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NOMINATION OF HON. LINDA M. COMBS

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

ON THE

NOMINATION OF HON. LINDA M. COMBS, TO BE CONTROLLER, OFFICE OF FEDERAL FINANCIAL MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET

MAY 25, 2005

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NOMINATION OF HON. LINDA M. COMBS

WEDNESDAY, MAY 25, 2005

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 2:31 p.m., in room SD–562, Dirksen Senate Office Building, Hon. Tom Coburn, presiding.

Present: Senators Coburn, Carper, and Lautenberg.

Senator COBURN. The hearing will come to order. Good afternoon.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. The purpose of today's hearing is to consider Linda M. Combs to be Controller, Office of Federal Financial Management, Office of Management and Budget. It is the responsibility of the Controller to carry out the financial management policy of the Federal Government. I believe this is a key position in government because the Controller is one of the primary Federal officials responsible for ensuring that taxpayers' dollars are being spent wisely.

It is my hope that under Ms. Combs' leadership government spending practices will become much more transparent and much more accountable. Furthermore, I am confident that she will make every effort to reduce waste, fraud and abuse and mismanagement throughout the Federal Government.

President Bush nominated Ms. Combs for this position because she possesses the experience, training and motivation to oversee the U.S. Government's financial management practices. Given that Ms. Combs has extensive experience working in the Federal Government in numerous departments where she had oversight authority for financial management and the budget, I believe this makes her a very credible choice to be the next Controller.

I would like to say that both Senator Dole and Senator Burr from your home State send their best wishes. Senator Burr actually came to me and apologized that he could not be here to introduce you. They both send their best wishes and regrets that they could not be here today. They both have submitted written statements for the support of your confirmation that will be entered into the record, and there is no objection to that.

[The prepared statements of Senators Dole and Burr follow:]

PREPARED STATEMENT OF SENATOR DOLE

It is with great pleasure that I introduce Dr. Linda M. combs, who has been appointed by President George W. Bush to be Controller for the Office of Management and Budget (OMB). I am honored and pleased to give my support for the appointment of Dr. Combs, who is a fine North Carolinian. I am very confident that she is well qualified for this important position, which is responsible for financial management of the Federal Government.

If confirmed as OMB Controller, Dr. Combs will be responsible for leading the Office of Federal Financial Management and will provide government-wide leadership for strengthening financial management in Federal agencies and programs. The Controller will lead the Improved Financial Performance Initiative for the President's Management Agenda, which focuses on bettering the quality and timeliness of Federal financial information. I am confident that Dr. Combs possesses the critical leadership skills needed to succeed in this position.

Dr. Linda Combs currently serves as the Assistant Secretary for Budget and Programs and Chief Financial Officer of the Department of Transportation (DOT). In this role, she has significant experience with oversight and management of all budgetary functions for the Department of Transportation. Dr. Combs was responsible for oversight of the Department of Transportation's $57 billion appropriation, the government Performance and Results Act, as well as general monitoring of programs. During her tenure as Assistant Secretary, the Department of Transportation was the first Cabinet level Department to achieve four coveted "green" scores on the President's Management Agenda.

Prior to her appointment to the Department of Transportation, Dr. Combs served as Chief Financial of the Environmental Protection Agency from 2001 to 2003. She has been successful in various oversight roles and executive level management positions at the Departments of Education, Veterans Affairs, and Treasury, where she has garnered years of experience and management skills, which further qualify her for this appointment.

Dr. Combs is a well-respected and valued member of the North Carolina family. She served more than 10 years in the Winston-Salem/Forsyth County school system. Dr. Combs earned an Associate of the Arts degree at Gardner-Webb University, Bachelor of Science and Masters degrees from Appalachian State University, and a Doctorate in Education Administration from Virginia Polytechnic Institute and State University. She is also a graduate of the Program for Senior Managers in Government at Harvard University.

PREPARED STATEMENT OF SENATOR BURR

Mr. Chairman, it is an honor to introduce to you Linda Combs of North Carolina, nominated to be the next Controller of the Office of Federal Financial Management at the Office of Management and Budget.

A resident of my hometown of Winston-Salem, N.C., I know that Linda will continue to serve this President with honor and distinction, in the same manner that she has loyally served her community.

Linda has been the president of Combs Music International in Winston-Salem and has served on various boards since 1991. She is also a former member of the Winston-Salem/Forsyth County Board of Education.

At the U.S. Department of Education, she was the Executive Secretary from 1982 to 1984 and the Deputy Under Secretary for Management from 1984 to 1986.

From 1986 to1987, Ms. Combs returned to the great state of North Carolina to serve Governor James Martin as an advisor.

From 1987 to 1989, she was Associate Administrator for Management at the Department of Veterans Affairs and from 1989 to 1991 she served at the U.S. Department of the Treasury, as Assistant Secretary for Management, and on the President's Council for Management Improvement.

Beginning in 1990, she concurrently held the position of Chief Financial Officer of the Department of the Treasury.

She previously was CFO at the Environmental Protection Agency and during President George H.W. Bush's administration was Assistant Secretary for Management and CFO at the Treasury Department.

Most recently, Ms. Combs served as the CFO and Assistant Secretary of Transportation for Budget and Programs.

Throughout her career, Linda has won several awards. She was the recipient of the Department of Education Secretary's Citation and the Exceptional Service Awards at the Department of the Treasury and the Department of Veterans Affairs.

Ms. Combs holds a bachelor's and a master's degree from Appalachian State University and a doctorate degree from Virginia Polytechnic Institute and State University, and chairs the Board of Directors of the Appalachian State University Foundation.

I have no doubt that Ms. Combs will prove to be an asset to the Office of Management and Budget.

Senator COBURN. As I mentioned in my opening remarks, this nominee has an impressive resume that will prepare her well for this important position. Linda Morrison Combs has filed responses to biographical and financial questionnaires, answered pre-hearing questions submitted by the Committee, and had her financial statements reviewed by the office of Government Ethics. Without objection, this information will be made part of the hearing and, with the exception of the financial data that are on file and available for public inspection in the Committee's offices.

Our Committee rules require that all witnesses at nominations hearings give their testimony under oath. Ms. Combs, at this time if you would, please stand and raise your right hand.

Do you swear that the testimony you are about to give is the truth, the whole truth, so help you, God?

Ms. COMBS. I do.

Senator COBURN. Ms. Combs, I understand that you have family members present that you might want to introduce. Please feel free to do that.

Ms. COMBS. Yes, I do. Senator Coburn, I would like to introduce my husband, David M. Combs.

Senator COBURN. David, welcome. I bet you are proud. We welcome you to this hearing today and I would ask that you proceed with your opening statement at this time.

TESTIMONY OF HON. LINDA M. COMBS,[1] TO BE CONTROLLER, OFFICE OF FEDERAL FINANCIAL MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET

Ms. COMBS. Thank you, Senator Coburn and Members of the Committee. I really appreciate the opportunity to appear before you today as you consider my nomination for the position of Controller of the Office of Management and Budget within the Executive Office of the President.

It is an honor to be here and I am privileged to have been nominated by President Bush to this post.

As you mentioned, Senator Coburn, given the specific duties and responsibilities under the Chief Financial Officers Act of 1990, the OMB Controller position is an especially important one in the Federal Government today.

If confirmed it will indeed be my goal to carry out those responsibilities and to continue the work and the efforts that are underway to achieve the most meaningful results in Federal financial management and performance throughout government.

I look forward to working with you and other Members of the Committee as we find solutions that may not have been thought about to date.

In each of my previous positions in the Federal Government, I have been guided by one singular overriding principle, that public

[1] The prepared statement of Ms. Combs appears in the Appendix on page 15.

service is indeed a public trust. So I pledge to you and to my fellow Americans today my continued commitment to upholding these high standards of honesty, fairness and integrity. The American people deserve no less from those of us who are very fortunate to be able to serve in such honored positions.

I thank you, Senator Coburn, for the great opportunity to appear before you today and I look forward to answering any questions you or any other Members of the Committee may have. And in deference to your time and the time of this Committee, I ask that the remainder of my statement that was presented to the Committee be presented in its entirety and entered into the record.

Senator COBURN. It will be, without objection.

Ms. Combs, I have some questions, some are boilerplate that we will go through, and then I have some very specific questions for you.

Is there anything you are aware of in your background which might present a conflict of interest with the duties of the office to which you have been nominated?

Ms. COMBS. No, sir.

Senator COBURN. Do you know of anything, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Ms. COMBS. No, sir.

Senator COBURN. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Ms. COMBS. Yes, sir.

Senator COBURN. We will start with specific questions and since I get to have the Chair, as well as be the only person here at the present time, I have several questions that I would like to ask you.

Tell me what your top priorities will be if you are confirmed as Controller of the Federal Financial Management at OMB?

Ms. COMBS. Senator Coburn, my absolute top priority is to bring first-class financial management to the entire Federal Government. I think that there are many opportunities where we have to increase our fiscal accountability and discipline. As you and I had the opportunity to discuss this morning, I have been blessed to serve in a number of other departments and agencies. And I hope to help other departments and agencies throughout government be able to do some of the things that we were able to do in some of the other departments, as well.

Senator COBURN. I am very happy to see that the Ranking Member of the Federal Financial Management, Government Information, and International Security Subcommittee, Senator Carper, has joined us. If you would care to make an opening statement, we would love to have that now.

Senator CARPER. I do not have an opening statement at this time, but what I would welcome is the opportunity to ask some questions of our witness. I welcome her today. Thank you.

Ms. COMBS. Thank you, Senator.

Senator COBURN. I will finish my first round and then we will go to you, if that is OK.

Tell me your thoughts about the termination of the Joint Financial Management Improvement Program.

Ms. COMBS. The Joint Financial Management Improvement Program, as I understand it, the principles are still in place with the JFMIP and will meet and discuss various matters that need to come before the Committee.

I also understand that I have not had an opportunity to fully explore that. And if given the honor of confirmation, I will certainly commit to explore the entire transition that took place, which I believe was in December 2004.

Senator COBURN. You and I have discussed, as a matter of fact this morning, on transparency in the Federal Government. Several people have questioned, with the elimination of the Joint Financial Management Improvement Program, that transparency might be less rather than better. And their concern is how do we, as citizens, know what the government is doing without transparency and without accountability?

I can tell you in Subcommittee hearings that Senator Carper and I have both already had, in terms of getting transparency just from USAID, the last information we can get from them on a malaria program is 2001. That is unacceptable here. Presently, I am having difficulty getting the Corps of Engineers to give us a budget.

The fact is that any good management system has that out there. It is the public information, it cannot be guarded. And when it is guarded and it is guarded inappropriately, that raises red flags in Congress, I assure you.

I just would wonder how you would respond. How are we going to get to the point where you can get online and you can find out what every section, every action, other than intelligence and maybe certain areas of the military, how they are spending taxpayers money?

Ms. COMBS. As you know from our brief conversation this morning, we both are indeed committed to transparency. It is quite ironic that in our audience today I was chatting with some folks who just happened to be here from the State of California. And I was able to talk with them for just a few moments about some of the things that we are doing in results.gov.

We are moving forward in terms of transparency and I certainly am committed to any transparency that will not only show the American people, our fellow taxpayers, and us exactly what the results are of what we are doing in the Federal Government.

I have that major commitment, along with you, and look forward to working with you and your staff to answer the specific problems that you have encountered as well as a more overall transparency situation.

Senator COBURN. When an improper payment should occur, what are the steps adopted to attempt recovery of such sums?

Ms. COMBS. There are a couple of steps here and I really look forward to working with you and the Committee on this because this is really—it was a hot button for me when I first came back into government in 2001 after being out for 10 years.

One of the things I realize that if we can avoid making those payments to begin with, that is a good first step. We had put that out through the offices at EPA. And I am pleased to report to you

that not only are there some individual circumstances that I could cite to you of how payments were not made in error because of controls and measures that we put in place, but because of sensitivities that we engaged the workforce in.

A lot of consolidation was done relative to where the payments are made and how they are made. And I have some wonderful stories that I would love to share with you and your staff about how these improper payments were avoided to begin with.

At EPA the actual improper payments rate today is less than 0.5 percent. And I say to you that is one, because of commitment of a great workforce that we engaged and we engaged properly, putting wonderful controls in place. Obviously, it does not happen 100 percent of the time. We have less than 1 percent, but still that is more than we need to have.

So the one thing you can do following that is to engage companies to come in who will do an assessment of these improper payments. And they will do it based on how much they recover. They are called recovery audits. I actually checked up on some of the recovery audits as I was preparing to come and talk with you folks today. And I learned from EPA that they had a recovery audit even on that 0.5 percent. There is no reason we cannot do that in every department and agency and have that commitment.

Senator COBURN. Thank you. My time is expired.

I welcome Senator Lautenberg, and if you have an opening statement, now would be a great time.

OPENING STATEMENT OF SENATOR LAUTENBERG

Senator LAUTENBERG. I appreciate that, Mr. Chairman and I am delighted to have a chance to be here to take a few minutes to talk about Ms. Combs and the position that she is going to assume. And obviously, we welcome her here.

The position for which you have been nominated, Controller for the Office of Federal Financial Management, is obviously very important. And we make that statement based on some of the experiences that we see, unfortunately, on a continuing basis.

The office is responsible for establishing government-wide financial management policies of executive agencies government-wide. Now I have spent a fair amount of time in the business world before I came here and financial management was a big part of our business. You try to watch everything that you can. There are things, no matter how careful one might be, no matter how intricate or appropriate the system is, the fact of the matter is that there is a part science in the financial management. The critical incidents review is when there are things that you look for that trigger further review or expansion.

What I see happening and what I have seen happening is that in some parts the errors or the waste is of major magnitude. Again, I do not believe that in an organization the size of our government that we can ever get down to the last nickel and dime. You forego that.

But the Defense Department gives out contracts and they are not adequately examined by Congress or the Executive Branch, in my view, and I am talking particularly about Halliburton's contract in

Iraq. Halliburton was awarded a no-bid contract worth $2.5 billion and a cost-plus contract worth more than $7 billion.

Now both of these contracts have been riven with waste, fraud, and abuse, to use the common term. A typical example is Halliburton, in overcharging the government by $1.09 a gallon for 57 million gallons of gasoline.

Other incidents, they paid $45 for cases of soda that supermarkets sell for $7. And we are talking about huge numbers.

In response to this charge, Army auditors recommended that Halliburton be punished. They said DOD should withhold 15 percent of future payments to offset these overcharges. But instead of administering punishment to Halliburton, the Pentagon rewarded it with $72 million in bonuses.

Now that is giving the fox in the chicken coop some more hens for a dish. And I find it inexplicable. I think the policies and procedures that allowed it to happen need severe scrutiny and review.

And Dr. Combs, I think it is essential that in this new position that you do that. I would like to explore it more specifically but it is fair to say that we need to really crack the whip on DOD here and demand some accountability.

And finally, Mr. Chairman, we know that Senator Voinovich is doing some excellent work in his Subcommittee to take a close look at DOD's business practice and I know that he will continue to work diligently, as we should here. And I commend you for doing this.

When we get to questions, I have a few questions.

Senator COBURN. I want to assure the Senator that we are going to look at every nook and cranny on our Subcommittee. Senator Carper and I, we are going to work joined at the hip to do that.

I might note for the record that we had testimony from General Walker that the Pentagon has a 10 percent mispayment rate, $5 billion that they did not pay for and $35 billion that they paid for that they should not have. So we have a lot of work to do at the Pentagon in terms of cleaning up this mess. I will assure you that we will do that.

I would like to recognize Senator Carper now.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thanks, Mr. Chairman. I would like to ask unanimous consent that my statement be submitted for the record.

Senator COBURN. Without objection.

[The prepared statement of Senator Carper follows:]

PREPARED STATEMENT OF SENATOR CARPER

Thank you, Mr. Chairman. We have before us today a very important nomination. Financial management has hardly been one of the Federal Government's strengths, unfortunately. According to the Office of Management and Budget's latest scorecard, while progress is being made, most agencies continue to receive failing grades for financial performance.

This is probably the major reason why we've been unable to get a clean audit opinion on the Federal Government's combined financial statement for some time now. Many people probably read about this and other Federal financial management problems in the paper, Mr. Chairman, and shrug our shoulders and move on. I think most of our constituents assume that the Federal Government isn't a good steward of their tax dollars and believe little can be done about it.

I believe we can do better. We need to do better. Poor financial management has a real impact on the Federal budget. It also leads to waste and, a time when the

budget deficit is rising and every dollar is precious, cheats worthy programs of much-needed funding that could be used to help people.

I was shocked to learn at a recent hearing Senator Coburn and I held on the President's Management Agenda that the Federal Government makes about $45 billion in improper payments each year. We just can't afford to allow management weaknesses to be such a drain on resources.

I believe Linda Combs recognizes this. She has a distinguished record of service at a number of agencies. This includes her recent service as Chief Financial Officer at both the Environmental Protection Agency and the Department of Transportation. I've had the pleasure of meeting with Ms. Combs one-on-one and look forward to hearing some more today about her qualifications and her views on how we can continue to improve financial management across the Federal Government.

Senator CARPER. Thank you, sir.

Ms. Combs welcome and thank you for being here.

You look at the size of the audience and we have had more people in this Committee hearing room in other instances. Sometimes it is when there is controversy. So when you look around and you do not see a packed house, it might actually be a good sign rather than a bad one.

What I would like to do today is, first of all, just ask you what do you think, what kind of skills, attributes should we be looking for and should the President be looking for in filling this position?

Ms. COMBS. I think the skills that are necessary to be a Controller are twofold. One, a commitment to honesty and integrity, a commitment to instilling in every other CFO the idea that we truly, as a Federal Government, can be a first-class financial institution. We do not have to continue to look at situations that persist in various departments and say I do not think we can do anything about that.

I think we have to instill and change the culture and change the attitudes of our fellow legislative people, as well as our Executive Branch folks, and work together and have a tremendous commitment to doing something that has not been done before.

And I think the commitment is the number one priority.

The number two priority, I think, of a controller or a CFO in any of these other departments and agencies is to garner the respect for controls and fiduciary responsibilities and make sure that everyone who works in those departments and agencies believes that part of their responsibility is financial and fiduciary, not just programmatic.

I think if we could start there with a great elevation of thought and ideas and vision, I think we could achieve a whole lot. And I am really looking forward, assuming I am confirmed, to being able to do that.

Senator CARPER. Given the criteria you have laid out, how do you measure up to those standards in terms of what we are looking for? And I admire modesty but this is not a time to be modest.

Ms. COMBS. I think standards are very important. They are very critical. And one of the things that I have done, particularly in the last two positions, the two CFO positions I have held in this Administration, is put a number of metrics out there that we hold people accountable for in the departments and agencies in which I have served.

I actually worked as a subcommittee chair on the Chief Financial Officers Council, as well, to put into play eight financial metrics across government. We CFOs got together and we decided there

were certain metrics that every departmental CFO needed to have that would show that they were doing a good job managing their finances. And they were very rudimentary for many of us who worked in a banking industry or other industries like that in the past. Yes, they were rudimentary. Are you balancing your books on time? And I would love to share those with you at a later date.

But they do wonders for pulling the organization together into a way of saying, hey, these are things we can agree upon, that everybody in this department has responsibility for these particular areas. So whether your responsibility is in a program or whether it is in a financial office, you have responsibility for finances as well.

Senator CARPER. In talking with others about you, I heard from them that you have very good financial skills. They have also talked about your remarkable skills in mathematics. I was just wondering what might be the genesis of your interest in mathematics and your understanding and your facility with mathematics?

Ms. COMBS. Thank you, Senator. Unbeknownst to probably a couple of other Members on the Committee, when Senator Carper and I met, we realized that Senator Carper's father-in-law, Dr. Starr N. Stacy, Jr., taught me math at Appalachian State University, and specifically probability. And he was a most inspiring teacher, and a most inspiring leader.

And even though I went into education after that, I have always come back to many of the things that he taught me. He was such an inspiring person. And after our visit, I actually went back and looked him up in the annual. And yes, he was exactly as I remembered how he looked, and I was able to share my thoughts with your wife.

Senator CARPER. I was pleased to share with my wife the kind words you had to say about her father. She thinks that she has grown up to be just like him. And she is my teacher too, in a lot of ways.

Senator LAUTENBERG. You inherited this from your father-in-law.

Senator CARPER. I suppose. I do not know.

A more serious question. You mentioned financial officers and CFOs. You served in government, both before and after the passage of the 1990 Chief Financial Officers Act. I just wondered if you could share with us what impact you think those reforms have had that were included in the bill, and also in the President's Management Agenda? And how have you seen it impact on our Federal financial performance?

Ms. COMBS. I think the President's Management Agenda has done an awful lot to pull departments and agencies together and to focus on four or five discrete elements that we can all agree are the things we are going to work hard on. And I am pleased one of these is financial management, of course. That has done a great deal to bring a focal point to where we all want to go in this Administration.

The CFO Act itself, since it was passed in 1990, and yes, I was the first CFO at the Department of Treasury at the time. And it was a watershed moment. And one of the things that I have done after coming back into government in 2001 after a 9 or 10 year hia-

tus between 1991 and when I came back in 2001, is to look at the differences. What are the things that have happened? Well, there was other additional legislation also that was passed in the 1990's.

But, when I came back to EPA and looked at the CFO Act of 1990, I did just what you suggested. What has changed? What has made a difference?

One of the things that, in reading the CFO Act and rereading it again, you realize the people who worked on that at the time really had a great command for what could and should be done in Federal departments and agencies. And even now, I have looked at the tenets of the CFO Act and have used those to formulate some of the things that I put into place, both at EPA and at the Department of Transportation, in terms of holding people accountable for their financial duties, and putting financial people in place. The CFO Act gives CFOs a tremendous responsibility for seeing that the right people are in the other subsidiary CFO positions within the departments and agencies as well.

It is up to a good CFO to decide what kind of people you need in those specific fiduciary roles; to put the processes in place that you need to put in place and hold people accountable; and to put the tools in place, whether it is new IT tools or whether it is other mechanisms that will help you manage an organization better.

Each one of the tenets of the CFO Act spells out in great detail how that can be done. And I think taking it very seriously and honoring the Act, in and of itself, both in the spirit as well as the actual concept of the law, gives CFOs and the Controller a great deal of latitude and responsibility.

Senator CARPER. Thank you.

Senator COBURN. Senator Lautenberg.

Senator LAUTENBERG. Thank you, Mr. Chairman.

If you saw me smiling when you heard Senator Carper ask you the questions about what qualities you think should be there for someone in this position, I once asked a nominee for a District Court judgeship about that. And I said what qualities do you think we ought to be looking for in someone sitting on the bench. And he said all the ones I have got.

On the very serious side of things, Sarbanes-Oxley, we will not argue how it got started and the necessity of it. But to me, and I came out of the business world and ran a pretty good-sized company, the one thing that I saw that threaded through the whole notion of establishing the law was that it was to say to companies, tell the truth. Tell the truth.

And the chief executive now, I think in most cases, has to sign off on the financial statement. And I think it should be that way. And again, I am not defending the law. But what I am defending is the notion that people have to tell the truth.

In government it is a particularly tortuous proposition because there are so many people involved, departments involved, and so forth.

But I assume that you are aware, Dr. Combs, of the fact that contracting abuses have taken place in Iraq.

Ms. COMBS. I have read quite a bit about it, as you have, in the media.

Senator LAUTENBERG. Do you think some of that again, and this may be pointed, but I think as they say if the shoe fits, that no-bid contracts are appropriate unless it is a dire emergency? Do you think that you can control things well if you give a contract out with no bid, no indication some other company might be able to do it better?

Ms. COMBS. I think there are a lot of avenues that we have to explore in contractual management. You mentioned the skills a moment ago of people in specific jobs. Obviously people who have contractual responsibilities need to know what the vehicles are and to work through them in an appropriate way.

But the one skill that absolutely must be in all of these roles and responsibilities is the ability to manage large contracts such as that. So that is something that I would certainly need to take a look at from a policy perspective.

Senator LAUTENBERG. I would urge you to do it because if we know A, where we are going; and B, how we get there, and that is the best way to find out things is competitively. If there is no one else to do the work, then the choices are limited. But if there are other people who can do the same work—and another question, in terms of financial structuring, the cost-plus contracts.

There were instances, and we have had whistleblowers testify and lots of sources of information, about the total abandonment of care and caution and in spending because it has been said, according to testimony that we had, that people would say do not worry about it, throw perfectly good things away. We are going to get paid for it. There was talk even of abandonment of vehicles because the truck was stuck with a flat tire, an $80,000 vehicle. Just forget about it and go.

On these LOGCAP contracts, there has to be some mechanism to say it is cost-plus but the cost has to first be verifiable and worry about the plus at a later time.

Will you have a chance to review the policies that led to Halliburton being paid bonuses despite findings that it overcharged the government? And again, the findings were released by the Department of Defense, that said you have overcharged us $60 million for the gasoline and we are going to take it back. And then there was apparently other information that came back and said no, we should not take it back.

I would appreciate it if you could make a commitment here that you will review the policies that led to Halliburton being paid bonuses despite findings that it overcharged the government. Is that something you can commit to?

Ms. COMBS. Senator Lautenberg, I think my overriding responsibility here is certainly to see that the dollars of every taxpayer are monitored and looked at appropriately. I see this as an over-encompassing role. I see that every taxpayer's dollar needs to be spent appropriately. And I am making a commitment to go into that.

Senator LAUTENBERG. I would ask you to review the past so that we, as is said, can look at the future with a little more experience to throw into our judgment.

Ms. COMBS. Thank you.

Senator LAUTENBERG. Thanks, Mr. Chairman.

Senator COBURN. Thank you, Senator Lautenberg. Let me follow up on Senator Lautenberg's questions.

Is there a policy within the Federal Government now on cost-plus bids or no-bid contracts, where they will have post-purchase review?

Ms. COMBS. Senator Coburn, I do not know the answer to that, but I will commit to finding that out.

Senator COBURN. Would you get the answer to that for this Committee? And if there is not, there certainly should be, because just the thought of a post-contract review will change a lot of behavior.

Ms. COMBS. Yes.

Senator COBURN. As I know you are aware, OMB has not succeeded in implementing the President's Management Agenda initiative. In fact, OMB has the worst performance of the 24 agencies included in the last scorecard. OMB's Deputy Director for Management, Clay Johnson, indicated that OMB is having particular difficulty improving its financial performance because it is tied to the Executive Office of the President, which is not required to have an annual financial statement audit.

I would appreciate it if you would provide the Committee with an explanation as to why the Executive Office of the President is not subject to the requirement for an annual financial statement audit? And is there any way to separate out the different organizations within the Executive Office of the President so they can be scrutinized?

Ms. COMBS. I will be more than happy to look into that and work with you and provide what you need on that.

Senator COBURN. And then my final questions really have to do with credit card purchases. We have seen a lot with that. How can we best restrain open-ended spending by employees using government purchasing cards? And what steps can we take to reduce the purchase card program's vulnerability to wasteful, improper and questionable purchases?

Ms. COMBS. That was something, as well, that I worked very hard on, both at the EPA as well as the Department of Transportation, and was able to make a lot of headway in reducing those numbers that we had presented. We had a number of problems with those when I went into both of those organizations. And now I am pleased to say that their numbers are some of the best in government.

So I have a very strong commitment for that and it is actually one of the metrics that we look at government-wide.

Senator COBURN. You are talking about re-creating reimbursement concepts for employees expenditures; is that correct?

Ms. COMBS. Yes.

Senator COBURN. Senator Carper.

Senator CARPER. I just want to revisit briefly an area we have already had some discussion on and it is the Department of Defense. We were led to believe, I think GAO noted in January in their high risk update, that tangible evidence of improvement in DOD's financial management can only be seen in a few areas.

Given how much money we are spending in defense—in fact, I understand we spend more on defense now than the rest of the world combined. That is a lot of money. And in any big organiza-

tion there is opportunities to spend money poorly, wastefully, and so forth. My guess is the same is obviously true in the Department of Defense.

Any thoughts that you might have beyond what you have already said, or just to reiterate what you have already said, in what we might do to help clean up DOD's books? I know you have served well at EPA and DOT and elsewhere. Just talk about some of the things again that could be applied from your previous experience and what we could apply at DOD.

Ms. COMBS. I think one of the things that we must do, DOD is a very complex organization, I do not need to tell you that. We all understand that.

But any time you have a complex problem, whether it is in life or whether it is in finances, it has to be broken down into manageable parts. And broken down in such a way that you have a committed group of people working on each piece of it, so that you come together at the end and you have exactly what you envision, clean audits, no material weaknesses and many of those things that we have talked about and are committed to.

And I think without us working together and coming up with those solutions, and working with the Department of Defense, that probably is not going to happen or going to happen in our lifetimes or in our tenure.

But what I would like to do is to work with the Committee and to continue the work that we would normally be doing from OMB with DOD and work toward a great solution. And maybe it is not time driven. A lot of times we get hung up on when is it going to happen? Maybe there is another creative solution that we have not thought about. Maybe there is some percentages of work that we could be pleased with if they get to a certain percentage point.

I do not know what it is, but I am certainly more than willing to commit to work with the Committee.

Senator CARPER. Thanks very much.

Senator Coburn and I bring to these two positions a commitment to doing what we can to ratchet down the Federal budget deficit. It is alarming to me and I know it is to him and I suspect everyone in this room, that our budget deficit is so high. We know that in some cases we are spending money that we do not have. In other cases, we are spending money for things that are inappropriate or may be unlawful. In other cases, monies that should be collected as revenues are not being collected.

We are determined to do what we can with this little Subcommittee of ours to try to make progress in all of those areas.

We have spoken with the Comptroller General, David Walker, to enlist his cooperation and to see how we might partner with GAO. I would not pretend to speak for both of us, but I would welcome a similar kind of partnership with you and the folks that you're going to be leading. We wish you well.

Thank you for returning to government service, the service of our people. And good luck.

Senator COBURN. Thank you, Senator Carper.

My staff advises the IG at VA has recommended pre- and post-audits for contacting at the VA. So you might want to look at that.

One other question. I just want to get a commitment for this Committee from you that as we seek to find out what we need to know to help you do your job that you will be a conduit for us for assisting us in finding the numbers. The most frustrating thing for me is to ask an agency for their numbers and, first of all, be told you cannot have them. Number two is we do not have them.

Well, if they do not have them, then we have got much bigger problems than what we think we do. I would just like a commitment from you for both Senator Carper and myself. Our goal is we are after the waste and the inefficiencies. It is not partisan at all. Money that is wasted hurts everybody in this country. We are committed to that. And I would like a commitment from you that when we are stuck, we want to be coming to you. We want the pressure run down the flagpole so we get what we need.

Ms. COMBS. I hope you will call me. I almost hope you call me as a first resort, because I would love to know what you are trying to get and see if we can help you, because what you told me this morning I find unacceptable.

Senator COBURN. Thank you again for coming. We appreciate your willingness to serve this country and the hearing is adjourned.

[Whereupon, at 3:13 p.m., the Committee was adjourned.]

APPENDIX

Statement of Linda M. Combs
Nominee to be Controller, Office of Management and Budget

Before the

Committee on Homeland Security and Governmental Affairs
United States Senate
May 25, 2005

Dr. Coburn and Members of the Committee, thank you for the opportunity to appear before you today as you consider me for the position of Controller at the Office of Management and Budget (OMB). It is an honor to be here, and I am privileged to have been nominated by President Bush to this post.

Given specific duties and responsibilities under the Chief Financial Officers (CFO) Act of 1990, the OMB Controller position is an especially important one in the Federal Government. As the statutory head of the Office of Federal Financial Management, the Controller must work to fully comply with the requirements of the CFO Act, as well as develop and implement government-wide financial management policies and practices for Federal agencies. If confirmed, it will be my goal to carry out these responsibilities and to continue OMB's efforts to achieving meaningful results in Federal financial management and performance.

Over my career, I have gained extensive financial management experience while serving in a variety of oversight and executive level management positions within the Federal Government. Having worked at the Departments of Education, Veterans Affairs, Treasury, Transportation (DOT), and the Environmental Protection Agency (EPA), I have held several positions with oversight authority for financial management and budget. These roles include: Deputy Undersecretary for Management at Education, Assistant Secretary for Management and Chief Financial Officer (CFO) at Treasury, CFO at EPA, and most recently as Assistant Secretary for Budget and Programs and CFO at DOT. If confirmed, I would welcome the opportunity to build upon these invaluable agency experiences in addressing the financial management challenges currently facing our government.

It is important that the Federal Government strive to ensure that taxpayer dollars are not being wasted, that its financial books are in order, and that its decision-makers have accurate financial information when they need it. If given the opportunity to serve as OMB Controller, I will work to meet these objectives.

Over the past several years, there has been an increased awareness of the need for departments and agencies – and the Federal Government as a whole – to improve their

financial management practices and processes. As this need to improve is addressed, it is important that all efforts and actions be directed toward ensuring that the progress made results in long-term solutions, not short-term fixes. For instance, agencies must consistently have timely and accurate financial information in place in order to make more well-informed management decisions on a day-to-day basis. If confirmed, I would look forward to coordinating with all necessary parties – such as department/agency officials, my Administration colleagues, CFO Council representatives, and others outside the government – for improving financial reporting, management, and performance practices across the government.

In each of my previous positions in the Federal Government, I have been guided by one single over-riding principle: public service is a public trust. I pledge to you my continued commitment to upholding the highest standards of honesty, fairness and integrity. The American people deserve no less from those of us who are fortunate to serve in such honored positions.

If confirmed, I would enthusiastically approach the challenges of the position and work to provide financial management expertise and leadership within the Executive Office of the President. I would also look forward to close working relationships with the Members of this Committee and others in Congress to facilitate progress toward a more results-oriented government in the area of financial management.

Thank you again for the opportunity to appear before you today. I look forward to answering any questions you may have.

UNITED STATES SENATE

Committee on Homeland Security and Governmental Affairs
Nomination

A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names or nick names used.)

   Linda Morrison Combs, Linda Combs, Linda M. Combs, Linda Morrison, Linda Gail Morrison

2. **Position to which nominated:**

   Controller, Office of Federal Financial Management
   Office of Management and Budget

3. **Date of nomination:**

   February 28, 2005

4. **Address:** (List current place of residence and office addresses.)

   Office of Management and Budget
   17th & Pa. Avenues, NW, EEOB
   Washington, DC 20503

5. **Date and place of birth:**

   06/29/46 - Lenoir, NC

6. **Marital status:** (Include maiden name of wife or husband's name.)

   David Michael Combs

7. **Names and ages of children:** (Include stepchildren and children from previous marriages.)

   None

8. **Education:** (List secondary and higher education institutions, dates attended, degree received and date degree granted.)

1960 – 1964	Hudson High School		Dip	1964
1964 – 1966	Gardner-Webb University	Boone, NC	AA	1966
1966 – 1968	Appalachian State Univ.	Boiling Springs, NC	BS	1966
1973 – 1978	Appalachian State Univ.	Boiling Springs, NC	MA	1978

1982 – 1985	VP and State University	Blacksburg, VA	Ed.D. 1985
1984 – 1984	Harvard University	Cambridge, MA	Cert. 1984
1975	American Mgmt. Assn.		Cert. 1975
1979	American Institute of Banking		Cert. 1979

9. **Employment record:** (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

02/05 - pres.	Counselor to the Deputy Director for Management, OMB, Wash., DC
05/04 - 02/05	Assistant Secretary for Budget & Programs/CFO, DOT, Wash., DC
11/03 - 05/04	Advisor to the Secretary, DOT, Washington, DC
11/01 - 11/03	Chief Financial Officer, USEPA, Washington, DC
1991 - 2001	Combs Publishing & Consulting, self—sole proprietor, W-S, NC
07/89 - 05/91	Assistant Secretary of Treasury for Management & CFO, Wash, DC
08/88 - 07/89	Acting Assoc. Administrator for Management, DVA, Wash, DC
10/87 - 08/88	Deputy Associate Dep. Administrator for Management, DVA, Wash, DC
05/87 - 10/87	Combs Consulting Group, self employed, W-S, NC
10/86 - 10/87	Int'l Education Systems of N.C., W-S, NC
05/86 - 04/87	Public Education Advisor to the Governor of NC, Raleigh, NC
09/84 - 05/86	Deputy Undersecretary for Management, Dept of Ed., Wash, DC
02/83 - 09/84	Executive Secretary, Dept of Ed., Wash, DC
05/82 - 02/83	Deputy Executive Secretary, Dept. of Ed., Wash, DC
03/80 - 04/82	Mgr. National Direct Student Loan Operations, Wachovia Serv., NC
09/79 - 02/80	Section Manager, Wachovia Services, Winston-Salem, NC
12/80 - 05/82	Elected Member, Board of Education, Forsyth Co., NC
08/77 - 08/79	Assistant Principal, Speas School, Forsyth Co., Winston-Salem, NC
09/73 - 06/77	Reading Coordinator, Ardmore School, Forsyth Co. Winston-Salem, NC
06/73 - 08/73	Director, Title I Summer Program, Forsyth Co. Winston-Salem, NC
09/71 - 06/73	Reading Teacher, Clemmons School, Forsyth Co. Winston-Salem, NC
01/70 - 06/71	6th Grade Teacher, Brown School, Forsyth Co., Winston-Salem, NC
09/68 - 01/70	6th Grade Teacher, Kernersville School, Forsyth Co. W-Salem, NC
06/69 - 08/69	Correspondence Clerk, Bowman Gray Sch. of Medicine, W-Salem, NC

10. Government experience: (List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.)

Included above in # 9

11. **Business relationships:** (List all positions currently or formerly held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution).

1991 – 2001	Self Employed (Consultant/Writer/Speaker) Proprietor
1991 – 2001	Co-Proprietor with David Combs of Combs Music
1999 – 2001	Gardner-Webb University. Unpaid member, Board of Trustees
1992 – 2001	Appalachian State Univ. Unpaid member, Foundation Bd. of Directors
1984 – 2001	Wake Forest Univ. Babcock Sch. of Mgmt. Unpaid mem., Bd. of Visitors
1995 – 1997	Piedmont Triad Alzheimer's Association, Unpaid member Bd. Of Dir.
2000 – 2001	Kaesona, Inc. Unpaid member, Board of Directors
2000 – 2001	Kybele, Inc. Unpaid member, Board of Directors [501c(3) corporation, incorporated in the State of Kansas, Triplett, Woolf, & Garrelson (Law firm representing Kybele, Wichita, KS)
1996 – 2000	NC Jewish Home, Clemmons, NC (unpaid member while parents were residents – home now closed).

12. **Memberships:** (List all memberships and offices currently or formerly held in professional, fraternal, scholarly, civic, public, charitable and other organizations.)

1992 – 2001	Rotary International Club. Chaired the Devotional Committee
1999 – 2001	Piedmont Women Executives
1996 – 2000	National Speakers Association

13. **Political affiliations and activities:**

(a) **List all offices with a political party which you have held or any public office for which you have been a candidate.**

1980	Elected to Board of Education for Forsyth County School System in Winston-Salem, NC
1980/81	Vice President of Forsyth Young Republicans Club

(b) **List all memberships and offices held in and services rendered to all political parties or Election committees during the last 10 years.**

1972 & 1978	Actively worked in Jesse Helms for Senate Campaign as Precinct Organizer. Also served in subsequent campaigns in various capacities
1974 – 1980	Co-chair of South Fork Republican Precinct
1976 – 1980	Member of Forsyth Co. Republican Party Executive Committee
1976 & 1980	Actively worked in the Reagan for President Campaign
1980	Elected to Board of Education for Forsyth County School System in Winston-Salem, NC
1980 – 1981	Vice President of Forsyth Young Republicans Club
1982 – 1991	Active member of the North Carolina Republic Club of Washington
1987	George H. W. Bush Presidential Campaign
2000	George W. Bush Presidential Campaign
1999	Elizabeth Dole for President – National Finance Committee
1999 – 2000	George W. Bush for President Campaign (Educators for Bush)
1970 – Pres.	Forsyth County Republican Women's Club
1995 – 1996	Forsyth County Republican Party Finance Committee

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $500 or more for the past 10 years.

George W. Bush – 2004 Presidential Campaign	$2000
George W. Bush – 2000 Presidential Campaign	$1000
George H. W. Bush – 1992 Presidential Campaign	$1000
Elizabeth Dole – 2000 Presidential Campaign	$1000

14. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.)

1963 Rural Electrification Assn. Scholarship for writing a prize winning essay
1964 Graduated with honors from high school
1974 Winston-Salem/Forsyth Co. School System Scholarship
1977 Nominated "Teacher of the Year" by Speas School
1978 Nominated "Teacher of the Year" by Speas School
1979 Delta Kappa Gamma Honor Society
1980 Phi Delta Kappa Honorary Society
1983 Combined Federal Campaign Award
1983 Combined Federal Campaign Outstanding Service Award
1983 Phi Delta Kappa Service to Education Award
1984 Secretary of Education's Special Citation
1985 Honorary Doctorate, Gardner Webb College
1986 Distinguished Alumnus of the Year, Appalachian State Univ.
1987 Alumnus of the Year, Gardner Webb College
1986 Certificate of Appreciation, U.S. Secretary of Education
1988 President's Council on Management Improvement Award
1988 Executive Performance Award, Veterans Administration
1988 President's Council on Management Improvement Outstanding Leadership
1988 Outstanding Volunteer Award
1989 Veterans Administration Appreciation Award
1989 Pride in Public Service Achievement
1996 Alzheimer's Association Award from Nancy Reagan
1996 Piedmont Triad Alzheimer's Association Volunteer of the Year
1997 Special Service Award, Appalachian State University

15. **Published writings:** (List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.)

Author

Nov. 2004..... "The DM Interview: Linda Combs" Article in the National Association of Corporate Directors (NACD), Directors Monthly, Volume 28, Number 11.

Aug. 2003....."EPA's Clean Financial Reports", article published in the Federal Times.

Sum. 2003....."Profiles in Leadership Linking Performance and Budgeting at EPA," taken from radio interview, by the Business of Government Magazine.

March 2003..... "The Challenge to Prove Results: Linking Budget, Performance Key to EPA's Future," article published in the Federal Times.

Jan. 2001..... "Work Together to Ensure that No Child is Left Behind," Article in *Winston-Salem Journal*, Guest Columnist

Dec. 1996..... "Fact and Commentary," article on Alzheimer's Disease *Primary Psychiatry Journal*

Dec. 1994..... "*A Long Goodbye and Beyond. Coping with Alzheimers,*" book by Linda M. Combs

Mar. 1985..... "Sharing Educational Responsibility," article in *Winston-Salem Sentinel*

1985..... "Developmental Education: The Federal Viewpoint." *Journal of Developmental Education*, Volume 9, Issue 1

Nov. 1985....."Education in the Year 2035—A Delphi Study to Identify Possible Futures of the Public Secondary School" (Dissertation submitted to fulfill requirements for Ed.D at Virginia Polytechnic and State University).

Co-author

Oct. 1985..... "Streamlining Internal Control Processes and Strengthening Management Controls with Less Effort," A PCMI Interagency Study Report

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of on topics relevant to the position for which you have been nominated.

04/02/02	Remarks given during an EPA Steering Group on Managing for Improved Results, Washington, DC
05/21/02	OCFO Awards Ceremony Remarks, EPA, Washington, DC
05/23/02	"Emerging Issues in Environmental Protection" at EPA Annual Planning and Budget Meeting, Washington, DC.
06/12/02	"Getting Beyond Green—Budget and Performance Integration and E-Government Efforts at EPA at the 7th Annual Planning and Budget Meeting, Washington, DC
06/17/02	Caldwell County June Scholars Program, Lenoir, NC
08/07/02	"Rising to Excellence through Citizen-Centered Government" at EPA's 4th National Customer Service Conference, Washington, DC
10/22/02	"Getting Beyond Green—Financial Management" at the Administrator's Senior Staff Meeting, San Francisco, CA
11/12/02	Presentation during the Assistant Regional Administrator's Mtg, Washington, DC
12/02/02	Published Interview in the JFMIP Newsletter (Q&A Session)
12/04/02	Presentation during the EPA Strategic Plan Goal Meeting, Washington, DC
01/02/03	Presentation during the Cleveland County Manufacturer's Council's Meeting, Washington, DC
01/07/03	Presentation during the EPA Strategic Plan Meeting, Washington, DC
02/06/03	Presentation during EPA's ARA Meeting, Washington, DC
02/19/03	Remarks at the 32nd Annual Customer Service Expo, Washington, DC
03/05/03	Remarks at the Environmental Financial Advisory Board (EFAB) Annual Meeting, Washington, DC
03/11/03	"Integrating Budget and Performance at EPA" presented at the JFMIP 32nd Annual Conference, Washington, DC

03/21/03	"Overview: US Environmental Protection Agency" during a meeting with MBA students at Wake Forest University, Winston-Salem, NC.
04/23/03	Remarks during the EPA Strategic Plan Goals Meeting on Supporting Programs, Washington, DC
05/08/03	Remarks during EPA's FY'05 Annual Planning Meeting, Washington, DC
05/14/03	Remarks during the 2003 AFFIRM/Post Newsweek Panel Meeting, Washington, DC
05/21/03	Opening Remarks during the OCFO Annual Awards Ceremony, Washington, DC
05/27/03	Remarks during the EPA Strategic Plan Goals Meeting, Washington, DC
05/30/03	"How EPA Became Finalist for President's Quality Award", presented during a luncheon meeting at the Logistics Management Institute, Tyson's Corner, VA
06/30/03	"Partnering for Results" remarks presented during the AGA Professional Development Conference, Chicago, IL
06/30/03	"How Can We Be Good Business Partners" presented at the AGA Professional Development Conference, Chicago IL
08/05/03	"EPA Achievements on President's Management Agenda" presented at the FMO Annual Meeting, Washington, DC
08/05/03	"President's Management Agenda" presented during EPA's ARA meeting, Washington, DC
10/07/03	"Update on Implementation of the President's Management Agenda" presented at the Environmental Performance Summit, Washington, DC
10/23/03	"Getting to Green in Improved Financial Performance" presented at the Greater Washington Society of CPAs Government Accounting and Auditing Committee Meeting, Washington, DC
09/28/04	"Leadership Presentation" given during luncheon meeting for Federal Highway Administration Employers, DOT, Washington, DC.
09/29/04	Presentation given during an AGA Federal CFO Dinner Series to AGA members in Arlington, VA. (spoke without notes).

10/06/04	Presentation on "Becoming a CFO" given during the AGA Career Foundations Conference and Exposition Workshop, in Washington, DC.
01/20/05	"Leadership Presentation" delivered during the American University Leadership Forum, Washington, DC

[SEE COPIES OF SPEECHES – Attached]

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

I believe that I was chosen for this nomination by the President because of my work experience in the field of federal financial management over the years while serving in this Administration, as well as previous Administrations in several Departments and Agencies.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have worked in four different Departments with oversight authority for financial management and budget. These positions include Deputy Undersecretary for Management at the Department of Education; Assistant Secretary for Management and Chief Financial Officer at the Department of Treasury; Chief Financial Officer at the U.S. Environmental Protection Agency, and most recently as Assistant Secretary for Budget and Programs and Chief Financial Officer at the Department of Transportation. During my tenure at EPA, it became the third agency to "get to green" in status for financial management, receiving a clean audit opinion with no material weaknesses, an initiative on the President's Management Agenda. While at DOT, that Department became the first Department to reach four green scores on the Presidents Management Agenda.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Upon confirmation, I will continue to work with only associations and organizations that relate directly to my position as Controller at OMB. I will serve with integrity and as such, I will recuse myself from all dealings with any associations/organizations with which I have dealt on previous occasions as deemed appropriate.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

No. I have made no commitment nor have I pursued outside employment with anyone to employ my services in any capacity while working with the Government.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

No. I have no commitment or plans to resume employment with any previous employer or organization upon completion of my services with the Government.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

No. There has been no commitment about any post-employment after I leave Government service.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes. If confirmed, I plan to serve as long as the term allows.

C. POTENTIAL CONFLICTS OF INTEREST

1. **Describe any business relationship, dealing or financial transaction which you have had during the last 10 years whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.**

None.

2. **Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy other than while in a federal capacity.**

None.

3. **Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?**

Yes.

D. LEGAL MATTERS

1. **Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a compliant to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.**

   No.

2. **To your knowledge, have you ever been investigated, arrested, charged or convicted (including pleas of guilty or nolo contendere) by any Federal, State, county or municipal law, other , other than a minor traffic offense? If so, provide details.**

   No.

3. **Have you or any business of which you are or were an officer, director or owner ever been involved as a party in interest in an administrative agency proceeding or civil litigation? If so, provide details?**

   In 1976 in the zoning appeal case of City of Winston-Salem and the Board of Alderman and Mayor V. the N.W. Stratford Neighborhood Planning Council and David M. Combs and wife, Linda, I was named as a party because my husband, then President of the N.W. Stratford Neighborhood Planning Council, was named as the party in interest, hence I was named due to NC marital estate law. The property was rezoned from a one tract single residential zone to a five tract highway, business zone. The Council filed a petition to challenge the vote citing that the Roberts Rules of Order were not being properly followed. On April 1976 the Council lost on a motion for summary judgment, and an appeal was not pursued.

4. **Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.**

   None.

E. FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

AFFIDAVIT

LINDA MORRISON COMBS being duly sworn, hereby states that he/she has read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of his/her knowledge, current, accurate, and complete.

Signature of Nominee

Subscribed and sworn before me this 7th day of March, 2005.

Notary Public

LORRAINE D. HUNT, NOTARY PUBLIC
DISTRICT OF COLUMBIA
My Commission Expires Jan. 31 2006

U.S. Senate Committee on Homeland Security and Governmental Affairs
Pre-hearing Questions for the
Nomination of Linda Combs to be Controller,
Office of Federal Financial Management,
Office of Management and Budget

I. Nomination Process and Conflicts of Interest

1. Why do you believe the President nominated you to serve as Controller, Office of Federal Financial Management (OFFM) at the Office of Management and Budget (OMB)?

   I believe the President nominated me to serve as Controller because I satisfy the requirements set out in the Chief Financial Officers Act of 1990, have extensive work experience in the field of financial management, and possess the necessary qualifications to succeed in the position.

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

   No.

3. What specific background and experience affirmatively qualifies you to be Controller?

   I believe my extensive experience with Federal auditing and financial reporting practices, as well as my previous positions held in the Federal Government, qualifies me to serve as Controller. Over the past 30 years, I have served in three Administrations and held a number of various oversight and executive level management positions in five different Federal agencies – the Departments of Education, Veterans Affairs, Treasury, Environmental Protection Agency (EPA), and Transportation (DOT). In four of these Departments, I held positions with oversight authority for financial management and budget – including Deputy Undersecretary for Management at Education, Assistant Secretary for Management and Chief Financial Officer (CFO) at Treasury, CFO at EPA, and most recently as Assistant Secretary for Budget and Programs and CFO at Transportation. These positions have provided me with invaluable experience on Federal financial reporting, management, performance, and other matters.

4. Have you made any commitments with respect to the policies and principles you will attempt to implement as Controller? If so, what are they and to whom have the commitments been made?

   No.

5. If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain what procedures you will use to carry out such a recusal or disqualification.

No.

II. Roles and Responsibilities

6. What qualifications and experiences would you bring to the role of Controller?

Given my previous work experience in the Federal Government, I believe I have the qualifications to be successful as the Controller. For instance, in my most recent position, I held the position of Assistant Secretary for Budget and Programs and CFO at the Department of Transportation. As Assistant Secretary, I oversaw all budgetary and management functions of the Department, including budget development and budget execution. As CFO, I was responsible for oversight of the Department's $57 billion appropriation, the Government Performance and Results Act, as well as general monitoring of programs.

I have also experienced agency success in "getting to green" on the President's Management Agenda (PMA) Scorecard. While at DOT, the Department became the first to reach four "green" scores on the PMA scorecard. Additionally, during my tenure at EPA, the agency became the third in the Federal Government to "get to green" in status for the Improved Financial Performance initiative.

7. What challenges currently face the OFFM and how would you, as Controller, address these challenges?

Over the past several years, there has been an increased awareness of the need for agencies – and the Federal Government as a whole – to improve their financial management practices and processes. As this need to improve is addressed, it is important that all efforts be directed toward ensuring that the progress made results in long-term solutions, not short-term fixes. One challenge to achieving these results is receiving the necessary support of agency management on all levels.

If confirmed as Controller, I would make it a priority to work with OFFM staff, OMB, Government Accountability Office (GAO), Federal agencies, the CFO Council, and other interagency groups to address and resolve critical financial management challenges facing the government. OFFM would continue to support agency efforts to achieve unqualified audit opinions, maintain appropriate financial systems, have strong internal control processes, and become first-class management organizations. If confirmed, I would devote much time to

facilitating the efforts of the CFO Council, especially in its role as a clearinghouse for best practices for the participating agencies.

8. What do you think should be the OFFM's top priorities?

I believe OFFM's top priorities are to comply with the financial management requirements of the CFO Act, establish government-wide financial management policies for Federal agencies, and implement the financial management improvement priorities of the President. If confirmed, I will work to see that these responsibilities are carried out.

9. How do you plan to coordinate and communicate with OFFM staff to accomplish your priorities?

If confirmed, I would expect to have regular meetings and discussions with OFFM staff to ensure that mission, objectives, and goals of the office are being accomplished in a timely and appropriate manner.

10. Please describe your views on the role of the OFFM and its relationship to the rest of OMB.

As the office tasked with carrying out the financial management policy of the government, OFFM must work closely with the other OMB offices to be successful. OFFM must maintain the highest level of professionalism, stature, and engagement consistent with other statutory leadership offices within OMB and the Executive Office of the President. Additionally, OFFM must maintain strong partnerships with the other statutory offices and the Resource Management Offices (RMOs) at OMB to ensure financial management issues are being given the appropriate amount of attention. If confirmed, I will be responsible for developing and maintaining the necessary relationships and partnerships to ensure that financial management issues are addressed at all levels.

III. Policy Issues

11. In your view, are the staff resources dedicated to financial management issues sufficient for OMB to monitor and evaluate agency efforts to identify and correct system problems, improve governmentwide financial management practices, and implement statutory requirements such as the Chief Financial Officers (CFO) Act, the Improper Payments Information Act (IPIA), the Government Management Reform Act (GMRA), Federal Financial Management Improvement Act (FFMIA), and the Federal Managers Financial Integrity Act (FMFIA)?

Without the opportunity to fully evaluate OMB's financial management efforts and the Office of Federal Financial Management (OFFM), I cannot offer an authoritative opinion at this time. However, if confirmed, I would review the

existing OFFM staff resources and the scope of current OFFM and OMB financial management efforts. I would evaluate the office's current mission and goals and ensure that resources are appropriately allocated for achieving results.

12. The Joint Financial Management Improvement Program (JFMIP) has certified and tested financial systems since 1950. Most of the organization's duties, formerly shared among the Treasury Department, the Government Accountability Office, the Office of Management and Budget, and the Office of Personnel Management. In December 2004 OMB announced that the role of the JFMIP Program Management Office (PMO) was transferred to a new CFO Council committee chaired by OFFM's Federal Financial Systems Branch Chief. Some federal financial leaders throughout government, as well as some from the private sector have discussed their concern regarding the demise of the JFMIP stating that it will now be harder for them to do an independent look at governmentwide financial management technology.

a. What are your views regarding the demise of the JFMIP?

It is my understanding that the Principals of the Joint Financial Management Improvement Program (JFMIP) agreed to realign responsibilities for financial management policy and oversight in December of 2004. I understand these changes were made to conform the Federal Government's organizational structure for financial management policy and oversight to the current statutory environment, as well as to eliminate duplicative roles and streamline financial management improvement efforts consistent with statutory requirements.

b. Do you plan to monitor the transition of the roles and functions to OMB and what is your vision for the new roles that OMB and the CFO Council will take on with the disbandment of JFMIP?

If confirmed, I would expect to monitor the remaining transitional issues involved with the realignment of responsibilities previously held by JFMIP. As Controller, I would expect to work closely with the CFO Council and its Financial Systems Integration Committee.

c. What changes do you believe are needed in the scope of activities formerly performed by the JFMIP and the scope of activities under this new CFO Council committee?

Without an opportunity to fully assess this situation, I cannot provide an opinion at this time. However, if confirmed, I would evaluate the status of the realignment to ensure that the transition of responsibilities is occurring in an appropriate manner.

d. What do you expect to be the biggest challenges this committee will face? What actions are needed to overcome those challenges?

Without an opportunity to fully assess this situation, I cannot provide an opinion at this time. However, if confirmed, I would evaluate the status of the realignment to ensure that any challenges are being appropriately addressed.

13. Taxpayers deserve to know how what the federal government is doing with their money. Many government financial managers spend much of their time creating reports but often nobody's reading them. During the Joint Financial Management Improvement Program's last annual conference on March 10, 2005, Comptroller General David Walker urged federal managers to address the problem by creating more readable financial information, sharpening financial accounting and reporting procedures, and developing new ways of measuring the costs of programs. What are your views on this matter and what will you do to help make federal spending more transparent?

I agree that taxpayers deserve to know how the Federal Government is spending their money. Efforts by Federal agencies to create improved ways of presenting financial information and measuring the costs of programs are certainly worthwhile. If confirmed, I would work to support several of the ongoing government-wide and agency projects designed to make Federal spending more transparent. For example, I would provide support to the government-wide performance metric tracking system, which is a public website that allows government managers, Congress, and other stakeholders to assess the financial management health of both the Federal Government as a whole and each individual agency. Additionally, I would continue to support efforts by the CFO Council to develop sample agency "dashboards" that provide easy-to-read "one-pagers" of financial information.

If confirmed, I would also work with OFFM and the CFO Council to evaluate other ways in which the government might make Federal spending more transparent.

14. During her 2003 confirmation hearing, your predecessor Linda Springer stated that she did not think that there was any more important partnership in the agencies than between the chief information officer and the chief financial officer. She said "without the integrity and the timeliness of good data, the chief financial officer or any other senior officer in the agency will not be able to make informed decisions." She also noted that there was little uniformity in terms of reporting relationships between the chief information officers and the chief financial officers.

a. How well are these officials working together today?

I agree that the CFO/CIO relationship at a Federal agency is an important one. In my professional experience in the government, I have been fortunate to have led several CFO offices that had good working relationships with the CIOs. If confirmed, I would look forward to promoting best practices and further encourage CFO/CIO relations at the agencies.

b. How well are the agencies able to meet the accelerated time frames that OMB has set forth regarding financial reporting, performance metrics, and the quality of financial data?

Twenty-two of the 24 major departments and agencies met the accelerated reporting date of 45 days after the end of the fiscal year for FY 2004. (I am pleased that the Department of Transportation met this accelerated deadline in FY 2004 during my tenure at the department. In addition, I am also pleased that EPA met this reporting requirement a year ahead of schedule in FY 2003.) This major accomplishment for the Federal Government puts the agencies on par with the private sector and could not have been accomplished without new financial management processes in place at the agencies.

c. What additional reforms are needed in the federal financial management community to become service oriented?

It is important that all agencies make the necessary financial management improvements so that management – and ultimately the taxpayers – is provided with the best services. Implementing changes that would standardize, consolidate and improve financial systems and accounting operations allows financial managers to focus their attention away from operations and toward more reporting and analysis. It is these services that agency managers need from their financial management partners to best work with each other. If confirmed, I will work with the CFO Council to look for ways in which the CFOs may become more service-oriented.

15. According to OMB, agencies now report monthly on nine categories of information that measure the efficiency of their financial operations, including what percentage of bills are paid on time and how many travel cards have balances that have been due for more than 60 days.

a. Please describe the categories of data that OMB collects governmentwide. What additional categories do you feel are needed.

The Metric Tracking System ("MTS") allows government managers, Congress, and other stakeholders to assess the financial management health of both the Federal Government as a whole and each individual agency for nine key financial management indicators:

- Fund Balance with Treasury – Identifies the difference between the fund balance reported in Treasury reports and the agency fund balance with Treasury recorded in its general ledger on a net basis.
- Amount in Suspense Greater than 60 Days Old – The timeliness of clearing and reconciling suspense accounts.
- Delinquent Accounts Receivable from Public Over 180 days – The success in reducing or eliminating delinquent accounts receivable from the public.

- Electronic Payments – The number of electronic payments measures the extent to which vendors are paid electronically.
- Percent Non-Credit Card Invoices Paid on Time – How many non credit card invoices are paid on time in accordance with the Prompt Payment Act (PPA).
- Interest Penalties Paid – The amount of interest penalties paid on late invoices relative to total dollars paid in accordance with the PPA.
- Travel Card Delinquency Rates Individually Billed (IBA) – The percent of travel card balances outstanding over 61 days for IBAs.
- Travel Card Delinquency Rates Centrally Billed (CBA) – The percent of travel card balances outstanding over 61 days for CBAs.
- Purchase Card Delinquency Rate – The percent of purchase card balances outstanding over 61 days.

OMB will continue to work with the CFO Council Committee on Performance Measurement to develop and implement additional measures in areas useful to CFOs and of interest to taxpayers.

b. Is this information available to the public?

The latest data on each of the nine measures is reported in the CFO Council's Metric Tracking System, which can be accessed by the public at http://www.fido.gov/mts/cfo/public. The Council updates this site monthly as new data become available.

c. Does any of this information address issues of financial fraud, waste, and abuse?

Agencies that are performing well on the measures are putting the right financial management policies and practices in place to ensure that instances of fraud, waste, and abuse are minimized. For example, better performance on the charge card metrics, interest penalties, and electronic payments equates with improving the cost-effectiveness of agency administrative processes and reducing wasteful spending.

16. The government faces significant challenges in achieving accountability and generating reliable financial and management information on a timely basis for decisionmaking due to pervasive, generally longstanding financial management problems. The President's Management Agenda includes improved financial performance as one of its key initiatives. Describe your views on the importance of financial management improvement, in general, and OMB's role in addressing these challenges.

Federal agencies must be committed to improving their financial management processes, and it is the role of OMB to ensure that such improvement occurs. The financial management practices of the government have improved over the past several years with the increased attention due to the President's Management Agenda. As shown by several successes – accelerated financial reporting, interim

quarterly financial statements, decreasing material weaknesses – agencies are showing strong financial management and reporting improvements. Such progress is also shown by the increasing number of "green" agencies on the Improved Financial Performance initiative of the PMA. Yet, while many agencies today do have timely, accurate, and reliable information from which to make informed day-to-day decisions, there certainly remains much work to be done.

If confirmed, I will provide leadership on the Improved Financial Performance initiative of the PMA to ensure that agencies continue to improve their status and progress in this initiative. As part of this monitoring, I would support ongoing agency efforts to improve their financial management processes and achieve their improvement goals.

17. According to GAO, the government has been unsuccessful in attaining an audit opinion on its consolidated financial statements for the past 7 fiscal years. What are your views on a timeframe and approaches for addressing the impediments to an opinion on these financial statements and material control deficiencies identified and reported through agency financial statement audits?

If confirmed, I will make achieving an unqualified audit opinion on the government-wide financial statements a high priority. As Controller, I will work to ensure that the accelerated financial reporting date (of December 15) for the consolidated financial statement is met for the second year in a row. Additionally, I will work to address the major impediments to an unqualified opinion on the government-wide statements that have been identified by the GAO Comptroller General.

For example, I understand that one of the primary impediments to achieving an unqualified opinion on the consolidated statement is the financial management issues facing the Department of Defense (DOD). I also understand that DOD is implementing a plan to resolve its financial systems and processes difficulties in an effort to ultimately achieve an unqualified opinion. If confirmed, I will familiarize myself with the existing DOD plan to remediate its problems, and work with my staff to appropriately evaluate the status of DOD's efforts. Additionally, I will look forward to closely monitoring progress and status of DOD – and all agencies – through the quarterly PMA scorecard process.

18. GAO has designated as high risk the financial management operations the Department of Defense and the Internal Revenue Service. How do you plan to work with these agencies to make substantive progress toward resolving these high-risk situations?

I understand that OMB is working with agencies to remove items from the GAO "high risk list." Through the President's Management Agenda, OMB requires agencies to develop plans for addressing their financial management challenges and then holding them accountable for meeting key milestones in those plans.

With one-third of the CFO Act agencies now at "green" status, much progress has been made over the last three years. However, it is evident that critical challenges remain at many agencies.

If confirmed, I will coordinate with OMB staff, GAO, Inspector General offices, and the agencies – Departments of Defense and Treasury in particular – to ensure that each has a sound plan for addressing deficiencies and provides the appropriate attention and resources to ensure success.

19. According to GAO, the majority of federal agencies' financial management systems do not meet statutory requirements such as having the capability to produce information on the full cost of programs and projects and integrating program, budget, and financial information for evaluating agency results. What will you do to help agencies implement effective financial management business practices and systems to improve accountability? What are your views on the Federal Financial Management Improvement Act (FFMIA) and OMB's role in helping agencies meet these statutory requirements?

Agency management must have timely, accurate, and reliable information in order to make informative day-to-day decisions. Without an FFMIA-compliant financial system in place, an agency cannot achieve this level. If confirmed as Controller, I will work closely with the agencies to see that their financial systems meet FFMIA requirements, as well as monitor agency improvement efforts through the PMA Scorecard process.

20. The CFO Act calls for OFFM to monitor "...the establishment and operation of federal government financial management systems...." The GAO has reported on a number of troubled financial systems implementation projects in which tremendous amounts of taxpayer dollars are at significant risk of being wasted. What are your views on the best approach for carrying out this statutory responsibility? What actions do you believe are needed by OFFM to help address these system implementation problems?

System implementation failures are most often due to the agency's inability to manage large projects. Agency management must provide leadership and attention to deal with problems as they arise, before they threaten project plans. Agencies must also develop and follow project plans with reasonably managed risks. Agencies should depend and rely upon their CIOs, as well as CFOs, to implement systems improvement efforts. If confirmed, I will closely evaluate the current state of agency financial management systems, and coordinate with OFFM staff, the CFO Council, and the agencies to address specific situations.

21. Specific financial management and control issues often arise that call for close governmentwide attention and oversight. At the request of this Committee, GAO issued an Executive Guide in October 2001, *Strategies to Manage Improper Payments* (GAO-02-69G). The Guide provided best practices recommendations for agencies to consider to better manage improper payments in their programs. The "Improper Payments

Information Act of 2002" began the process of putting these recommendations into practice, calling for action by federal agencies and OMB to identify and reduce these payments and report on the results of these actions. Improper payments, which OMB estimated to be more than $45 billion in FY 2004, are pinpointed in the President's Management Agenda for particular attention. How can OMB best assist agencies and the Congress in addressing these improper payments and ensuring better use of federal monies?

I understand that OMB is closely monitoring agency efforts to eliminate improper payments in the Federal Government. Through the implementation of the Improper Payments Information Act, in FY 2004, Federal agencies have established a strong foundation for annually measuring improper payments, identifying and implementing the necessary corrective actions, and tracking success over time.

With a new initiative to Eliminate Improper Payments, it is my understanding that the President's Management Agenda is playing an integral role in this effort by holding agencies accountable for meeting their improper payment reduction targets and ensuring that all necessary steps are taken to enhance the integrity and accuracy of Federal payments going forward. Additionally, I understand the Improper Payments Working Group of the CFO Council is continuing its efforts to develop cost effective measurement, prevention, and recovery solutions.

If confirmed, I will monitor the efforts of the agencies and the CFO Council to ensure progress is being made to identify and eliminate improper payments in programs and activities.

22. The government faces additional financial management issues beyond improper payments. What do you see as OMB's role in identifying and solving other financial management issues?

It is the role of OMB to identify, develop policy guidance, and provide leadership on financial management matters facing particular agencies and the Federal Government as a whole. As Controller, my staff and I would monitor and evaluate the financial management environment to determine what particular financial management issues and problems require specific attention and resolution.

23. The government faces tremendous human capital issues in many areas, including financial management. How will you work with the Office of Personnel Management and individual departments and agencies to develop a means to attract and retain high quality agency financial management staff? What are your plans for preparing, training, and reshaping the federal financial management workforce to meet changes brought about by technology and increasing demands for financial analysis?

I understand that the CFO Act provides OMB with the authority to advise agency heads on the selection of their agency CFOs and Deputy CFOs, as well as help set the qualification standards and assessments of financial management staffs. If confirmed, I would support OMB's role in these processes to ensure that Federal financial management officials have the necessary qualifications, skills, and experience. As Controller, I would look forward to assisting OPM, other agencies, and the CFO Council to ensure that the agencies are matching any potential position openings with the appropriate people.

24. You have held various financial officer positions in five different federal agencies -- the Departments of Education, Veterans Affairs, Treasury, EPA, and Transportation -- throughout a time period beginning in 1982 until the present. Based upon those years of agency experience responding to OMB requests, are there any particular changes that you would like to see made in the working relationship between OMB and the federal agencies?

In my experience at several different Federal agencies, the working relationship I have had with OMB staff has been quite good. If confirmed as Controller, I will look forward to having open communication and maintaining relationships with the Federal agencies.

25. Over the past years, you have helped five agencies try to meet the various financial/strategic reporting requirements under both the Government Performance and Results Act (GPRA) and the Performance Assessment Rating Tool (PART). What is your assessment of the value that GPRA has brought to federal agencies financial management? How do the financial/strategic information requirements in GPRA and PART interact with each other in an agency?

My Federal experience at EPA and DOT included the oversight of agency efforts to comply with GPRA and PART reporting requirements. At these agencies, both GPRA and the PART have generally provided value by directing more attention to financial management and performance issues, which had previously been lacking.

26. GAO has noted some significant concerns with the use of PART as an evaluation and budget tool, saying that "additional guidance and considerable revisions are needed to meet OMB's goal of an objective, evidence-based assessment tool." (GAO-04-174) For example, GAO states that "inherent challenges exist in assigning a single 'rating' to programs that often have multiple purposes and goals." It notes problems with the rating system itself, such as "subjective terminology and a restrictive yes-no format," as well as inconsistent OMB staff interpretations of the guidance provided for complex PART questions and for defining acceptable measures. Furthermore, as GAO stated in this report, "[s]ince different stakeholders have different needs and no one set of goals and measures can serve all purposes, the PART can complement GPRA but should not replace it."

In recent testimony before our Committee, Comptroller General Walker noted that, while he believes the PART program has conceptual merit, he also believes it important that whatever PART evaluations the Administration does should be supplemented by further evaluations, conducted by GAO and others, that are, as he put it, professional, objective, fact-based, nonpartisan, and nonideological. What are your views on these comments based on your past agency experience?

It has been my experience at several agencies that existing agency evidence serves as helpful sources of performance information for answers to PART questions. In the past, I have been pleased to consider additional information from independent outside evaluations, whether provided by GAO, the IGs, or other groups.

27. OMB is required under the GPRA to annually develop a government-wide performance plan. This plan is expected to provide a comprehensive picture of government performance. What is your view on how well this requirement is being met?

In general, the Federal departments where I have worked since the enactment of GPRA have provided performance plans that strive to meet the necessary requirements. It is my understanding that the Administration considers the President's budget as the government-wide performance plan, and that this year's budget includes additional information about the goals and progress towards those goals. I would expect the budget provides an excellent source for information goals and performance of the entire Executive Branch.

28. How can OMB help improve the overall quality of agency strategic plans, annual performance plans, and performance reports?

OMB should work closely with Federal agencies to ensure that plans and reports are prepared consistent with relevant statutes and OMB guidance. Additionally, these plans and reports should be useful to agency management in accomplishing their goals. OMB offices, such as the Resource Management Offices and OFFM, should work together to provide consistent leadership, develop guidance, and monitor efforts to improve agency planning and reporting.

29. How will you define and measure financial management success at the OMB?

As Controller, I would generally define and measure financial management success by the increasing number of Federal agencies that practice first class financial management by using timely, accurate, and reliable information in their day-to-day decision-making. More specifically, I would also measure success by: the continuance of financial reporting acceleration; increasing the number of agencies receiving unqualified audit opinions, increasing the number of "green" agencies on the President's Management Agenda, and making progress toward achieving an unqualified audit opinion on the government-wide financial statements.

30. As a member of the CFO Council you were responsible for chairing the committee that created the new Web site tracking system containing detailed financial information about government agencies. Please explain what problem this new tracking system addresses and if you anticipate making changes or additions to the tracking system.

As a member of the CFO Council, I had the opportunity to serve as the Chair to the Committee on Performance Measurement and lead the development of the Metric Tracking System (discussed in question #15 above). This public website serves as a performance measurement tool for assessing the financial management condition of each individual agency and the Federal Government as a whole. In addition, this site offers a level of financial transparency to the public that was not previously available. If confirmed, I expect to work as necessary with the Committee on Performance Measurement to develop and implement additional measures in other areas useful to CFOs and of interest to taxpayers.

IV. Relations with Congress

31. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?

Yes.

32. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

Yes.

V. Assistance

33. Are these answers your own? Have you consulted with the OFFM, OMB or any interested parties? If so, please indicate which entities.

These answers are my own. However, I have consulted with OFFM and OMB staff for background information.

AFFIDAVIT

I, Linda M. Combs, being duly sworn, hereby state that I have read and signed the foregoing Statement on Pre-hearing Questions and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

Linda M. Combs

Subscribed and sworn before me this 22nd day of April, 2005.

Bessie M. Jones Weaver
Notary Public
My Commission Expires: August 15, 2009