

**STATEMENT OF THE INSPECTOR GENERAL-DESIGNATE  
U.S. DEPARTMENT OF STATE  
STEVE A. LINICK  
BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE  
JULY 30, 2013**

Chairman Menendez, Ranking Member Corker, and Members of the Committee, thank you for this opportunity to appear before you today. I am honored to be President Obama's nominee for Inspector General of the U.S. Department of State. This is the second time President Obama has nominated me to serve the nation, as I was confirmed by the Senate in late 2010 to serve as the first Inspector General of the Federal Housing Finance Agency, the agency responsible for overseeing Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

Before I begin my official testimony, I would like to introduce my wife, Mary, my son, Zackary, and my daughter, Sarah, who are here with me today.

Most of my professional life has been devoted to public service. Soon after graduating from Georgetown University, I spent about eight months in Burkina Faso working on international development issues for Africare, a non-governmental organization. Shortly after graduating from Georgetown University Law Center, I worked in the Philadelphia District Attorney's Office. I then became a federal prosecutor and, for the next 16 years, worked within various components of the Department of Justice, including two United States Attorney's Offices (in Los Angeles, California, and in Alexandria, Virginia) and here in Washington (in the Criminal Division, Fraud Section).

I believe my professional experiences make me well suited to serve as Inspector General of the Department of State. As a former federal prosecutor, I have a strong and successful background in combating fraud, waste, and abuse in both U.S. domestic and overseas programs. Furthermore, I have the skill, judgment, and experience necessary to manage a large office of inspector general and independently oversee an agency with significant program responsibilities and financial resources.

Having served as the FHFA Inspector General for more than two and a half years, I gained a deep appreciation for the critical role played by inspectors general within federal government agencies. It has also highlighted for me the importance of conducting vigorous, independent, and objective oversight.

As FHFA's first Inspector General, I was responsible for designing and building an organization from the ground up. I recruited and hired seasoned professionals with backgrounds in housing, finance, investigations, and auditing to staff critical operational offices, including an Office of Administration, Office of Audits, Office of Investigations, Office of Evaluations, and an Office of General Counsel.

From the outset of the Office's formation, I employed innovative strategies to maximize results, including collaborating with inspectors general and law enforcement agencies that have shared interests and goals to leverage resources and benefit from best practices. For example, I staffed the Office of Investigations with highly experienced former prosecutors to investigate and prosecute FHFA-OIG cases in U.S. Attorney's Offices across the nation. I also spearheaded an initiative among the federal inspectors general with oversight of housing programs to address collaboratively housing crisis issues.

To date, my Office has published approximately 50 reports and numerous management alerts on critical topics affecting many aspects of the U.S. housing crisis. We have made recommendations that are expected to produce at least \$2 billion in added recoveries, and potentially more. Additionally, we initiated or participated in multiple criminal and civil investigations relating to mortgage fraud that have resulted in many indictments and convictions.

If confirmed as Inspector General of the Department of State, I commit to bringing the same energy, vision, innovation, independence and leadership to that Office.

Additionally, as a former federal prosecutor with substantial white-collar and government fraud experience, I managed and coordinated complex grand jury investigations and prosecutions involving a variety of criminal cases, including procurement fraud and public corruption in Iraq and Afghanistan. I also participated as an instructor in overseas programs sponsored by the Department of Justice and other agencies in Uganda, Mozambique, United Arab Emirates, and Mali, where I taught topics such as money laundering, public corruption, contract fraud, and financial crimes.

Notably, I served for four years as the Executive Director of the National Procurement Fraud Task Force. That group was led by the Department of Justice and included inspectors general from numerous federal agencies. Under my watch, the Task Force investigated and prosecuted individuals and companies for corruption and fraud related to contracts and grants, with a special

emphasis on overseas programs focused on the conflicts and reconstruction efforts in Iraq and Afghanistan. In that regard, I worked very closely with officials from the Special Inspectors General for Iraq (SIGIR) and Afghanistan Reconstruction (SIGAR), plus the Offices of Inspectors General from the Department of State, the Department of Defense, and the U.S. Agency for International Development.

From a strategic and leadership perspective, I understand that the responsibilities of the position to which I have been nominated are great. Based on the significant issues facing the Department of State, it is clear to me that assuming the leadership role of Inspector General will be challenging and rewarding. I look forward to this task, if confirmed.

If confirmed, I pledge to:

- Ensure that the Department of State Office of Inspector General (OIG) is an independent and objective organization that provides timely, robust, fact-based oversight, transparency, and accountability to the programs and operations of the Department of State;
- Consult stakeholders regularly (including the Government Accountability Office and affected communities);
- Efficiently and effectively deploy OIG resources to those areas that present the highest risk to the Department of State;
- Collaborate with other inspectors general who have potentially overlapping interests, jurisdiction, and programs;
- Ensure whistleblowers have a safe forum to voice grievances and are protected from retaliation; and
- Aggressively protect taxpayer funds against fraud, waste, and abuse.

I am honored to be considered for this important position and look forward to answering your questions. Thank you.