

**PREPARED STATEMENT OF
UNITED STATES MINT DIRECTOR-DESIGNATE MATTHEW RHETT JEPPSON**

**BEFORE THE
SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS**

**Nomination Hearing to be Director of the United States Mint
United States Department of the Treasury**

March 15, 2016

Thank you, Mr. Chairman, Senator Brown, and distinguished Members of the Committee. I am honored to appear before you today. Thank you for your time – and I would like to thank President Obama for the trust he has placed in me by nominating me to serve as the United States Mint’s 39th Director.

Although they were not able to be here with me today, I want to acknowledge my wife Renee and our children – Holly, Heidi, Hayden, and Hans.

Before I outline some of the initiatives I would prioritize if I have the privilege of being confirmed as the next Director of the United States Mint, I would like to share with the Members of the Committee a little about my background and how my professional experiences have prepared me for the position.

My life and career have not always followed a conventional, predictable path. I moved to Florida from Utah when I was 16 and graduated from the University of Florida with a degree in history. After college I was commissioned in the United States Marine Corps, where I served as

an infantry officer.

My service as a Marine – from those early days leading Marines in combat, breaching into Kuwait during Desert Storm, to my service as the Deputy Director of Operations for United States Forces in Afghanistan – developed in me a profound love of the Corps and its Marines. They are truly are my brothers and sisters. In January, I retired from the Marine Corps with nearly 28 years of combined active and reserve service. These years of service have influenced who I am, shaped how I interact with my colleagues, and imbued in me an approach to leadership and management that I believe will be an asset to the United States Mint if I am confirmed. A constant thread throughout my career has been a focus on, and commitment to, individuals and how they fit into the larger organization – from the Marine on the ground to the Mint employee on the manufacturing floor making coins.

During my last deployment to Afghanistan, I served as Deputy Director of Operations for United States forces leading up to and during the troop surge in 2009 and 2010. These were enormous, complex military operations that gave me valuable skills for leading the United States Mint's workforce of approximately 1,700 dedicated men and women here in Washington and at five facilities across the country – Philadelphia, West Point, Fort Knox, Denver, and San Francisco.

Mr. Chairman, in the early 1990s, my life and career took an unexpected turn when my father, who was running a small construction business, became seriously ill and I assumed responsibility for running the business for a number of years. I was young at the time and faced

a steep learning curve. But I felt like it was my duty to my family to see it through while my Dad recovered. The experience gave me valuable skills that help me relate to employees at the United States Mint across our facilities, who range from marketing specialists to graphic designers, sculptors, die setters, press operators, IT specialists, financial analysts, engineers, police officers, human resources specialists, and other functions.

Later, I served as Florida's Director of State Purchasing. While overseeing \$12 billion in state contracts, we developed a new electronic procurement system and modified the way we bought goods and services, saving the state millions of dollars by leveraging technology to make the state more efficient and accountable.

Before coming to the United States Mint, I was the Acting Chief Operating Officer at the United States Small Business Administration (SBA), overseeing all aspects of the agency's disaster relief and risk management efforts, personnel, facilities, information technology, and equal opportunity programs.

I was also proud to serve as the Associate Administrator for Veterans' Business Development at SBA for two years, helping Veterans conceive, fund, start, build, and grow their own businesses. I assumed responsibility for an office that was facing major challenges at the time. With the help of my team, we transformed the office, making it a model of cooperation for SBA by using public-private partnerships between educational institutions and corporations to leverage scarce resources and make enormous strides for Veterans seeking to start small businesses.

Mr. Chairman, since January 2015, I have had the honor of serving as the Principal Deputy Director of one of our country's oldest and most venerable public institutions. Congress established the United States Mint early in the life of our republic in 1792; making coins is one of the explicit powers given to Congress by Article I of the Constitution. We have a rich history and important role in the financial and commercial fabric of our country.

David Rittenhouse – renowned American astronomer, inventor, clock-maker and close friend of George Washington – was the first Mint director. Rittenhouse believed that coin design was a form of art. And President Theodore Roosevelt, who personally commissioned the re-design of American coinage early in the 20th century, believed that coin design should reflect our history, values, and heritage. The beliefs of Rittenhouse and President Roosevelt live on today in our employees and in the products we offer.

Nearly 225 years after its founding, the modern United States Mint is a vibrant, efficient, and lean organization. General and administrative costs in fiscal year 2015 decreased by 9 percent compared to fiscal year 2014 and 46 percent compared to fiscal year 2009. And although circulating coinage operations grew to meet increased Federal Reserve Bank demand, we decreased the overhead costs at our manufacturing facilities by 4 percent compared to fiscal year 2009.

In fiscal year 2015, the United States Mint returned \$550 million in circulating seigniorage – the difference between the face value and cost of producing circulating coins – to

the Treasury General Fund. In fact, the Federal Reserve's demand for circulating coinage is at its highest level since 2006. This tells us that coins are still very relevant and that our mission at the United States Mint is as important as ever.

To meet the public demand, we are recruiting more talented and hard-working professionals to join our ranks, including military Veterans, and investing more in their training, development, and advancement. Veterans currently make up 35 percent of our workforce across the Mint. Since I became the Mint's Principal Deputy Director, we are continuing to exceed our goal that 40 percent of all new hires be Veterans.

All of this progress over the last five years is a testament to the commitment of our employees, as well as the leadership of Secretary Lew and Treasurer of the United States Rosie Rios. I assure you that I intend to remain on this sound financial path if confirmed as the Mint's next Director.

Mr. Chairman, when I came to the agency in January 2015, the first thing I wanted to do was to hear from our employees about their jobs – what they appreciate, what they would like to change about the organization, and how I could help. I set out to visit each facility and meet face-to-face with as many employees as I could. Their advice and ideas helped me set priorities for the bureau, such as helping all our employees get the training they need to advance their careers. This investment in human capital will not only address the demographic challenges associated with an aging workforce but will also help us to continue to meet the increased demand for coinage.

Soon after I came to the Mint, it became apparent that our employees would be better served if all our human resources functions were aligned under the Workforce Solutions Department at headquarters, allowing the sharing of resources and development of technical expertise. This realignment led to benefits such as HR Solution Centers – small teams of experts who foster knowledge management and create consistency across the organization.

Mr. Chairman, to satisfy the nation's demand for numismatic coins, it is important that we take advantage of every opportunity to improve the experience of the American consumers who buy our products while exercising prudent stewardship of the public resources that are entrusted to us. As a part of our commitment to embracing a culture of continuous improvement in all aspects of our operations, we have invested in two significant technological innovations that are already showing positive results for our customers and our mission. First, in July 2015, we launched a new mobile app – “MyUSMint” – a first for the bureau. It allows smart phone users to learn about Mint history and order our products from their phones. The app provides an important new method for the public to interact with the Mint. It netted nearly \$550,000 in sales within its first few weeks of operation and has received a very high user rating.

The new online catalog and order management system deployed in the fall of 2014 was a much-anticipated overhaul of a 14-year-old legacy system. This new system includes:

- an enhanced customer experience with advanced functionality;
- a more responsive website;

- improved order tracking and issue resolution;
- better order status transparency; and
- improved access to the product catalog from all types of devices

This new, end-to-end solution offers cost and processing efficiencies and greater opportunities to capitalize on retail and e-commerce industry best practices. As of March 7, the new system had processed more than \$548 million in sales and shipped approximately 6.8 million products to customers.

Both of these technological innovations have presented unique opportunities to better engage with our customers and the general public. We are changing as an organization to better serve our customers and using modern technology such as sophisticated robotics for packaging and enhanced manufacturing processes at the plants to improve our operations and invest in our employees and their safety.

Mr. Chairman, the United States Mint is a lean, cost-effective, transparent organization. We accomplish our core mission to produce circulating coins, precious metal bullion coins, and collector coins and medals to meet the needs of the Nation and protect our national precious metals reserves. If I am confirmed as the Mint's next Director, I pledge to continue meeting that core mission.

I believe the United States Mint reflects the very best of our Nation. Our motto – “Connecting America through Coins” – has real meaning, since the designs, themes, and subjects

depicted on our coinage represent our shared values, history, and culture – who we are and what we believe to be important as a country.

If I have the privilege of earning the Senate's confirmation as the next Director of the United States Mint, I pledge to all of you that I will fulfill my responsibilities with pride and integrity. I will never forget that I serve the public and will always strive to uphold the trust placed in me by the President of the United States and the Members of this Committee. I also look forward to working with this Committee, the Senate as a whole, and the House of Representatives to serve the American people.

It has truly been an honor to serve with my colleagues at the United States Mint for the past 14 months. I thank you all, once again, for your time, interest, and consideration. I appreciate the opportunity to speak with you today and look forward to your questions.