

UNITED STATES SENATE
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U.S. SENATOR ORRIN HATCH (R-UT), CHAIRMAN

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Hatch Opening Statement at SSA and PBGC Nominations Hearing

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) offered the following opening statement at a hearing to consider Gail Ennis to be Social Security Administration (SSA) Inspector General and Gordon Hartogensis to be Director of the Pension Benefit Guaranty Corporation (PBGC):

This morning we are meeting to discuss the nomination of Gordon Hartogensis to be the director of the Pension Benefit Guaranty Corporation and Gail Ennis to be the Inspector General for the Social Security Administration or the SSA.

Mr. Hartogenesis, if confirmed, you will serve during one of the most challenging periods the PBGC has ever faced. The Congressional Budget Office projects that the PBGC's multiemployer insurance system will exceed resources available to pay claims by \$45 billion. CBO also projects that, under current law, the PBGC multiemployer program will become insolvent by 2025. These sobering statistics clearly understate the challenges the PBGC faces, particularly in regards to multiemployer pension plans.

Analyzing pension plans and challenges faced by various plans, including those that the PBGC deals with or may deal with in the future, involves often-complicated computational and forecasting abilities, understanding, and skills. It pleases me to learn that Mr. Hartogensis has a deep background in many complex analytical skills that will be useful in the analyses he will, should he be confirmed, have to review and assess. My understanding is that Mr. Hartogensis, in his work in the private sector, successfully made use of his analytical skill set in analyzing industry and economic trends, as well as industry-specific projections of future possible

economic and industry outcomes. As well, his skill set includes, as I understand it, abilities to characterize, estimate, and assess uncertainties surrounding projections of future outcomes. Those skills are critical for the types of analyses performed in the pension space generally, performed at the PBGC, and assessed at the PBGC.

Once again, this is a sobering moment for the pension system, especially multiemployer pensions. Working to help ensure promises of lifetime retirement income and security in general is challenging, and those challenges are certainly present at the PBGC.

I have confidence that the analytical skill set possessed by Mr. Hartogensis will, should he be confirmed, be of high value at the PBGC in helping ensure secure retirements for a large number of hardworking American. Ms. Ennis, as I'm sure you know, the office of the inspector general at the Social Security Administration has several responsibilities, all aimed at promoting economy, efficiency and effectiveness within the administration of SSA programs and operations. The office of inspector general is also responsible for preventing and detecting instances of fraud, waste and abuse in these programs.

Moving forward, should Ms. Ennis be confirmed, there will be plenty of work to do. The SSA continues to struggle in its efforts to modernize its information technology, including a high-cost, multi-year attempt to update its disability case processing system. And, under the Obama administration, in apparent attempts to pressure Congressional appropriators, political appointees put forward budget numbers which neither I nor SSA itself have been able to corroborate, despite years of trying.

To clarify, that means budget numbers were apparently deliberately massaged to influence Congressional funding decisions. And, until recently, SSA's responsiveness to Republicans in the Senate left a lot to be desired. To this day, we still have not received field office waiting time data from the agency. It sure is hard to have an informed discussion about how SSA is doing without even knowing how long people are waiting at SSA offices in Eugene, in Salt Lake City, or anywhere else for that matter. These, among other issues, require an effective Inspector

General, and I believe that Ms. Ennis is well equipped to be just that. Perhaps most relevant to this committee, the inspector general is required to inform both SSA and Congress about agency problems and deficiencies. Once identified, the inspector general also recommends corrective action in order to further improve the efficiency of the agency.

Ms. Ennis's legal skills that she has built over her career directly relate to the inspector general position she has been nominated for. Her experience managing large teams, finding fraud, building a reporting structures, and more will help assist her in this new role. I believe you will remain committed to acting closely with both the administration and the justice department, but also acting independently when needed. Thank you for your willingness to serve.

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