



Statement of Sen. Chuck Grassley
Hearing to consider the Nominations of Joshua Gotbaum, PBGC, and Richard Sorian, HHS
Wednesday, May 26, 2010

The first nominee we will hear from is Joshua Gotbaum, nominated to be Director of the Pension Benefit Guaranty Corporation. I fully appreciate the extremely important role the PBGC serves to the country. The next director of the PBGC will face many challenges. These challenges range from reducing PBGC's current trust fund deficit to working with multi-employer plans to try to stave off plan insolvencies that – if they were to occur – would push the PBGC to the brink. Additionally, I hope that our nominee acts quickly to address some internal organizational problems that have plagued the PBGC. Our nominee must take seriously any conflicts of interests associated with the PBGC's government contracting process. I hope that the nominee – if confirmed – re-considers certain positions taken by the organization that if not re-considered, would surely hurt plan sponsors, and ultimately plan participants.

And finally, I cannot stress the importance of maintaining clear and honest communication with Congress. I actually would like to alert the nominee to a recent incident that occurred at the PBGC. I was provided with a memorandum that was prepared by the PBGC Inspector General that was addressed to the current Acting Director of the PBGC. That memorandum says, and I quote: "I remain concerned that the information you provided in response to the Senator's questions about recommendation implementation is both misleading and inaccurate."

The PBGC inspector general concluded that the agency misled Congress and the public on key issues. One issue included whether the agency took adequate steps to secure sensitive data after 1,300 Social Security numbers were lost at an Ohio train station. Another issue was whether the agency was able to verify that it received services in exchange for \$15 million in actuarial contracts. The inspector general concluded that in both cases, the PBGC fabricated corrective action that did not take place.

The Senator in the statement about having been misled is me, and I want to be sure that I am never provided information that is "both misleading and inaccurate." I hope I can get the nominee's assurances on that.

I ask unanimous consent that my letter to the Acting Director regarding his information to me be printed in the hearing record.

We are also considering the nomination of Richard Sorian to be Assistant Secretary for Public Affairs at the Department of Health in Human Services. HHS has a duty to ensure that Medicare beneficiaries have all the information they need on how their benefits change as a result of health care reform.

If confirmed, you will have this as your responsibility. Your role would be especially critical in an administration that has expressed a commitment to transparency and open government. While I have you here, I must address a major concern I have with a misleading brochure recently distributed by Secretary Sebelius to Medicare beneficiaries across the country. I want it to be clear that I understand you are not responsible for this brochure.

But if confirmed, I expect that you need to bring to the department a higher standard for candor and truthfulness in taxpayer funded correspondence than what HHS is currently displaying. This week, HHS distributed a brochure entitled, "Medicare and the New Health Care Law – What It Means for You." I and other members are deeply concerned about this brochure. A review of this brochure shows that it makes blanket statements that either are clearly in contradiction with or ignore details provided in estimates by the department's very own chief actuary as well as by the Congressional Budget Office. At this point, I ask unanimous consent that a list of inaccuracies be printed in the hearing record.

Selectively providing information to seniors that only shows positive aspects of the recently enacted health care law without providing the complete and candid analysis does a great disservice to Medicare beneficiaries. This is also an inappropriate and wasteful use of taxpayer funds. Again, I know that you were not responsible for this brochure. But it is important that you be made aware of my concerns because if you are confirmed, I will expect you to prevent similar material from being distributed by HHS.