

Mr. Osvaldo Luis Gratacós Munet  
Inspector General – Designate  
Export-Import Bank of the United States  
Before the  
Committee on Banking, Housing and Urban Affairs  
United States Senate  
July 15<sup>th</sup>, 2010 at 9:00 a.m.

Good morning, Mr. Chairman, Christopher Dodd, Senator Shelby, and distinguished members of this honorable Committee.

It is with great honor, humility and enthusiasm that I stand before you today as President Obama's nominee to become the second Inspector General at the Export-Import Bank of the United States. Before I continue, I would like to thank the Almighty for this opportunity, my family, and the members of the Ex-Im Bank Office of Inspector General staff, a group of career public servants who make the work possible and are committed to the OIG mission of preventing and detecting fraud, waste and abuse.

I had the privilege of joining Ex-Im OIG in 2008, as the first person hired by then Inspector General, Michael W. Tankersley, after spending almost eight (8) years of my career at the U.S. Agency for International Development OIG and Motorola, Inc. The Ex-Im OIG was established in 2007 and while I was hired as the legal counsel, I worked closely with the IG in establishing the organization. Since October 2009, I have had the honor of serving the American people as the Ex-Im Bank Acting Inspector General. During this period, the OIG has had remarkable success and has met a number of milestones as shown by our latest Semiannual Report to Congress. Specifically, the OIG has issued fourteen (14) audit reports containing over forty (40) recommendations and suggestions for improving Ex-Im Bank programs and operations, and our investigative efforts have resulted in a number of law enforcement actions, including: twenty-four (24) arrests and indictments relating to over \$45 million in claims paid by Ex-Im Bank; seventeen (17) pending indictments; one conviction; over eighty (80) management referrals for actions, and over \$8.5 million in program savings due to policy cancellations arising of our investigative efforts. Moreover, the OIG is currently investigating thirty-five (35) open matters representing approximately \$327 million in claims paid by Ex-Im Bank (or 13.6% of all

Ex-Im Bank claims paid as of the end of FY 2009). All of this has been accomplished with a very modest annual budget of \$2.5 million and a staff of ten professionals. As a recently created office, our work is only commencing, and if confirmed, I would work to continue to build on these successes.

Through our work, the OIG is committed to helping Ex-Im Bank meet its statutory mission of assisting in the financing of exports of U.S. goods and services to international markets, vital in protecting and creating American jobs. America produces the world's best manufactured goods and it is the number one services provider in many global industries. Today the opportunity for increasing American exports is an important element to our nation's economic recovery. Since 1934, Ex-Im Bank's has played a key role in financing the export of these goods and services. That role has increased in recent years. In FY 2009, Ex-Im Bank announced record authorization levels reaching \$21 billion and has reported authorization levels of \$14.7 billion for the first eight months of FY 2010. Ex-Im Bank's role coupled with these growth levels present a valuable opportunity for the OIG to partner with Ex-Im Bank in support of its mission while exercising OIG's statutory independence.

In only three years since its inception (and just over one year since reaching current staff levels), our efforts are having a noticeable impact on Ex-Im Bank's operations. While Ex-Im Bank continues to provide export credit and financing as part of its export credit agency functions, the OIG will enhance its independent oversight role by focusing on Ex-Im Bank operations in order to improve its operational efficiency as well as strengthen its efforts in preventing and detecting fraud, waste and abuse. I look forward to facing these challenges and, if confirmed, I will carry out the duties of this office with the highest standards of independence and integrity.

Mr. Chairman and members of this honorable Committee, thank you once again for considering my nomination at this hearing today. I would be pleased to respond to any questions from the Committee. Thank you!