

**STATEMENT OF STEVE A. LINICK
NOMINEE FOR INSPECTOR GENERAL
FEDERAL HOUSING FINANCE AGENCY**

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

July 15, 2010

Chairman Dodd, Ranking Member Shelby, and Members of the Committee, thank you for this opportunity to appear before you today and provide testimony. I am honored to be the President's nominee for Inspector General of the Federal Housing Finance Agency ("FHFA"). I also want to thank members of the Committee's staff who gave of their time generously in preparation for this hearing.

Before I proceed with a brief opening statement, I would like to introduce my wife, Mary Britton, and my son and daughter, Zackary and Sarah, who are here with me today.

By way of background, almost my entire professional life has been dedicated to public service. I have served in a number of leadership positions in the United States Department of Justice ("DOJ"). Since 2006, I have been Executive Director of DOJ's National Procurement Fraud Task Force (the "Task Force"), consisting of more than 30 Offices of Inspectors General and other law enforcement agencies. In this capacity, I have been involved in developing and overseeing a strategic plan and nationwide effort to strengthen the government's efforts to fight procurement and grant fraud, including fraud associated with the American Recovery and Reinvestment Act. As part of this effort, I have been the primary point of contact at DOJ for contract fraud cases related to the wars and reconstruction efforts in Iraq and Afghanistan.

Since 2006, I also have served as Deputy Chief of the Fraud Section, Criminal Division, DOJ, where I currently supervise 18 attorneys and am responsible for supervising and managing the investigation and prosecution of a wide range of financial frauds. Between 2004 and 2006, I was Deputy Chief of the Fraud Unit in the U.S. Attorney's Office for the Eastern District of Virginia, where I was involved in both supervising attorneys and establishing office initiatives and priorities.

In total, I have almost 16 years experience as a federal prosecutor with extensive trial, appellate, and supervisory experience at DOJ and in two U.S. Attorneys' Offices, including the Eastern District of Virginia and the Central District of California. I have managed and coordinated grand jury investigations and prosecutions involving health care fraud, procurement fraud, public corruption, securities fraud, and other financial frauds. I have investigated and prosecuted individuals who have committed various types of mortgage fraud, including fraud in the loan origination process and real estate flip schemes. Recently, I was involved in supervising a team of Fraud Section attorneys, who, in partnership with the U.S.

Attorney's Office in Las Vegas, charged 19 defendants as part of a nation-wide mortgage fraud sweep dubbed "Operation Stolen Dreams."

As a result of having investigated a wide variety of financial frauds, I have the experience and ability to develop effective strategies to prevent and detect fraud, waste, and abuse associated with the regulation of the government-sponsored enterprises. Moreover, through my work on the Task Force, I have become very familiar with the Inspector General community and the challenges that Inspectors General face.

I look forward to the prospect of serving as Inspector General at FHFA during this critical time for both FHFA and the government-sponsored enterprises. The FHFA is a relatively new agency, which has never had an Inspector General. In 2008, FHFA placed Fannie Mae and Freddie Mac in conservatorship out of concern that their deteriorating financial condition threatened the stability of the financial markets. Since then, the Department of Treasury has provided billions of dollars to the enterprises. Under these circumstances, the FHFA Inspector General will play a critical role in safeguarding taxpayer dollars and preventing fraud, waste, and abuse. In addition, the FHFA Inspector General will carry significant management responsibility in having to establish a new office and hire a staff of highly qualified individuals.

If confirmed as Inspector General, I intend to be proactive in overseeing the operations and programs of FHFA, including its management of the conservatorship. While I intend to exercise complete independence that is required of an Inspector General, I will make it a priority to maintain a good working relationship with the FHFA Director and management, along with this Committee and Congress as a whole.

Thank you for your consideration. I look forward to answering your questions.