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Before the

Committee on Commerce, Science, and Transportation United States Senate

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Chairman Inouye, Vice Chairman Stevens and Members of the Committee:

I am honored to appear before you today as President Bush's nominee to be Inspector General of the Department of Commerce. I have been privileged to testify before this Committee and its Subcommittees as Acting Inspector General of the Department of Transportation (DOT), and to have contributed to the Committee's vital oversight work while leading the talented staff at the DOT Office of Inspector General (OIG).

The Inspector General position in a large Federal agency such as the Department of Commerce is a very important and challenging one. I would like to thank Secretary Gutierrez for his expression of confidence and the Committee for considering my nomination expeditiously. I would also like to express my appreciation to Inspector General Calvin Scovel, and former Inspector General Kenneth Mead, for their support over the past 10 years at DOT. I would also like to extend my thanks to the staff at the DOT Office of Inspector General, with whom I have had the privilege of serving for the past 16 years. Finally, but not least, I want to thank my children, Ken, Philipp, and Corinne, for their love and support, especially at this time as I seek the Committee's approval for becoming Inspector General at the Department of Commerce.

For the past 24 years, I have been a career civil servant. I began as an investigator with the Department of Labor in 1983 and transferred to the Department of Transportation, Office of Inspector General, in 1991 where, for the past 7 years, I have served as Deputy Inspector General. From February 2006 to October 2006, I also served as DOT's Acting Inspector

General. It is my firm belief that throughout my Federal service I have demonstrated integrity, objectivity, commitment to good government, and leadership—characteristics essential to being an Inspector General.

I am most proud of my 16 years conducting audits and investigations of transportation issues and programs at the Department of Transportation. I believe the OIG staff and I truly made a difference in helping Congress and DOT in their efforts to provide for the economic well-being and competitiveness of the country and ensure a safer, more secure, efficient, and affordable transportation system. If confirmed, I would strive to make the same contributions in support of the important mission of the Department of Commerce.

It is against this backdrop that I would first like to express my view of the Inspector General's role in the Federal government.

The Inspector General Act was passed in 1978 and provides that the Inspector General will conduct audits and investigations to improve the economy, efficiency, and effectiveness of government programs and to detect and prevent fraud, waste, and mismanagement. My view is that the Department of Commerce, like the other major departments of government, requires an independent, objective Inspector General, who will make fair but tough, fact-based calls and report to the Secretary and the Congress fully and forthrightly. Further, the Inspector General should work with the Secretary, senior departmental managers, and Congress as a force for positive change.

The Secretary, Deputy Secretary, and Inspector General must also have a two-way open line of communication and it should be used on a regular, ongoing basis. I understand full well that the same is true for the relationship between the Inspector General and the Congress. The Inspector General should work constructively with the Department and should constantly strive for a relationship built upon mutual respect and trust. However, the Inspector General also is under an absolute obligation to report to the Congress about significant problems. I know that Secretary Gutierrez fully shares this view and I am confident that, if confirmed, the Office of Inspector General staff and I would work hard to have a good and open working relationship with the Secretary and the Congress.

My experience at the DOT OIG in working with the Secretary and Congress has been entirely positive. I consider myself fortunate to have worked with DOT and its modal administrations, the House and Senate, members of both parties, and various transportation constituencies. This experience helped me learn about the implementation and impact of national programs; understand how decisions are made; appreciate the importance of providing policy-makers with current, relevant, factual and objective information; and conduct investigations and audits in a credible and constructive way.

I have learned that the hallmarks of independence, objectivity, and nonpartisanship strengthen an IG's credibility, especially when the findings of an audit or investigation run counter to what may have been expected. I have also learned about the importance of Congressional oversight in making progress and leading reform. My experience at the DOT OIG has also taught me that government leaders want to get ahead of problems and expect the Inspectors General and GAO to tell them about risks and vulnerabilities and to provide their best recommendations for solutions.

As Deputy Inspector General for the past 7 years, I managed a talented staff of about 430 in directing audits and investigations. Our work since 2000 has resulted in more than 700 reports covering a broad range of audit findings in transportation modes and approximately 140 testimonies the to Congressional committees. The basic standards of objectivity. independence, and high quality were fundamental in all our work, reports, and testimony. Much of this work was undertaken in response to requests from this Committee, and other Senate and House authorization and appropriation committees.

I know first-hand the importance of the Inspector General function and how a large Department and its subordinate agencies operate. The audit and investigative functions of the Inspector General, under the umbrella of independence and objectivity are directed toward identifying and preventing fraud, waste, and inefficiency. If confirmed, I am committed to applying this base of experience to the audits and investigations performed by the Office of Inspector General at the Department of Commerce. I am equally committed, if confirmed, to providing the strong leadership necessary to address the current challenges facing the Office of Inspector General. I will work with this Committee and the Congress to address these challenges head on.

Mr. Chairman, the work of the Inspectors General covers a broad front and in recent years the Inspector General community has been required by Congress to issue annual reports on the top challenges facing their respective departments. Those reports are intended to focus attention on the most pressing issues and serve to aid both Congress and the Administration in serving the American people.

This seems particularly important for the Department of Commerce. As you noted, Mr. Chairman, in your oversight hearing for the Department in August of this year, the business of the Department of Commerce is complex and demanding. Its mission includes conserving and managing the oceans, ensuring the accuracy of standards of measurement, taking care of the census, providing economic opportunities, predicting the weather, promoting commerce and innovation and good stewardship of the resources that contribute to our economic prosperity. Secretary Gutierrez similarly emphasized that the roots of the Department are firmly grounded in promoting commerce and economic growth, and exercising stewardship over our oceans and waterways. I want to assure the Committee that, if confirmed, these issues will have the highest priority for the Office of Inspector General as well.

Mr. Chairman, this concludes my statement. I will be pleased to respond to any questions you or the other members of the Committee may have.