

TESTIMONY OF  
MICHAEL CARROLL,  
NOMINEE FOR INSPECTOR GENERAL,  
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

BEFORE THE  
SENATE COMMITTEE ON FOREIGN RELATIONS

NOVEMBER 6, 2013

Chairman, Ranking Member, and Members of the Committee, thank you for the opportunity to appear before you today. It is an honor to come before you as the nominee to serve as Inspector General for the U.S. Agency for International Development (USAID).

If you will permit me, I would like to take a moment to introduce my family. My wife, Nancy, and our son, Matthew, are here with me today. I would like to thank them for their support during my time in public service. No measure of verbal acknowledgement can fully reflect my gratitude for the inspiration and encouragement that they have provided over the years.

I would also like to thank the President for his consideration for this important office and Administrator Shah for his support. If confirmed, I look forward to a productive working relationship with the Administrator and his management team in ensuring proper oversight of foreign assistance programs and operations.

I have dedicated nearly my entire professional life to public service, so it is a distinct honor to be considered for this leadership position in the federal government. My experience in leadership positions in five federal agencies has shown me the integral role that effective public administration can play in the proper functioning of an agency. I have devoted much of my career to creating an

effective management environment in which programs and operations thrive, and I would value the opportunity to do so as Inspector General.

The Inspector General community plays a critical role in reinforcing the accountability and integrity of government programs and strengthening the efficiency and effectiveness of operations. These are responsibilities that I value deeply as a citizen and a taxpayer. I have worked assiduously in my past and present capacities within the USAID Office of Inspector General (OIG) to ensure that the organization contributes materially in these areas.

I would especially look forward to the opportunity to continue to serve my country as Inspector General for USAID. I spent many of my formative years overseas—in Turkey, Guam, the Philippines, and Cuba—and in the process acquired a deeply-rooted appreciation for our great nation’s place in the world. In my professional life, I have served in leadership positions in foreign affairs agencies for more than two decades and I have developed a keen understanding of the role that international engagement and foreign assistance play in supporting our national interests and security.

USAID does important work to advance U.S. foreign policy interests and to help people around the world make a better life for themselves. To effectively perform this function, USAID programs and operations must be implemented in a sound manner that yields the results that the American people and Congress expect. The Inspector General has a vital role to play in helping the Agency fulfill its mandate in this regard.

USAID faces many formidable challenges in carrying out its mission. To promote human progress and expand stable, free societies, USAID works in countries where rule of law is tenuous and corruption is endemic. In promoting the sustainability of hard won development gains, USAID looks to work more closely with and through local institutions that are still developing key business systems and controls. In this context, the OIG plays a pivotal role in shaping the success or failure of Agency programs and is essential to address the ever present risks of waste, fraud, and abuse.

The importance of this oversight function is multiplied in institutional settings characterized by a high degree of dynamism and volatility. Foreign affairs agencies as a group face significant changes in their operating environment as conditions abroad shift. And, in recent years, USAID has embarked on reforms designed to improve internal operations and transform its approach to delivering development assistance. Changes of this kind increase risks. In the face of these developments, OIG is working to ensure that the Agency has systems in place to

properly manage these changes while directly responding to associated risks of waste, fraud, and abuse.

In addition to providing oversight of USAID, the USAID Inspector General has responsibility for oversight of the programs and operations of the Millennium Challenge Corporation, the U.S. African Development Foundation, and the Inter-American Foundation, and also has limited oversight authorities relating to the Overseas Private Investment Corporation. If confirmed, I would look forward to working with the leadership of these organizations to combat waste, fraud, and abuse, and to strengthen their respective abilities to execute their missions.

I understand that the responsibilities of the position to which I have been nominated are great and I know that it will present many challenges. Nevertheless, I believe that the knowledge and experience that I have gained over the course of my life have prepared me for these challenges.

I have a profound commitment to accountability and high performance and I demand the highest level of ethical conduct from myself and others around me. I take the public trust very seriously and have always been firmly dedicated to the prudent use of taxpayer dollars. Over the course of my career, I have developed a reputation as a dynamic leader and a thoughtful steward of government resources. In an oversight capacity, I have always worked to ensure that my organization's products are free from bias and reflect fairly and honestly on the subjects of our work.

For the last 7 years, I have served alternately as Acting Inspector General and Deputy Inspector General at USAID. This experience has prepared me in a unique way for the USAID Inspector General position and given me special insight into the inner workings of the agencies for which we provide oversight. My experience serving in these capacities has also helped me build on the management and leadership skills I developed in previous assignments. In the past, I have served in senior positions at the U.S. Department of Commerce, the U.S. Nuclear Waste Technical Review Board, and the U.S. Information Agency. I also served as the Assistant Inspector General for Management at USAID OIG.

In my time with USAID OIG, I have had the great benefit of working with the many high-caliber professionals that make up the organization. OIG's workforce consists of skilled Foreign Service and Civil Service auditors, investigators, and analysts that provide hands-on oversight of development and stabilization activities around the globe. This work frequently takes them into challenging settings, such as conflict and post-disaster environments, where security and safety are all too often in short supply. Their dedication to get the job done in the face of these and other obstacles presented by the complex

environments in which they operate is truly commendable. I consider myself fortunate to serve with a group of such diligent and motivated public servants.

If confirmed, my priorities as Inspector General would include maintaining OIG's robust, forward-deployed audit and investigative capabilities while increasing the office's ability to deliver products that inform the deliberative process surrounding foreign assistance. I would continue to promote effective coordination with oversight partners and redouble efforts to strengthen the accountability environment in which foreign assistance programs operate. Because local conditions frequently shape the success or failure of development activities, I would work to increase engagement with local law enforcement and prosecutors, host-country audit entities, and the public through country-specific hotlines for reporting fraud, waste, and abuse. I would also continue to uphold the highest standards for integrity, fairness, and impartiality in the OIG's work and zealously guard its independence, while promoting communication with Congress and agency leaders on important oversight issues.

The effective execution of USAID OIG's important mandate calls for dedicated leadership. The American people deserve an Inspector General at USAID who is fully committed to ensuring that taxpayer dollars are spent in an effective manner and that risks of waste, fraud, and abuse are met squarely and with unwavering resolve. I fully embrace this commitment and believe that my experience has prepared me for the challenges of this position. If I am confirmed, I will look forward to having the opportunity to exercise the skills and judgment I have developed over the years in performing the important functions of the USAID Inspector General.

Thank you very much for the opportunity to address the Committee today and for your consideration of my nomination to this important position. I would be happy to answer any questions you may have.