

Senate Committee On Foreign Relations
Chairman Richard G. Lugar
Opening Statement for
Nominations Hearing
October 6, 2004

The Committee on Foreign Relations meets today to consider two nominees for positions at USAID and the World Bank. President Bush has nominated Donald Gambatesa to be Inspector General of USAID and Jennifer Dorn to be U.S. Alternate Executive Director at the World Bank. We welcome these two distinguished nominees and look forward to our discussions with them.

Mr. Donald Gambatesa is currently the Deputy Director of the United States Marshals Service at the Department of Justice. He has also led the Special Investigations Division of the Office of the Inspector General at USAID. Prior to that, he served for almost a quarter century in the United States Secret Service.

As Inspector General of USAID, Mr. Gambatesa would be responsible for detecting and preventing fraud, waste, and abuse at USAID and promoting efficiency and transparency in the agency's operations. In addition to overseeing USAID programs, the Office of Inspector General is responsible for monitoring the Millennium Challenge Corporation, the African Development Foundation, the Inter-American Foundation, and, on occasion, the Overseas Private Investment Corporation.

The Office of the Inspector General conducts audits, investigations, and inspections of U.S. foreign assistance programs. It has a worldwide staff of more than 200 people, roughly half of whom work in Washington, DC. The rest are in eight overseas offices, including the Baghdad office, which monitors the multi-billion dollar Iraq reconstruction aid program. Given the extensive demands on the U.S. international affairs budget, it is essential that foreign assistance funds are carefully reviewed to ensure that they are being spent effectively on their intended purposes.

Our second nominee, Ms. Jennifer Dorn, has broad experience inside and outside of the Federal government. She currently serves as Administrator of the Federal Transit Administration. She previously served as Senior Vice President of the American Red Cross. Prior to that, Ms. Dorn was Assistant Secretary for Policy at the Department of Labor and Associate Deputy Secretary of Transportation.

As U.S. Alternative Executive Director at the World Bank, Ms. Dorn would work with the Treasury Department, State Department and USAID, to provide policy direction to the World Bank. She would assist U.S. Executive Director Robert Holland on projects and policies.

The United States has strong economic, national security, and humanitarian interests in supporting development and alleviating poverty around the world. The

development banks leverage the resources that we can devote to these goals. Since 1960, the United States has provided more than \$42 billion in direct contributions to the development banks. It is imperative that effective stewards be in place throughout our government to help combat corruption and ensure the proper utilization of U.S. taxpayer funds.

The Foreign Relations Committee has held four hearings examining ways that the U.S. Congress and our government can contribute to anti-corruption and anti-fraud efforts at the multilateral development banks. In addition to hearings, I have directed letters of inquiry on individual projects and policies to the respective banks. Committee staff members have visited overseas projects and conducted interviews with bank employees, non-governmental organization representatives, academics, and others.

Building on this oversight effort, I introduced authorization legislation replenishing funds for the subsidized windows of the World Bank, Asian Development Bank, and African Development Bank. This legislation includes reform proposals to bring about more transparency and accountability in the operations of all five multilateral development banks.

I congratulate our nominees. I ask that you deliver your statements in the order that you were introduced. If you are summarizing a statement, the text of your entire presentation will be included in the hearing record. Also, please introduce family and friends that may have accompanied you on this important occasion.

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