

Peggy Gustafson
Nominee for Inspector General
U.S. Small Business Administration

Small Business Committee
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Chair Landrieu, Ranking Member Snowe, and Members of the Committee. It is an honor to be here today and to be under consideration to serve as Inspector General of the U.S. Small Business Administration.

It has been an incredible privilege to interact with many of the Members of this Committee and your respective staffs over the past two and a half years in the U.S. Senate. I am very excited about this new opportunity to serve at the SBA during this critical time for America's small businesses. I would like to take the next few minutes to introduce myself to you, and to explain why I believe my career in public service has prepared me to take on the role of Inspector General at this important time in our nation's history.

I was born and raised in Chicago, on the near north side. My family has a long history in law enforcement, and my father was a sergeant in the Chicago Police Department. I attended Chicago public schools from kindergarten through high school and then had the privilege of attending Grinnell College in Iowa, receiving my bachelor's in political science in 1985, and Northwestern University in Chicago, where I earned my law degree.

After law school I moved to Missouri and began my legal career as a judicial clerk for the Honorable Don Kennedy at the Missouri Court of Appeals in Kansas City.

From there, I spent six years in government serving the people of Jackson County, Missouri. First, I was an Assistant County Counselor, representing the county in civil litigation, including the defense of federal lawsuits filed by jail inmates, personal injury suits filed by persons alleging they were injured on county property, and representing the county in personnel actions. I then worked as an assistant county prosecutor, handling all stages of criminal prosecution for a wide variety of cases, from drug cases to arson to white collar crime to murder. I also represented the county in cases when we sought to remove public officials from office for violations of conflict-of-interest and nepotism laws.

In 1999, I was asked to serve as General Counsel for the Missouri State Auditor. In this capacity, I handled many oversight responsibilities for state-level auditing activities. In addition to the traditional duties of a general counsel, such as advising the auditor and her staff on legal questions arising in the course of audits, I was an integral part of the management team of the office. Perhaps most importantly, I helped make strategic decisions about which audits and investigations deserved highest priority. I became very familiar with the "yellow book," the government auditing standards promulgated by GAO, as well as the appropriate scope of the Auditor's constitutional and statutory duties. I also became skilled at gaining access to the records necessary to ensure that state taxpayer money was being spent responsibly and transparently.

After eight years in the auditor's office, I was provided with a unique opportunity to serve as General Counsel in the office of Sen. Claire McCaskill, the position I currently hold. In this capacity, I assist the Senator in areas related to government oversight and federal financial management as well as on issues related to the Judiciary, Rules and Ethics Committees. I have

become very familiar with the federal IG community, most notably through my work as one of the key staffers who worked on the IG Reform Act of 2008. More recently, I worked extensively on the legislation which gave expanded authority and powers to the Special Inspector General for the Troubled Asset Relief Program. It has been extremely rewarding to get to know many IGs, and to delve into the unique and important relationship between the Inspectors General and the U.S. Congress.

I am proud of the reputation I have earned in the course of my career in public service. I bring to each new position a strong commitment to earning and keeping the public trust and to using taxpayer dollars wisely. At the same time, my teams have consistently been cited for being reasonable, fair, and honest with our stakeholders. I have always pushed those who work for, and with, me to go the extra mile when I feel that it is important to press harder and get to the root of a problem. Additionally, I believe that those of us in positions of oversight must demand of themselves the highest level of ethical activity, serving as a role model for all of those with whom we interact.

I hesitate to delineate at this time the specific areas that my team might pursue if I am confirmed. One area, though, is obvious. The IG's office must ensure that Recovery Act dollars are being spent appropriately. The SBA is facing tremendous challenges in that it has been subject to major funding and staffing cuts over the past several years, and has now been provided with a large infusion of dollars under the Recovery Act. If I am confirmed, I would expect the IG's office to spend a good portion of its time and energy ensuring that the agency is nimbly adapting to fulfill its new responsibilities and to meet the changing needs of America's small businesses during these tough economic times.

If confirmed, I would make it a priority to maintain a good working relationship with this Committee, Congress as a whole, the SBA Administrator, my fellow panelist, and others – but I also intend to exercise complete independence in regards to choosing and pursuing audits and investigations.

Perhaps more than ever before, the American taxpayer deserves an Inspector General at the SBA who is fully committed to ensuring that the SBA is complying with the law and fulfilling its responsibilities. I believe that I have the skills, knowledge, judgment, demeanor and overall track record to serve in that capacity.

Thank you for your consideration, and I look forward to your questions.