

**Statement by Jay N. Lerner
Nominee for the Inspector General at the
Federal Deposit Insurance Corporation**

**Before the Committee on Banking, Housing and Urban Affairs
United States Senate**
September 29, 2015

Thank you, Chairman Shelby, Ranking Member Brown, and Members of the Committee. It is truly an honor to appear before you today as the nominee to serve as the Inspector General (IG) of the Federal Deposit Insurance Corporation (FDIC).

At the outset, I would like to recognize and thank my kind and caring family, friends, and colleagues for their support. In particular, I would like to acknowledge the contributions of my parents, as I am blessed for the opportunities that they have afforded me, and the qualities they have instilled in me: honesty, integrity, perseverance, responsibility, and hard work. I am also grateful to my supportive girlfriend and three wonderful sisters and their families. My eight nieces and nephews have kept me grounded and act as reminders of the importance of what we do here today – public service.

The FDIC plays a critical role in maintaining the stability of our financial system and protects the savings of millions of hard-working Americans. It insures more than \$6 trillion in deposits at approximately 6,300 financial institutions, and directly examines and supervises more than 4,000 of these institutions. In addition, the FDIC plays an important role in consumer financial protection, resolution and receivership of insolvent institutions, and management of significant assets in the deposit insurance fund.

The FDIC Inspector General conducts audits and evaluations which make recommendations for improving the FDIC's operations, as well as investigations which preserve the integrity of the system and protect the savings of bank customers, families, and businesses. In this time of pressing need to improve efficiency and effectiveness at government agencies and to eliminate waste, the position of the FDIC Inspector General is an extremely important one.

I believe that I am particularly well-suited to serve as the Inspector General at the FDIC. I have substantial leadership and management experience, and I have conducted oversight and handled complex banking and financial matters. I trained as an accountant and passed the Certified Public Accountant Examination, and I am an experienced lawyer and prosecutor. I am confident that this background has prepared me well to be successful as an Inspector General, if confirmed.

I have worked in public service for more than 23 years, and it has been a privilege to serve this country. Currently, I am the Chief of Staff and Senior Counsel at the Department of Justice (DOJ) Office of the Inspector General (OIG), and I have worked in the IG community since early 2011. I have seen first-hand the many challenges an Inspector General faces, and have learned how to run a strong IG office that can achieve results. I have also gained considerable leadership and management experience under the guidance of the current Inspector General Michael Horowitz, as well as other leaders in the Office and in the IG community. During my tenure, I have been the Congressional liaison and have worked with the Justice Department's leadership, so I can appreciate the importance of an IG's unique reporting responsibilities to keep both Congress and the agency head fully informed.

Importantly, I understand the critical role that independence plays in an Inspector General's mission. The core principles of integrity, objectivity, fairness, and accountability must guide an IG's judgment and decision-making. These are essential attributes to maintain the public's confidence in the work of the Office. If confirmed, I intend to oversee an Office that conducts audits and evaluations in a thorough and comprehensive manner; pursues investigations aggressively and follows the facts wherever they may lead; issues fair-minded and impartial reports; and makes recommendations to improve the agency's programs.

Prior to my current position with the Department of Justice OIG, I gained extensive experience working on banking and financial matters, and am therefore familiar with how banks operate and their relationships with regulators. I served as Assistant Chief in DOJ's Fraud Section, where I worked on enforcement initiatives against financial crimes. I prosecuted banking and money laundering cases while in the Money Laundering Section at DOJ, and I worked at two law firms on similar financial matters. Much of my professional career has focused on conducting effective oversight and ensuring accountability, and this background will form a strong foundation to be a successful Inspector General.

In closing, I understand the challenges ahead and look forward to the opportunity to serve the American people in this new role. I would like to thank the Committee for consideration of my nomination, and I look forward to continuing to work with you and your staffs, if I am confirmed. I would be pleased to respond to any questions that you might have.