

1 OPEN EXECUTIVE SESSION TO CONSIDER FAVORABLY REPORTING
2 THE NOMINATIONS OF ANDREW M. SAUL, OF NEW YORK, TO BE
3 COMMISSIONER OF SOCIAL SECURITY FOR THE TERM EXPIRING
4 JANUARY 19, 2019; GORDON HARTOGENSIS, OF CONNECTICUT, TO
5 BE DIRECTOR OF THE PENSION BENEFIT GUARANTY CORPORATION
6 FOR A TERM OF FIVE YEARS; AND GAIL S. ENNIS, OF MARYLAND,
7 TO BE INSPECTOR GENERAL, SOCIAL SECURITY ADMINISTRATION
8 THURSDAY, NOVEMBER 15, 2018

9 U.S. Senate,
10 Committee on Finance,
11 Washington, DC.

12 The hearing was convened, pursuant to notice, at
13 10:20 a.m., in room 215, Dirksen Senate Office Building,
14 Hon. Orrin G. Hatch (chairman of the committee)
15 presiding.

16 Present: Senators Cassidy, Wyden, Carper, Cardin,
17 Grassley, Crapo, Roberts, Enzi, Cornyn, Thune, Burr,
18 Isakson, Portman, Toomey, Heller, Scott, Stabenow,
19 Cantwell, Menendez, Bennet, Warner, Whitehouse and Casey.

20 Also present: Republican staff: Nicholas Wyatt,
21 Nominations and Tax Professional Staff Member; Becky
22 Cole, Policy Director; and David Timmons, Detailee.
23 Democratic Staff: Joshua Sheinkman, Staff Director; Sam
24 Conchuratt, Assistant to the Staff Director; Drew Crouch,
25 Senior Tax and ERISA Advisor; Michael Evans, General
26 Counsel; Tom Klouda, Senior Domestic Policy Advisor; and

1 Ian Nicholson, Investigator. Undesignated Staff: Joshua
2 LeVasseur, Chief Clerk and Historian.
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1 OPENING STATEMENT OF HON. ORRIN G. HATCH, A U.S. SENATOR
2 FROM UTAH, CHAIRMAN, COMMITTEE ON FINANCE

3

4 The Chairman. I am happy to welcome everybody
5 here. Good morning, I would like to welcome everyone to
6 today's nominations markup.

7 This morning we are meeting to discuss the
8 nominations of Andrew Saul to be Commissioner of the
9 Social Security Administration; Gordon Hartogensis, to be
10 director of the Pension Benefit Guaranty Corporation; and
11 Gail Ennis, to be Inspector General of the Social
12 Security Administration.

13 If confirmed, Mr. Saul would become the first
14 confirmed Commissioner at the Social Security
15 Administration since 2013. So I would like to get that
16 done if we can.

17 I believe that having a confirmed Commissioner is a
18 welcome step towards addressing many of the operational
19 challenges that the agency is facing. Should he be
20 confirmed, Mr. Saul's sustained leadership will benefit
21 the Administration, its operations, its employees and the
22 American people.

23 The Commissioner oversees one of the nation's
24 largest and most important domestic programs, and with
25 decades of experience in both financial decision-making

1 and successfully managing consumer-service focused
2 organizations with large field office structures, I have
3 no doubt Mr. Saul's strong leadership will serve the
4 Administration and all Americans who rely on its services
5 well.

6 Now before moving on to our next nominee, let me
7 briefly address the fact that the President has nominated
8 Mr. Saul to serve the remainder of the six-year term that
9 expires January 19, 2019, and also to serve the following
10 six-year term that expires January 19, 2025.

11 To be clear, during today's executive session, we
12 will be voting on the first nomination to serve the
13 remainder of the six-year term that expires January 19,
14 2019, and will not vote on the second nomination, which
15 involves service for the following six-year term that
16 expires January 19, 2025.

17 Now this does not in any way reflect poorly on Mr.
18 Saul. However, we do not want to set a precedent of
19 voting for nominations that are under the next Congress'
20 jurisdiction. I fully expect that action on the second
21 nomination will occur promptly at the beginning of the
22 next Congress.

23 We will also vote on Mr. Gordon Hartogensis today.
24 If confirmed, Mr. Hartogensis will serve as Director of
25 the Pension Benefit Guaranty Corporation. His nomination

1 comes during a precarious time for the PBGC, as
2 multiemployer pension plans, like other retirement
3 savings programs, have faced a number of challenges in
4 recent years.

5 In his role, Mr. Hartogensis would lead the
6 organization, as well as assist Congress and other
7 executive agencies in evaluating possible policy changes
8 to the multiemployer system. This is just an overview of
9 a rather complex job, one with serious and critical
10 duties. But I believe he is up to the task and possesses
11 the analytical skills necessary to evaluate complex
12 pension systems.

13 As mentioned, we also have another important
14 nomination for the Social Security Administration before
15 us today. Ms. Ennis has built an impressive career over
16 the years with deep experience in managing large teams,
17 building reporting structures, and investigating
18 allegations of fraud.

19 If confirmed, Ms. Ennis will serve as Inspector
20 General for the Social Security Administration. The
21 knowledge and expertise she has gained over her career
22 will aid her in fulfilling the obligation to ensure that
23 the agency runs efficiently and effectively, while also
24 remaining independent in her duties to prevent and detect
25 instances of fraud, waste and abuse. I am confident in

1 her qualifications for this position, and I know she will
2 be committed to working diligently with the
3 administration and the committee.

4 Together, these nominations represent examples of
5 highly-qualified candidates being nominated to key
6 positions within the executive branch. Confirming these
7 nominees will help us to fulfill the promises we have
8 made to the American people.

9 With that, I am going to turn to my colleague and
10 dear friend, Senator Wyden, for his opening statement.

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1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON

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4 Senator Wyden. Thank you very much, Mr. Chairman.

5 I also want to note this is the first day since the
6 elections, and we will have a short session between now
7 and the end of the year. At that time, you will be
8 ending an extraordinary career in public service, a
9 career that has covered decades and decades.

10 I am particularly pleased in this Congress that when
11 nobody thought that you could get a bipartisan long-term
12 extension of the Children's Health Insurance Program,
13 that was produced here in this committee. When nobody
14 thought you could begin the transformation of the
15 Medicare program, to update it, to focus on chronic
16 conditions -- which certainly were never the focus of the
17 program when I was director of the Gray Panthers -- this
18 committee did it, the same with Family First, the
19 extraordinary measure that was put together to begin the
20 overhaul of the foster care system.

21 These were all pieces of legislation written in this
22 committee, signed into law, bipartisan bills and I think
23 that is emblematic of what your decades in public service
24 have been all about to me. Certainly there are matters
25 that we have differences of opinion on, but I would just

1 like to note as we go to these last few weeks of your
2 public service that some particularly important work has
3 been done in this session.

4 The Chairman. Thank you, Senator. That means a
5 lot to me coming from you. You have been a pleasure to
6 work with. I am going to miss the whole committee, but
7 especially you. There is no question about that.

8 Senator Wyden. Well, we have three more weeks.

9 [Laughter].

10 Senator Wyden. Let us go to it --

11 The Chairman. -- get some things done.

12 Senator Wyden. That is the idea.

13 Mr. Chairman and colleagues, I see our friend
14 Senator Casey here, who also deserves congratulations on
15 the news on Election Day in Pennsylvania, great advocate
16 of Social Security. I am going to talk first about that
17 because Andrew Saul has been nominated to serve as
18 Commissioner of the Social Security Administration, Gail
19 Ennis to serve as the Inspector General in the Social
20 Security Administration and Gordon Hartogensis to serve
21 as the Director of the Pension Benefit Guaranty
22 Corporation.

23 First on Mr. Saul's nomination, if confirmed, Mr.
24 Saul would be responsible for administering benefits to
25 over 69 million older people, people with disabilities

1 and other Americans who earned their Social Security
2 after working for years and years, paying into the
3 program with each paycheck. If Mr. Saul is confirmed, he
4 will be facing urgent business at Social Security.

5 The wait times there on the phone are too long.
6 There is a major backlog in the disability system, which
7 means that vulnerable Americans may die before they get
8 their benefits. And there are new threats to Americans'
9 privacy and data emerging every day that Social Security
10 has to safeguard against. I expect quarterly updates on
11 what progress Mr. Saul has made on this issues.

12 Protecting Social Security has always been a
13 priority for me since I was one of the co-founders of the
14 Oregon Gray Panthers. As an advocate for seniors, I have
15 spent a lot of time over the years in Social Security
16 offices helping older people get the critical benefits
17 they have earned. Ensuring that older people get the
18 benefits they deserve is even more essential today now
19 that 50 percent of seniors rely on Social Security for
20 half of their income in retirement and 1 in 5 seniors
21 rely on Social Security for almost all of their income.

22 Given the growing importance of Social Security for
23 so many of our seniors' quality of life, and the threat
24 of cuts to the program advanced by some in the Congress,
25 it is imperative that the Social Security Administration

1 have strong leadership to face these challenges.

2 Colleagues, I am prepared to support Mr. Saul's
3 nomination today. I do want to make it clear that I --
4 and I know colleagues on our side, Senator Cardin, a
5 longtime advocate of Social Security and seniors as well
6 -- we are very much committed to watching closely to
7 ensure that Mr. Saul, if confirmed, upholds his
8 responsibilities in the face of almost daily attacks on
9 the Social Security program.

10 Now on to Ms. Ennis's nomination. If confirmed, she
11 will play a major part in identifying ways that the day-
12 to-day work of Social Security can be improved, where
13 there have been missteps, and how the Congress can
14 improve customer service with legislative changes. It
15 has been two years since Social Security had a confirmed
16 watchdog inside the building and it is my view that is
17 far too long.

18 Given the challenges facing the program, it is
19 critical that someone like Ms. Ennis is there to keep the
20 agency on task and to inform Congress and the public when
21 it falls short. I plan to support her nomination as
22 well.

23 Finally, with respect to Mr. Hartogensis, if he is
24 confirmed, he would face significant challenges leading
25 the Pension Benefit Guaranty Corporation. As many as 1.5

1 million Americans are enrolled in multiemployer pension
2 plans that could become insolvent in the next few
3 decades. If that happens, it would bankrupt the PBGC
4 insurance program for all multiemployer pensions
5 affecting all who are enrolled.

6 So we are not talking about some academic matter.
7 It is a question of whether millions of Americans are
8 going to be able to get by in their older years. It is
9 important that the agency have a confirmed leader to help
10 navigate the crisis. Congress has taken early steps to
11 take on this challenge, but in my view the progress to
12 date has been too slow given the stakes. I intend to
13 vote for Mr. Hartogensis's nomination today.

14 I know we are going to at some point have some
15 debate on this. I think what has especially tipped my
16 judgment here is I thought, Senator Brown -- this was an
17 area I touched on as well -- asked some very specific
18 questions with respect to how the program works, where
19 the benefits go, and my sense is that those questions or
20 real responses to them -- and frankly, that has not
21 always been the case with the Trump nominees.

22 So Mr. Hartogensis, if confirmed, is going to have a
23 lot of important work ahead. This is another area where
24 I -- I know Senator Cardin, all of our colleagues on our
25 side -- are going to be doing very substantial oversight

1 and vigilance to make sure that the retirement benefits
2 of American workers are safeguarded.

3 Mr. Chairman, I think you and I talked about it
4 before Senator Cardin and Senator Cassidy came in, we
5 obviously do not have a quorum. I understand it is your
6 intent to vote off-the-floor when we have the votes that
7 are scheduled for later today.

8 I have to be in the Energy Committee. I would just
9 say for our side, if Senator Cardin had any remarks --
10 and I am sure Senator Cassidy would like the same
11 opportunity -- they could make them. I may be able to
12 get back, but I look forward to voting when you schedule
13 a time. I assume it will be during the votes this
14 afternoon.

15 The Chairman. I think that is logical. Thanks,
16 Senator. I appreciate it.

17 Does anybody else care to comment?

18 Senator Cardin?

19 Senator Cardin. Mr. Chairman, if I might, just
20 very briefly.

21 I just want to express the real need for us to have
22 a confirmed Commissioner of the Social Security
23 Administration. It has been a long time since we have
24 had a confirmed Commissioner.

25 I have the honor of representing the state of

1 Maryland. The headquarters of SSA is located in
2 Woodlawn, Maryland. Dedicated people work extremely hard
3 in order to take care of the important programs that are
4 under the Social Security Administration. They have been
5 stressed because of budget issues as well as not having a
6 confirmed leader.

7 So I just really wanted to bring that to the
8 committee's attention, and appreciate the fact that we
9 will have the opportunity to vote on Commissioner for the
10 Social Security Administration.

11 The Chairman. Well thank you, Senator.

12 I see no other Senators who want to -- Senator
13 Cassidy, would you care to comment?

14 Senator Cassidy. I would echo that, and I would
15 also speak in support of Mr. Hartogensis. Again, it is
16 another area we need leadership. And for all of these
17 federal agencies with important tasks, the longer they go
18 without leadership, the less likely they are going to
19 complete what they need to do to benefit the
20 beneficiaries as well as our taxpayers.

21 So I speak in support of all three.

22 The Chairman. Well thank you, Senator.

23 Due to the absence of several members today, we will
24 postpone the votes for Mr. Saul, Mr. Hartogensis and Ms.
25 Ennis until the appropriate time where we can hold these

1 votes, preferably right off the floor, at least I hope
2 so. So if I could have some cooperation there, we will
3 get these positions filled.

4 Is there anybody else?

5 [No response.]

6 The Chairman. With that, then we will recess until
7 we get to the floor on this matter. Thank you.

8

9 [Whereupon, at 10:32 a.m., the meeting was recessed,
10 reconvening at 1:45 p.m. in room S-216, The President's
11 Room, United States Capitol.]

12

13 The Chairman. The committee will come to order. I
14 would entertain a motion to favorably report the
15 nomination of Mr. Saul.

16 Senator Wyden. So moved.

17 The Chairman. The clerk will call the roll.

18 The Clerk. Mr. Grassley?

19 Senator Grassley. Aye.

20 The Clerk. Mr. Crapo?

21 Senator Crapo. Aye.

22 The Clerk. Mr. Roberts?

23 Senator Roberts. Aye.

24 The Clerk. Mr. Enzi?

25 Senator Enzi. Aye.

1 The Clerk. Mr. Cornyn?
2 Senator Cornyn. Aye.
3 The Clerk. Mr. Thune?
4 Senator Thune. Aye.
5 The Clerk. Mr. Burr?
6 Senator Burr. Aye.
7 The Clerk. Mr. Isakson?
8 Senator Isakson. Aye.
9 The Clerk. Mr. Portman?
10 Senator Portman. Aye.
11 The Clerk. Mr. Toomey?
12 Senator Toomey. Aye.
13 The Clerk. Mr. Heller?
14 Senator Heller. Aye.
15 The Clerk. Mr. Scott?
16 Senator Scott. Aye.
17 The Clerk. Mr. Cassidy?
18 Senator Cassidy. Aye.
19 The Clerk. Mr. Wyden?
20 Senator Wyden. Aye.
21 The Clerk. Ms. Stabenow?
22 Senator Stabenow. Aye.
23 The Clerk. Ms. Cantwell?
24 Senator Cantwell. Aye.
25 The Clerk. Mr. Nelson?

1 Senator Wyden. Aye by proxy.
2 The Clerk. Mr. Menendez?
3 Senator Menendez. Aye.
4 The Clerk. Mr. Carper?
5 Senator Carper. Aye.
6 The Clerk. Mr. Cardin?
7 Senator Cardin. Aye.
8 The Clerk. Mr. Brown?
9 Senator Wyden. Aye by proxy.
10 The Clerk. Mr. Bennet?
11 Senator Bennet. Aye.
12 The Clerk. Mr. Casey?
13 Senator Casey. Aye.
14 The Clerk. Mr. Warner?
15 Senator Warner. Aye.
16 The Clerk. Mrs. McCaskill?
17 Senator Wyden. Aye by proxy.
18 The Clerk. Senator Whitehouse?
19 Senator Whitehouse. Aye.
20 The Clerk. Mr. Chairman?
21 The Chairman. Aye.
22 The clerk will announce the vote.
23 The Clerk. Mr. Chairman, the final tally,
24 including proxies, is 27 ayes and 0 nays.
25 The Chairman. The "ayes" have it. The nomination

1 is ordered favorably reported.

2 I would entertain a motion to favorably report the
3 nomination of Mr. Hartogensis.

4 Senator Wyden. So moved.

5 The Chairman. The clerk will call the roll.

6 The Clerk. Mr. Grassley?

7 Senator Grassley. Aye.

8 The Clerk. Mr. Crapo?

9 Senator Crapo. Aye.

10 The Clerk. Mr. Roberts?

11 Senator Roberts. Aye.

12 The Clerk. Mr. Enzi?

13 Senator Enzi. Aye.

14 The Clerk. Mr. Cornyn?

15 Senator Cornyn. Aye.

16 The Clerk. Mr. Thune?

17 Senator Thune. Aye.

18 The Clerk. Mr. Burr?

19 Senator Burr. Aye.

20 The Clerk. Mr. Isakson?

21 Senator Isakson. Aye.

22 The Clerk. Mr. Portman?

23 Senator Portman. Aye.

24 The Clerk. Mr. Toomey?

25 Senator Toomey. Aye.

1 The Clerk. Mr. Heller?
2 Senator Heller. Aye.
3 The Clerk. Mr. Scott?
4 Senator Scott. Aye.
5 The Clerk. Mr. Cassidy?
6 Senator Cassidy. Aye.
7 The Clerk. Mr. Wyden?
8 Senator Wyden. Aye.
9 The Clerk. Ms. Stabenow?
10 Senator Stabenow. No.
11 The Clerk. Ms. Cantwell?
12 Senator Cantwell. Aye.
13 The Clerk. Mr. Nelson?
14 Senator Wyden. Aye by proxy.
15 The Clerk. Mr. Menendez?
16 Senator Menendez. No.
17 The Clerk. Mr. Carper?
18 Senator Carper. Aye.
19 The Clerk. Mr. Cardin?
20 Senator Cardin. Aye.
21 The Clerk. Mr. Brown?
22 Senator Wyden. Aye by proxy.
23 The Clerk. Mr. Bennet?
24 Senator Bennet. Aye.
25 The Clerk. Mr. Casey?

1 Senator Casey. Aye.

2 The Clerk. Mr. Warner?

3 Senator Warner. Aye.

4 The Clerk. Mrs. McCaskill?

5 Senator Wyden. Aye by proxy.

6 The Clerk. Senator Whitehouse?

7 Senator Whitehouse. Aye.

8 The Clerk. Mr. Chairman?

9 The Chairman. Aye.

10 The clerk will announce the vote.

11 The Clerk. Mr. Chairman, the final tally,
12 including proxies, is 25 ayes and 2 nays.

13 The Chairman. The "ayes" have it. The nomination
14 is ordered favorably reported.

15 I would entertain a motion to favorably report the
16 nomination of Ms. Ennis.

17 Senator Wyden. So moved.

18 The Chairman. The clerk will call the roll.

19 The Clerk. Mr. Grassley?

20 Senator Grassley. Aye.

21 The Clerk. Mr. Crapo?

22 Senator Crapo. Aye.

23 The Clerk. Mr. Roberts?

24 Senator Roberts. Aye.

25 The Clerk. Mr. Enzi?

1 Senator Enzi. Aye.
2 The Clerk. Mr. Cornyn?
3 Senator Cornyn. Aye.
4 The Clerk. Mr. Thune?
5 Senator Thune. Aye.
6 The Clerk. Mr. Burr?
7 Senator Burr. Aye.
8 The Clerk. Mr. Isakson?
9 Senator Isakson. Aye.
10 The Clerk. Mr. Portman?
11 Senator Portman. Aye.
12 The Clerk. Mr. Toomey?
13 Senator Toomey. Aye.
14 The Clerk. Mr. Heller?
15 Senator Heller. Aye.
16 The Clerk. Mr. Scott?
17 Senator Scott. Aye.
18 The Clerk. Mr. Cassidy?
19 Senator Cassidy. Aye.
20 The Clerk. Mr. Wyden?
21 Senator Wyden. Aye.
22 The Clerk. Ms. Stabenow?
23 Senator Stabenow. Aye.
24 The Clerk. Ms. Cantwell?
25 Senator Cantwell. Aye.

1 The Clerk. Mr. Nelson?
2 Senator Wyden. Aye by proxy.
3 The Clerk. Mr. Menendez?
4 Senator Menendez. Aye.
5 The Clerk. Mr. Carper?
6 Senator Carper. Aye.
7 The Clerk. Mr. Cardin?
8 Senator Cardin. Aye.
9 The Clerk. Mr. Brown?
10 Senator Wyden. Aye by proxy.
11 The Clerk. Mr. Bennet?
12 Senator Bennet. Aye.
13 The Clerk. Mr. Casey?
14 Senator Casey. Aye.
15 The Clerk. Mr. Warner?
16 Senator Warner. Aye.
17 The Clerk. Mrs. McCaskill?
18 Senator Wyden. Aye by proxy.
19 The Clerk. Senator Whitehouse?
20 Senator Whitehouse. Aye.
21 The Clerk. Mr. Chairman?
22 The Chairman. Aye.
23 The clerk will announce the vote.
24 The Clerk. Mr. Chairman, the final tally,
25 including proxies, is 27 ayes and 0 nays.

1 I thank my colleagues for their time, and the markup
2 is concluded.

3 [Whereupon, at 2:15 p.m., the meeting was
4 adjourned.]

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I N D E X

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STATEMENT OF:

THE HONORABLE ORRIN G. HATCH
A United States Senator
from the State of Utah 2

THE HONORABLE RON WYDEN
A United States Senator
from the State of Oregon 6