans. The government needs to be searching for more ways to raise revenues that do not include a direct tax. The reader should be able to form an educated opinion now that the facts have been presented and I believe the majority of US citizens would be in support of a national lottery and allowing advertising on dot-gov websites as a responsible way to raise revenue.

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