CHAIRPERSON JAMES:

Dave Railsback:

MR. RAILSBACK:  Good afternoon and welcome to Boston on St. Patrick's Day. My name is Dave Railsback, I'm the chief financial officer and Assistant Lottery Director of the Massachusetts State Lottery. I've had the pleasure of working for State Treasurer Joe Malone for more then seven years, first as a deputy state treasurer and for the past two years at the Lottery.

If I had to sum up my impression of the Massachusetts State Lottery in one word, it would be commitment. It is an organization of 390 people who are committed to excellence on several levels. First, we are committed to offering our players the best
products that we can. This includes the highest prize percentage paid by any lottery in the country. The result is that we also have the highest per capita sales of any lottery in the country.

Second, we are committed to our sales agents. the retailers who sell our products. We pay them the largest average annual commissions in the lottery industry.

Third, we are committed to being socially responsible. We have made nationally recognized efforts in both compulsive and underage gambling. Last year we were awarded our state's top award for our recycling initiatives.

Fourth and finally, we are committed to making as much money as possible available to our state's 351 cities and towns, by operating efficiently and keeping our costs down. We are proud that we are the most efficient lottery in the country. Our expenses are only 2.2 percent of our sales, compared to the national average of over six percent. This fiscal year, we will spend less on administration than the Lottery did in fiscal year 1989, when our sales were only half of what they are today.
We have used technology, re-engineering and just good old common sense to get there. We have reduced personnel by 25 percent, upgraded our technology, and streamlined every one of our departments. We know that every dollar we save goes right to the bottom line to help our cities and towns. From our smallest initiatives to the largest, we work hard every day to help make Massachusetts a better place to live for all our citizens.

Thank you for the opportunity to speak today.

CHAIRPERSON JAMES: Thank you.