

Prepared Statement of John W. Cox

**Nominee to be Chief Financial Officer,
U.S. Department of Housing and Urban Development**



**Hearing before the
Committee on Banking, Housing and Urban Affairs
United States Senate**

May 16, 2006

Chairman Shelby, Senator Sarbanes and distinguished members of the Committee, my name is John Cox. I thank you for the privilege to appear before the Committee today as it considers my nomination to serve as Chief Financial Officer of the U. S. Department of Housing and Urban Development. I want to thank you and all the members of the Committee and your staffs who have met with me over the past weeks.

I would like to thank President Bush and Secretary Jackson for giving me the opportunity to serve our country. I am humbled and honored by this appointment. Second, I want to thank my family, many of whom are here today. I want to recognize my wife Sally and daughter Kate who have been very supportive of me in this process. I want to also recognize my mother and father, Jo and Wallace Cox. We are blessed to have other family members and friends who have traveled to be here today.

My great-grandparents moved to Texas in the late 1800s. They were shepherders and lived first in a dirt dugout. They moved to my hometown of Haskell, Texas and purchased a home in the early 1900s. My grandfather purchased his first home for \$2,500 in the late 1920s. I vividly recall my grandmother telling me how she was in tears when she learned that he had borrowed funds to purchase their first home. She was concerned that she had not been frugal enough with the family budget. My father paid \$6,500 for their first home in 1963 and was advised by the banker that, no offense, but he was the proud owner of a \$4,000 lot and a \$2,500 home. I purchased a home in Houston that was guaranteed by FHA. Mr. Chairman, I only wish I could say that in 2006 I found a similarly priced home in the district!

I graduated from Texas A & M University with a bachelor's degree in accounting. My first job was for Ernst & Young LLP. Subsequently, my fifteen-year career at BMC Software in Houston, Texas prepared me well for the role I hope to assume at HUD. BMC is a New York Stock Exchange company with \$1.5 billion in revenue and operations in fifty countries. My team prepared and monitored expense budgets and sales forecasts, prepared and reviewed audited financial statements, prepared and presented quarterly management scorecards to the board of directors, and managed a billion dollar securities portfolio. As the chief financial officer at BMC, I was responsible for the implementation of Section 404 of the Sarbanes-Oxley Act of 2002. As chairman of the audit committee of the board of Benchmark Electronics, Inc., I had the fiduciary responsibility of ensuring that our shareholders could take comfort in knowing that Benchmark's

internal controls were adequate. I have also served on Benchmark's nominations and governance and compensation committees. Benchmark is a New York Stock Exchange company with annual sales in excess of \$2 billion.

If confirmed, I will ensure that as the Department moves towards implementation of OMB Circular A-123 (the federal government equivalent of Sarbanes-Oxley Section 404), our focus is on improving the process and efficiency of government. I am confident that my experience as an executive sponsor on numerous large, complex IT projects shows that I can manage projects effectively, within scope and on budget. Updated, modernized financial systems are critical to HUD's success in meeting the President's management agenda.

My goals for HUD include working to improve internal controls, improving the timeliness and effectiveness of our financial reporting leading to both "clean" financial statements as well as improved decision making by the Department's program heads, implementing FFMIA compliant financial systems and improving HUD's metrics on the President's management agenda. There is a lot of work to do and, if confirmed, I look forward to getting started.

In closing, I realize that Washington can be a very partisan city. But HUD's goals of providing Americans opportunities to increase homeownership, promoting decent affordable housing and strengthening communities are issues that all of us can support, regardless of party. If confirmed, I look forward to working with the President, Secretary Jackson and Congress to ensure that this mission is accomplished. I am proud to do what I can in public service.

Thank you, Mr. Chairman, Senator Sarbanes, and all members of the Committee for your time and consideration of my nomination.

I am pleased to answer any questions you may have.