

NOMINATION OF ANDREW M. SAUL

HEARING

BEFORE THE

COMMITTEE ON FINANCE UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

ON THE

NOMINATION OF

ANDREW M. SAUL, TO BE COMMISSIONER,
SOCIAL SECURITY ADMINISTRATION

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OCTOBER 2, 2018
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**NOMINATION OF ANDREW M. SAUL,
TO BE COMMISSIONER,
SOCIAL SECURITY ADMINISTRATION**

TUESDAY, OCTOBER 2, 2018

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:34 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Orrin G. Hatch (chairman of the committee) presiding.

Present: Senators Thune, Toomey, Scott, Wyden, Menendez, Carper, Bennet, Casey, McCaskill, and Whitehouse.

Also present: Republican staff: Jeffrey Wrase, Staff Director and Chief Economist; Nicholas Wyatt, Nominations and Tax Professional Staff Member; and David Timmons, Detailee. Democratic staff: Joshua Sheinkman, Staff Director; Michael Evans, Chief Counsel; Tom Klouda, Senior Domestic Policy Advisor; Ian Nicholson, Investigator; Sam Conchuratt, Assistant to the Staff Director; and Hyacinth Hinojosa, Policy Advisor.

**OPENING STATEMENT OF HON. ORRIN G. HATCH, A U.S.
SENATOR FROM UTAH, CHAIRMAN, COMMITTEE ON FINANCE**

The CHAIRMAN. Good morning. I would like to welcome everyone to today's hearing.

This morning we are meeting to discuss the nomination of Andrew Saul to be Commissioner of Social Security. This is a long-overdue nomination.

Mr. Saul, if confirmed, you will become the first confirmed Commissioner at the Social Security Administration since 2013. I believe that most, if not all, of my colleagues here agree that having a confirmed Commissioner and sustained leadership will benefit the Social Security Administration, its operations, its employees, and the American people who rely upon the Social Security checks arriving on time.

Now, Mr. Saul, if confirmed, you will be taking charge of an agency facing many challenges, including persistent information technology modernization issues and large work backlogs. Last week I laid out some of these challenges at a nomination hearing for another important position at the agency.

This agency needs someone in charge to help reduce disability determination backlogs and workload backlogs. Those backlogs at the Social Security Administration are unacceptable to many, if not most of us, here in the Senate, and are not fair for the American

people and Social Security beneficiaries. Operational issues at the agency need your immediate attention. And we look forward to your leadership in addressing them.

I am pleased to see in your background, Mr. Saul, that you have decades of experience in both financial decision-making and in successfully managing and growing organizations. I believe that this experience helped you understand that you cannot run the Social Security Administration by spending all of your time in Woodlawn, MD and DC. Understanding what is happening in the field and regional offices is critical in the role of executive leader of this particular agency.

Before turning to my friend, Ranking Member Wyden, let me briefly address the fact that the President has nominated Mr. Saul to serve the remainder of the 6-year term that expires January 19, 2019, and also to serve the following 6-year term that expires January 19, 2025.

We will be considering the first nomination today to serve the remainder of the 6-year term that expires January 19, 2019. Today's hearing will not consider the second nomination, which involves service for the following 6-year term that expires January 19, 2025.

Let me be clear that we are not considering the second nomination with respect to Senate procedure and not with respect to your qualifications to serve, which we all admire and acknowledge. In particular, the second nomination would involve the Senate acting on a nomination which strictly speaking would be properly before the next Senate.

Setting a Senate precedent that we could consider a possible sequence of future terms could bind future Senators improperly. Therefore, we will not be setting such a precedent today. Once again, to be clear, the issue is Senate procedure and precedent. The issue is not whether you would be qualified to serve as Social Security Commissioner for both the duration of this term and the following 6-year term.

I am confident and I expect that, if you are confirmed today for the first nomination, your nomination before the 116th Congress will be taken up as promptly as possible next year.

[The prepared statement of Chairman Hatch appears in the appendix.]

The CHAIRMAN. With that, I am going to turn to my partner on this committee as ranking member, Senator Wyden, for his opening remarks.

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

Senator WYDEN. Thank you very much, Mr. Chairman. I look forward to working with you, and, noting that you are retiring at the end of this term, I hope we can find a way to proceed in a bipartisan fashion on some important issues the way we did on CHIP and foster care and chronic care and other issues.

Now today, the Finance Committee is going to consider the nomination of Andrew Saul to serve as Commissioner of the Social Security Administration. It goes without saying that this position is one of the most important posts in the Federal Government.

It is responsible for administering benefits to over 69 million seniors, people with disabilities, and other Americans who earned their Social Security after working for years and paying into the program with every paycheck.

Mr. Saul's nomination comes before the committee at a critical moment. Middle-class paychecks are not keeping up with rising living expenses and health-care costs, making saving for retirement even tougher for many workers.

That means Social Security is more important than ever when it comes to ensuring all Americans have a secure retirement without having to worry about financial destitution. That is especially true for women who, in many circumstances, are working multiple jobs while also raising children, sometimes on their own.

A recent study showed that women have an average of half the retirement savings that men do. That gap means hard times for women in their later years: women aged 65 and older are 80 percent more likely than men to be in poverty.

My own parents were divorced when I was young and, to a great extent, my mother raised my late brother and I. Despite having a master's degree, she always seemed to take home less pay than men doing the same job. She was not alone. That is another reason why it is so important that women get a fair shake when it comes to retirement and Social Security.

When it comes to the future of Social Security, the program can pay full benefits through 2034 and 79 percent of benefits after 2034. There has been an effort from some of the President's top economic advisors to portray this as a crisis and insist that drastic changes are needed and benefits need to be cut.

So let me be clear to colleagues today: cuts to Social Security are the exact opposite of what is needed now. Increasing the retirement age, transforming Social Security from a secured defined benefit to a privatized scheme that puts vital benefits at risk—these are harmful ideas that are going to make it harder for seniors and vulnerable Americans to live full lives after years of hard work.

I am going to go to the mat to prevent harmful attacks on Social Security. Instead, the Congress ought to focus on ways to improve the program and ensure that all Americans can enjoy a secure retirement.

If Mr. Saul is confirmed to a full 6-year term, he will be managing the nuts and bolts of Social Security as this important debate takes place. But there is also work to be done now to ensure Social Security works for Americans who count on its benefits right now.

Today, too many who seek benefits are stuck in a kind of bureaucratic La La Land. Nearly a million Americans are waiting as the Social Security Administration considers appeals of their eligibility. This backlog of disability cases means people often wait more than a year or longer for a decision.

This is unacceptable. Recently the Congress has done better when it comes to funding the agency, and the backlog has improved.

I want to thank Senator Brown and others for pushing hard for these resources in recent appropriations bills. It is going to be important to see results, though, before anybody declares "mission ac-

completed.” Too many Americans wait for help instead of getting the service they paid for and deserve.

The Commissioner—and we talked about this—needs to make it very clear, perhaps with a weekly update on the front page of the agency’s website, about the average waiting time that faces those we have the honor to represent.

Now, Social Security has made real progress to modernize its information technology. Earlier this year, the Government Accountability Office said that the agency had made the most progress of any agency when it came to managing information technology.

This is the critical task for every Federal agency at a time when data theft is rampant. More vulnerabilities and opportunities for cyber-crime crop up every day. Americans have made it clear that privacy is paramount, and Social Security cannot fall short when it comes to protecting personal information.

On a positive note, the agency’s disability case processing system has received positive reviews from the employees that use the system each day to help people. But to paraphrase President Lincoln—and Senator Brown, who tells us this often at these hearings—the “public opinion bath” is needed to verify that it is leading to better service and less waiting.

Finally, if confirmed, Mr. Saul will be the first confirmed head of Social Security since 2013. It is unfortunate there has been such a delay, and that delay has taken a real toll. Without a confirmed leader, the agency cannot create and execute a long-term vision of how to improve the program.

On a practical level, an acting leader cannot hire qualified people from outside the agency into senior executive service positions, such as the person who would be in charge of information technology, security, or the head of the agency’s more than 1,200 field offices. Our country deserves the best talent at Social Security. This barrier needs to be removed.

I also want to conclude by touching on the issue the chairman raised about taking up only the first nomination. The White House nominated Mr. Saul for two consecutive terms: one for the remainder of the current term ending on January 19, 2019, and one for the succeeding term beginning the next day.

If the Finance Committee were to vote on the second nomination, it would be acting during this Congress to fill a vacancy that does not occur until the next Congress. That would up-end the whole notion of Senators’ advise and consent on a contemporaneous nomination of officials who are running key parts of the government. It would be unprecedented. I think it could also expose the Commissioner to legal challenges.

So, the chairman and I have reached an agreement to wait on that future term until the next Congress. For my part, Mr. Saul, if confirmed this year, I will support taking up the second nomination without delay in the next Congress.

I want to thank Mr. Saul for the conversations that we had privately and for coming today.

Mr. Chairman, I look forward to working with you.

[The prepared statement of Senator Wyden appears in the appendix.]

The CHAIRMAN. Well, thank you, Senator.

I would now like to introduce our nominee, Mr. Andrew Saul.

Mr. Saul is currently a partner with Saul Partners LP. He has had over 30 years of experience in the private sector leading organizations such as Brooks Fashion Stores and Caché. Mr. Saul also served as Chairman of the Federal Retirement Thrift Investment Board for almost 10 years, including 3 years under President Obama.

While Chairman of the Federal Thrift Board, my understanding is that you cleaned up a lot of messes, fixed some IT issues, and improved the financial position of the Thrift Savings Plan, which led to greater retirement security for many savers.

In addition to your private-sector experience, you have dedicated much of your life to community service, including at the Icahn School of Medicine at Mount Sinai Medical Center, the Metropolitan Museum of Art, the National Gallery of Art, the United Jewish Appeal Federation of New York, and the Sarah Neuman Nursing Home. You earned your bachelor's degree from the Wharton School of Finance at the University of Pennsylvania.

Mr. Saul, I believe you are well-qualified to serve as Commissioner of the Social Security Administration. I personally look forward to hearing more from you here today. So we are looking forward to listening to you and hopefully getting your confirmation through as quickly as possible.

So with that, we will turn the time over to you, Mr. Saul.

STATEMENT OF HON. ANDREW M. SAUL, NOMINATED TO BE COMMISSIONER, SOCIAL SECURITY ADMINISTRATION, BALTIMORE, MD

Mr. SAUL. Well, thank you very much. Chairman Hatch, Ranking Member Wyden, members of the committee, thank you for the opportunity to appear before you today.

My name is Andrew Saul, and I am honored to be here. I want to thank the President for nominating me to serve as Commissioner of the Social Security Administration.

The Social Security programs touch the lives of almost every American. Being nominated to this position is a tremendous privilege and an awesome responsibility. I am humbled by the opportunity to help the agency deliver critical service to the American people.

I would like to introduce my wife of 50 years, my two daughters, and my two sons-in-law, who are sitting right behind me.

I am fortunate to have had a long, successful career, both in public service and in the private sector, and to have been able to serve in non-profit organizations. My experience will serve me well, should I be confirmed.

I have worked as Vice Chairman and Chairman of the Finance Committee of the Metropolitan Transportation Authority, New York's regional transportation system and our Nation's largest public transportation network. As Chairman, I have been intimately involved in the budget, procurement, and public financing issues related to running a \$20-billion operation.

I have also served as vice chairman of the Mount Sinai Health System and long-time chairman of the Audit and Compliance Committee. Mount Sinai, located in New York City, is one of our Na-

tion's largest health systems. In addition, I have served as trustee and chairman of the Audit Committee of the National Gallery of Art.

In these roles, I have learned a great deal about how to audit and monitor large institutions to ensure that operations are transparent and dollars well-spent. My work at Mount Sinai has also afforded an up-close view of health-care institutions, systems, and delivery of services.

I started my career in the private sector. I worked for 20 years growing and managing two large publicly traded apparel chains. Under my management, these chains grew into national retailers, including hundreds of stores employing thousands of workers.

The operational challenges I faced there are similar to those facing SSA. I understand the importance of having modern systems that allow these retail locations to be connected to a national center. I worked hard to build a senior executive core from within and train our employees from the ground up. Servicing the consumer is the key to success in the retail business.

But I am most proud of my work with the Federal Thrift Investment Board. President Bush nominated me, and I was confirmed by the Senate to be Chairman of the Federal Thrift Investment Board. The Board administers the Thrift Savings Plan, which provides military and Federal employees the opportunity to save for additional retirement security.

When I took over as Chairman, the systems of the Board were in bad shape. I worked hard to lead the Board to modernize its systems and technologies and to restructure the executive staff and personnel functions.

During my chairmanship, the FTIB introduced the popular life cycle funds, which provide automatic, professionally designed asset allocation. In addition to increasing investment offerings, we increased TSP participation and simultaneously and substantially reduced participants' costs.

We improved the TSP website and made it, along with toll-free telephone service centers, user-friendly options for service and up-to-date information.

Today the TSP is a very different plan than it was in 2002. It is considered one of the most successful 401(k) plans in the Nation.

I consider my work there to be one of my greatest life-time accomplishments. When President Bush left office, President Obama asked me to continue as Chairman. I did not hesitate to agree.

I am grateful for the opportunity to serve as Commissioner of Social Security. I know the SSA is filled with people who are dedicated to the mission of serving millions of Americans, but I know that the agency also needs leadership and increased executive accountability. If confirmed, I will work to help the SSA to have the right organization to serve and be responsive to the American public and millions of beneficiaries.

I will work to improve the disability adjudication process to reduce both the appeals backlog and wait times, which are unacceptable. And finally, I will make sure the SSA systems are modern and updated, as I did with the Thrift Investment Board.

Thank you for the opportunity to talk to you, and I look forward to working with you. I am happy now to take your questions.

The CHAIRMAN. Well, thank you so much. We are so happy to have you here and happy you are willing to do this very important work.

[The prepared statement of Mr. Saul appears in the appendix.]

The CHAIRMAN. Now I have some obligatory questions that I ask all nominees.

First, is there anything in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. SAUL. No, sir.

The CHAIRMAN. Okay.

Do you know of any reason, 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?

Mr. SAUL. No, sir.

The CHAIRMAN. 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?

Mr. SAUL. Yes, sir.

The CHAIRMAN. Finally, do you commit to provide a proper response in writing to any questions addressed to you by any Senator of this committee?

Mr. SAUL. Yes, sir.

The CHAIRMAN. Well, thank you.

Mr. Saul, in some of your private-sector work, you ran some companies that likely had main headquarter offices, but also had numerous stores or outlets. Similarly, and considering being Commissioner of Social Security, you will be working at a headquarters office in Woodlawn, MD, as well as in DC, but you would also have to attend to operations of numerous regional and field offices.

Drawing from your experiences in the private sector, do you believe that it will be a value to have regular contacts with the “boots on the ground” field office workers and the beneficiaries they serve?

Mr. SAUL. Well, Senator, if I am confirmed as Commissioner, my motto at the SSA will be to bring service to the beneficiaries. As you said, I have been in the retail business most of my life, and the lifeblood of the retail business is to serve the consumer. And it is very similar to the situation that we have at SSA.

In the retail business, we had thousands—at one time—outlets spread around the United States, in almost all 50 States, and the ability to service the customer in all these far-flung locations was crucial to the success of any retailer. And I believe, if I am confirmed as Commissioner of Social Security, my primary job will be to service the beneficiaries. And that means the people who are out in the district offices as well as on the Internet, the website.

The CHAIRMAN. Well, thank you.

Mr. Saul, during budget discussions over agency funding during the Obama administration, political appointees at the Social Security Administration or SSA had manipulated and cherry-picked data about SSA’s budget to the authorizing committees, appropriators, and various advocacy groups. Numbers were put out that I spent literally years trying to corroborate yet could not, even using data supplied by SSA itself.

Eventually SSA essentially conceded that some unnamed political appointee or appointees had likely misstated budget data, and I believe politics drove the misstatements. Now, make no mistakes, when it comes to Social Security, there is plenty of politicking that takes place.

Mr. Saul, if confirmed, will you work with the Congress to ensure that we can believe the numbers that come out of the Social Security Administration and that your focus will be on delivering the best service possible to beneficiaries and program participants?

Mr. SAUL. If I am confirmed, Mr. Chairman, the most important thing, as I said, will be to provide efficient and transparent services to all the beneficiaries. And I assure you that the transparency that I talked about will be evident in my relationship with all the legislative oversight committees.

The CHAIRMAN. Well, thank you.

Mr. Saul, for many years there has been concern about efforts at SSA to update information, and information technology or IT. In the not-distant past, SSA essentially wasted hundreds of millions of dollars on projects that went nowhere.

Toward the end of the Obama administration, some new approaches were tried, and those trials continue to this day. It remains to be seen if they will prove successful. Yet when it comes to sometimes complex systems such as the IT systems at SSA, a great deal of technological sophistication is necessary. And that is where specialization comes in.

In looking at changes to IT systems—and given that you will likely hear from people internal to SSA about what the best solutions are, and you will hear from outside companies—how would you go about evaluating these companies or those company claims and deciding on what would be the best way for an IT project at SSA to go?

Mr. SAUL. Well, as I said, Mr. Chairman, in my previous experience at the Federal Retirement Board, I inherited a completely failed system that basically was not functional at the time I took over as Chairman. We had major lawsuits, and we had to clean up a failed system with over a \$100-million loss to the taxpayers with nothing to show.

I am very aware what can go wrong in a big government agency if these systems are not well thought-out.

So one of my primary tasks in the first 6 months or a year will be to sit down and review the modernization plan that is in place at the Social Security Administration from top to bottom. I want to be sure that what we are doing is going to work for the present and for the future, in the interests of the beneficiaries.

I consider this to be one of the most important parts of my job, if I am successfully confirmed.

The CHAIRMAN. Well, thank you.

My time is up. I will turn to my partner, Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman.

Mr. Saul, for 7 years I was director of the Oregon Gray Panthers before I was elected to Congress. So I have been in a lot of Social Security offices over the years.

What I saw a few weeks ago really bothered me. I arrived before the office opened. There was a line of people that stretched around the building.

And we followed up, and people all came back and said these long waits are common. Of course, face-to-face in a field office is one of the key ways to secure your rights, in addition to online and by mobile.

And here is my question. On the backlog, the previous two Commissioners promised to fix the problem, and it has not been fixed. So what are you going to do differently to actually fix it so we will not see what I saw just a couple of weeks ago when I visited a field office?

Mr. SAUL. Well, the first thing I would like to comment on is the field offices, Senator, if I might. As I said, I understand that the field office is where the rubber meets the road.

When you talk about service to the beneficiaries, there is nothing more important than the personal contact in these 1,200-plus offices spread throughout our Nation. So I will, number one, as I promised you, get out not only to Oregon, but into many locations around the country. Before I know what I can do, I believe I am going to have to really get out there and see what the problems are, as you experienced in Oregon.

I seriously mean that. And I did that at the retail business. I spent so much of my time out in the stores seeing the interplay with the customers. And that is what I think is going to be paramount to deliver the service.

Senator WYDEN. So will you commit this morning to maintaining the field office option for the many seniors and many Americans who need or want to meet with an actual person?

Mr. SAUL. If I am confirmed, I will be very careful how we deal with the existing field offices.

I can—

Senator WYDEN. That is different than saying, as I hoped, “On my watch, we are not going to lose these critical opportunities for serving our constituents.”

Mr. SAUL. I can promise you, Senator, that I will go out there, and before any decisions are made in any of the field offices, I will understand what the conditions are there in that locale, and nothing will be done without my okay.

Senator WYDEN. I told you also that I hoped that you would visit the hearing office in Eugene, OR, which has one of the worst backlogs in the country, days and days longer than the national average. So I hope that you will do that.

Mr. SAUL. I made a commitment, Senator, and I hope you will join me there. But we will be out, and we will be in Eugene.

Senator WYDEN. Count on it.

Okay. I want to get your position on Social Security privatization, because you were a board member of a very prominent think tank that was all gung-ho for President George W. Bush’s effort to privatize Social Security.

Did you support efforts to privatize Social Security during the Bush administration?

Mr. SAUL. Senator, I became involved in the Manhattan Institute when I was Vice Chairman and the Westchester County Commissioner at the MTA.

The Manhattan Institute was dedicated to efficient local and State government. And that is what interests me being so—

Senator WYDEN. But you did not support efforts to privatize Social Security during the Bush administration?

Mr. SAUL. No, sir.

Senator WYDEN. Great. Do you support efforts to privatize Social Security now?

Mr. SAUL. My job, if I am confirmed as Commissioner, Senator, is to deliver services to the beneficiary.

I believe something like privatization should be left for the Treasury Department and for the legislative branch. I am the manager of the agency, and that is what I will dedicate my time to.

Senator WYDEN. I want to ask just one other quick question, and that is about the agency's independent nonpartisan status.

Do you pledge this morning that you will run the Social Security Administration in a nonpartisan way? Because you are going to see lots of politics. I mean we saw Larry Kudlow, the head of the National Economic Council, making comments about how, beginning in the next Congress, this was going to be one of his targets.

So I want to make sure we are going to get a Commissioner who is going to be independent and nonpartisan. Will you pledge to that?

Mr. SAUL. Yes, sir.

And may I just say one thing in answer to that?

Senator WYDEN. Of course.

Mr. SAUL. I think if you look at my record at the Federal Retirement Board, I ran that agency in a totally nonpartisan way. Again, I was there to serve the participants at the Retirement Board.

And when President Bush's term was over, I was very proud that all 14 Federal unions had written a letter to President Obama and Senator Schumer—which I know has been distributed to you—requesting that I remain as Chairman. And I was called by the Obama personnel department and the Obama White House and asked to stay on.

And in fact, after President Bush left, I stayed for 3½ years under the Obama administration, which to me is a testament to the fact that I ran a nonpartisan—totally nonpartisan—operation.

Senator WYDEN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Scott?

Senator SCOTT. Thank you, Mr. Chairman.

Thank you, Mr. Saul, for being here this morning, and thank you for your time in my office last week. I truly appreciate that.

Last May in a quiet neighborhood, the FBI arrested a man who was running a synthetic ID fraud farm. He had stolen over 500 identities, mostly from children, to open over 750 credit card accounts.

Synthetic ID fraud, during which a criminal steals a person's Social Security number and creates a new identity, is an \$8-billion a year scam. That is why a bipartisan group of colleagues from this

committee and I pushed my Protecting Children From Identity Theft Act.

The legislation directs the SSA to make technology upgrades that will make it easier to stop synthetic ID fraud. The best part is that the taxpayers will not have to pick up the check.

Mr. Saul, can you speak to the growing problem of synthetic ID fraud and how this legislation could be helpful? And will you commit to prioritizing enactment of such law?

Mr. SAUL. Well, Senator, as we discussed, I am aware of this very important part of the banking bill. I will support this totally. I think it is a win-win for everybody.

As you said, in your remarks, this is being financed by the private sector.

Senator SCOTT. Yes.

Mr. SAUL. And we are currently, as you know, doing this on a manual basis for select institutions. And I think to go nationwide with this thing is a terrific thing, and I am all in on this. You have my assurance.

Senator SCOTT. Thank you, Mr. Saul.

And thank you for understanding and appreciating the severity and the challenge that we face from an ID theft perspective.

On the Social Security disability backlog, I am sure you will hear a lot of thoughts and comments and perhaps many questions on the importance of figuring out a better way for us to move forward. More than a million Americans are waiting for their hearing to see whether or not they qualify for disability benefits through Social Security.

The average wait is around 2 years. For those folks who really need the benefit and are qualified for the benefit, we have to find a way to do it better.

I would love to hear any ideas that you may have or that you are thinking about that would help shorten wait times. That is my first question.

My second question is that it is nearly impossible for an organization the size of SSA to not fall victim to waste, fraud, and abuse. How can we figure out safeguards to protect taxpayers?

Mr. SAUL. Well, on the second question, I think in the long run, the only way you are going to be able to do this in such a large organization is through modern systems. That is why technology modernization is going to be so important for this agency.

As I said to Senator Wyden, I expect to spend a tremendous amount of my time reviewing the whole systems that are currently in force. As far as the disability problem, nobody here, including myself—I do not think anybody is happy with the way this thing has been running. There are a lot of problems there. I do not claim to know the problems now. I have to get in there, Senator, and see what the problems are.

And I take this very seriously—people having to wait 2 years, people who really are in bad shape and need this help. So, one of my priorities along with the systems, and obviously the management, is going to be reviewing top to bottom the whole disability situation.

And I cannot answer you that now, and I do not think you would expect me to. But I commit to this committee to spend the time

necessary to get to the bottom of what is going on here. And we will fix the problem.

Senator SCOTT. Thank you.

My final question is based on the fact that we at some point have to have an honest conversation about the Social Security Trust Fund and how we keep kicking the can down the road as it relates to funding the challenges around its lack of liquidity and its ability to meet the obligations beyond 2032 or 2037 or whenever the date is. We keep moving the date when the benefits could see a shortfall or have to be reduced.

I would love to hear, after you have had some time on the job, about ways that we can avoid that cliff and perhaps even extend the health and the life of Social Security for those folks who have become very dependent on the benefit. I think it is incumbent upon us to start thinking about the future beyond 2-year, or 4-year, or 6-year increments, but thinking about it from a generational perspective, and maybe even one day returning to an actuarially sound Social Security.

Thank you.

The CHAIRMAN. Okay.

Senator Menendez?

Senator MENENDEZ. Thank you, Mr. Chairman.

Mr. Saul, congratulations on your nomination. Over 67 million Americans rely on Social Security. Do you support the ideas and goals of Social Security?

Mr. SAUL. Absolutely. Totally.

Senator MENENDEZ. Okay.

Now, I heard your response to Senator Wyden before with reference to the field offices, but if confirmed, will you commit to working with this committee to clear the Social Security backlog?

Mr. SAUL. Absolutely.

Senator MENENDEZ. In order to meet the growing number of recipients who will interact with the Social Security Administration—an estimated 10,000 baby boomers each day hit retirement age—will you ensure that the employees under your office are adequately supported?

Mr. SAUL. Yes. Well, one of the things, Senator, that we have not talked about yet is the whole personnel situation.

As the chairman and the ranking member have stated, this is an agency that has not had confirmed management for a long time. And one of the other key items besides technology, which we talked about—and the whole disability problem—is the management structure of the organization. That is the other piece that I will be spending a tremendous amount of time on over the next, hopefully year, if I am confirmed, to ensure that the organization table that is currently in existence is correct for a modern and large organization such as SSA.

I also want to be sure that we have the right people in the proper positions there. Then, the most important thing after that is to be sure that these people have a responsibility when they are given a job to be accountable to get it done. And that accountability is the service to the beneficiaries.

Senator MENENDEZ. I appreciate that answer. I appreciate management structure and accountability. I also understand that when

you have 10,000 baby boomers a day who are moving into retirement age, that the demands on the Administration, the Social Security Administration, will be greater.

So, after you do all of your management reviews, if you need to be properly resourced, I hope that you will pursue that as well.

Mr. SAUL. Senator, before I ask for any money, I want to make sure that we are spending the money that we have wisely. And I did that at the Retirement Board.

But you can be sure if we need money after we have done this, I will be back here.

Senator MENENDEZ. Well, as a baby boomer who spent his entire life in public service, I am looking forward to, when it comes time, being efficiently treated.

So you sat on the board of a think tank that has some troubling views of Social Security, blaming it for spiraling deficits, while ignoring the harm of deficit-busting tax plans that had a deficit as well. Do you share the same views as that think tank about Social Security?

Mr. SAUL. I joined the Manhattan Institute because I was very interested in the efficiency of State and local government. In 2002, when I became Chairman of the Federal Retirement Board, I basically terminated my involvement with the Manhattan Institute.

I did not even realize at that time or now that they had done this much work on Social Security, because my interest there was State and local government and efficiency because of my activities, which was very important to me at the Metropolitan Transit Authority.

Senator MENENDEZ. So now knowing that they did, do you share those views?

Mr. SAUL. No. I believe that my job is to run this organization efficiently. I will leave those kind of issues to the legislative branch and to the Treasury Department, sir.

Senator MENENDEZ. Now, you mentioned in your statement that you will improve the disability adjudication process. Could you give me, for example, two quick bullets of what you think can be done to achieve that?

Mr. SAUL. I would rather not, because I really want to get in there and understand what is going on. It is not working well. There is no question about that. I realize the seriousness of it.

As I said to Senator Scott, I realize there are a lot of problems there. But I want the opportunity, Senator, to get in, get out into the field—which we talked about—see what is going on, and then we will see what we have to do—

Senator MENENDEZ. Well, the processing time for these claims keeps increasing, even as the number of applications decreases each year.

Mr. SAUL. Right.

Senator MENENDEZ. That delta is certainly something that needs to be bridged.

Mr. SAUL. No, it is troubling. And I say nobody—I am going to repeat again—nobody is happy, including myself. I am not an expert in it, but I will be by the time we talk again.

Senator MENENDEZ. I will just close by saying this is an incredibly important position, because the well-being of millions of people who actually rely upon Social Security as part of their retirement

security—who may not have all the other benefits at the end of the day that others have—is critical. So I look forward to continuing to hear where you are going in this regard.

The CHAIRMAN. Thank you, Senator.

Senator Carper?

Senator CARPER. Mr. Saul, thanks so much for being here with us today. Thanks for visiting with my staff and me in our office.

You mentioned that your wife is here today, and there are several women sitting in the front row. I am not sure which one is your wife.

Mr. SAUL. Right behind me. That is simple.

Senator CARPER. All right, 50 years. Okay.

Mr. SAUL. Fifty years, proudly so.

Senator CARPER. Thanks for sharing him in a number of roles.

Why have you been successful as a leader of a variety of different organizations? What are your keys to success? How might they apply to this challenge before you?

Mr. SAUL. Well, Senator, I think you have to understand the mission. And when you understand the mission, then you have to be focused on that mission. And I think that goes for anything you do, whether it is running for office or managing an organization. You have to be a focused individual with a goal in mind.

Senator CARPER. Joe Biden likes to say that all diplomacy is personal. He also says that all politics is personal. I think he is right.

I would suggest one of the things you have done well so far is, you have gone around and met a number of my colleagues for us to get a chance to take measure of you and to learn a bit more about who you are and what you have done. I just want to mention a couple of names that might be helpful for you to call on when you have some time.

One of them is the guy who runs GAO, the Government Accountability Office. His name is Gene Dodaro, and the folks who are your sherpas can help you track him down. But should you get confirmed—I think you just might—Gene Dodaro and the people at GAO spend a whole lot of time focusing on the Social Security Administration. He could be a great friend and ally. I urge you to get to know him, and soon.

You have an Inspector General in the Inspector General's office within Social Security. They can be a bit of a pain sometimes, but I think for the most part they can do a lot more good and help you than would otherwise be the case. I urge you to get to know your Inspector General and his or her team too.

Your Finance Committee is your oversight committee. And from time to time you will have the opportunity to come and testify before us, give us an update, or ask us for things that we can do, should do.

What I find is always helpful when you come before us is to say, these are things that are going well, these are the things that are not, and these are the things that you could do that would help me, help us serve the people across this country better.

Also, there is an Appropriations subcommittee—I think it is called the Labor, Health, and Education Subcommittee, that is the Appropriations subcommittee for the Social Security Administration. And I would urge you to get to know especially the members,

Democrat and Republican members of that subcommittee, so they will know you just as we are getting to know you here today.

I want to talk with you briefly about a problem my staff and I, along with a number of our colleagues, have been working on for some time that is called curbing improper payments. Last year GAO tells us that improper payments to deceased individuals were incredibly high. Improper payments throughout the Federal Government last year came in at about \$144 billion—billion with a “b.”

And as you may know, the Social Security Administration maintains the Nation’s most complete database of deceased persons. It is known as the full death file. I call it the “master death file.”

People say, what is the “master death file”? I say it is a file you do not want your name to appear on because, if it does, you are dead. [Laughter.]

But this is the only complete database of deceased individuals currently available in the Federal Government.

This list of death data is simply not shared with the agencies that need it to combat improper payments. Again, improper payments totaled \$144 billion last year.

For quite a while, years in fact, I worked with a number of my Democratic and Republican colleagues to address this issue through legislation that would mandate the Social Security Administration more closely share the death information that it is responsible for. The latest official—as I said—improper payment estimate is about \$144 billion.

There is also a story that was in the news, I think earlier this year, about how many people whom the Social Security Administration has on file who are, I think, about the age of 112. The number was 5 million—5 million people at the age of 112.

I thought that was pretty interesting. There might be 12 of that age, but there are not 5 million. I just want to put that in front of you.

But any thoughts that you have about legislation that would mandate the Social Security Administration more widely share the death information that it is responsible for—are there any thoughts that you have on that? You may have never thought about this at all.

Mr. SAUL. No, I have. I know now that I believe the Social Security Administration does provide this information to other agencies of our government, when it is legal.

I know we are restricted in certain cases because of privacy and so forth, so that we cannot provide all this information. But I do support the transparency and the communication with other agencies.

Senator CARPER. I think there is a shared responsibility—and I will close with this—a shared responsibility for us to make sure that what I call the “master death file” is actually as accurate—more accurate than it is already. And to the extent that we make it ever more accurate, we should be able to provide and share that with other relevant Federal agencies so that they can reduce some of this \$144 billion in improper payments.

Thank you.

The CHAIRMAN. Senator McCaskill?

Senator MCCASKILL. Thank you, Mr. Chairman. I certainly want to echo Senator Carper's comments about sharing data. There is way too much territorial stuff going on in government, and there are all kinds of ways that we can protect people's privacy. There are a lot of taxpayer dollars wasted because information is not shared real-time in a way that is efficient and effective. And the death data is, frankly, one of the most obvious examples that I would hope you would put on your top three priority list for getting that fixed so other parts of government can make sure we are not sending payments to people who are no longer with us.

On the bill that Senator Scott mentioned, he and I, along with Senator Cassidy, worked on that bill on synthetic ID fraud. What I wanted to bring to your attention is, this is an opportunity that we have to upgrade the existing IT infrastructure at SSA.

But I am concerned, because the Social Security Administration has told us that it is more likely to build a whole new system. Now, I have seen this over and over again at the Pentagon, where things get siloed, and well, this is not exactly what this is so, therefore, let us go out and let us scope new requirements.

And inevitably, government has a tendency to ask the IT experts what they need, and no wonder that the IT experts that are going to build the system tell them they need a lot, or maybe more than they do, because it is in their best interests to make it large and complex and, therefore, very expensive. So I am concerned when Federal agencies start from scratch, especially in 2018.

I know that you are not yet in this, but I would like your commitment on the record that you will take a look, a long look, at whether or not it is a much better use of this money—and the great thing is, this is the private sector that is paying for most of this—if it is better used upgrading the current IT system rather than building another one from scratch.

Mr. SAUL. Well, Senator, you are right on, because that was—just what you describe—the downfall of the system, if you remember, at the Federal Retirement Board. Why the thing failed is exactly what you said.

The system got out of control. There were bells and whistles for every possible thing. We were building a rocketship to go to Mars instead of a functional working system.

So I saw under my own—well, it was not under my watch, because I took over, unfortunately, as this whole mess transpired. I am scared to death of this, and I am very aware of this. That is why I said in my opening remarks that we have to go through the whole modernization plan, a to z, and be sure that what is there makes sense, is workable, as you say, and will satisfy the needs of the SSA.

And you have my commitment to do that.

Senator MCCASKILL. And there is off-the-shelf stuff available.

Mr. SAUL. I agree.

Senator MCCASKILL. That is the other thing.

Mr. SAUL. Absolutely.

Senator MCCASKILL. When you do not do it off-the-shelf, then you can indulge this idea that we are going to have all these bells and whistles and we can just push this button and get to know all

this even though that is not the central reason that the system is being built.

So I have seen a number of companies that have finally—finally the army gave up on DCGS and went to a private contractor, because the people in the field were using the system that already existed, the software that already existed, as opposed to the bells and whistles, from-scratch software system. And if people in America knew the billions and billions and billions of dollars wasted on IT acquisitions in the Federal Government, they would be even madder than they are now, which is hard.

The last question I have for you, briefly, is, you had mentioned to me when we visited before the hearing how proud you were of your relationship with the unions, the hardworking people in the Federal Government who have chosen to collectively bargain. I am very concerned at what appears to me this administration's proclivity to run over the law as it relates to collective bargaining agreements.

Can I get your commitment on the record that you will follow the law as to the rights and responsibilities of both the management of Federal agencies and the people who are represented in the collective bargaining agreements?

Mr. SAUL. Absolutely, Senator.

Senator MCCASKILL. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Whitehouse?

Senator WHITEHOUSE. Thank you, Mr. Chairman.

Welcome, Mr. Saul. I appreciate your willingness to take this on. I think my questions are probably going to be a bit redundant with some of the ones you have already received on our side, but as you know, Social Security has become a bit of a political battleground between those who want to cut it or privatize it and those who try to defend it for the folks who rely on it.

I simply want to make—let me start by defining my terms. You know what a Fifth Column is?

Mr. SAUL. Yes.

Senator WHITEHOUSE. Yes. It goes back to the Spanish Civil War, and the Fifth Column was the people inside the city prepared to sabotage on behalf of the attackers. I just want your assurance that you will not be a part of or party to any Fifth Column within Social Security out to try to affect the fight that we may have to have in Congress over defending Social Security.

Mr. SAUL. I can just state again, Senator, as I stated quite a few times here, my job—and I believe this is what I did at the Retirement Board, and that is why I was so successful—is to deliver the service for the beneficiaries. And I am going to leave the policy and these changes that you are referring to to the legislative branch and the Treasury Department. I am going to run the place in an efficient, transparent manner.

Senator WHITEHOUSE. Perfect. Thank you.

And I guess I would ask a similar question as it relates to efforts to privatize Social Security. There are obviously very big financial interests that would love to get their hands on the amount of revenue and assets that are associated with Social Security.

I think it would be a terrible mistake to let that happen because of all the potential conflicts of interest and added costs and so

forth. But without litigating that point between us, I simply want your assurance that you do not intend to go in to take sides in favor of the forces of privatization and that you will let us fight that and give us whatever information we need that will be straight-up, legit, factual, real information and not canted or tilted to one side or another.

Mr. SAUL. Again, I do not think what you are referring to is the Commissioner's job. And I will pledge to you to be the support person, to make sure that all parties, interested parties, have accurate, transparent information.

Senator WHITEHOUSE. Great.

From the large-scale issues, now I will go to a very, very small one that I am sure you are not even familiar with. And my point in this question is to flag it for you.

As you probably know, Social Security Disability Insurance ordinarily requires a 5-month waiting period for somebody who claims a medical disability. The fundamental reason for that is that it provides a period in which somebody can get better, basically. So you do not want to put somebody on disability and go through all that rigmarole, and 5 months later they are better. And that has been, I think, the convention for why there is that 5-month delay.

With the support of Chairman Hatch, which I appreciate very much, we have a proposal to suspend the 5-month waiting period for people who are diagnosed with ALS, with Lou Gehrig's disease. Nobody, historically speaking, has ever gotten better. And the physical decline that takes place is best prepared for and addressed from the earliest stages of the diagnosis.

As you know, it is a particularly heart-breaking disease. I am hoping very much that if I ask you for information relative to administration, or relative to costs, or relative to our efforts to try to exempt people diagnosed with ALS from that 5-month waiting period, that you will give this some attention or at least hand it off to somebody we can work with so that, in the conversations that we are having across the aisle on this subject, we are working off good, effective, proper information.

Mr. SAUL. Well, Senator, I saw a very good friend of mine pass away last year from ALS, and I realize what a deadly disease it is. Again, I think I would like the opportunity to get in here, take a look at the whole disability process.

I do not think there is anybody sitting in this room who is completely happy with the way the process is working, including myself. I realize how serious it is, because there are a lot of people who really need this. And the 2-year wait is just an unacceptable thing.

So just give me a chance to get in there—I told you this is one of the key things that has to be focused on.

Senator WHITEHOUSE. Good. Well, expect to be hearing from me on that minor, but I think important point.

And again, I thank the chairman for the very helpful and productive conversations we have had about trying to find a remedy for this predicament. Thank you.

The CHAIRMAN. Well, thank you. I appreciate those comments.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman.

Mr. Saul, thank you for being here, and congratulations on your nomination.

As you know—and you have probably been asked these questions in different ways today—but as you know, Social Security is critical to millions of Americans and more than 175,000 South Dakotans. During your time as Chairman of the Federal Retirement Thrift Investment Board, you have shared that you were able to successfully reduce the costs to participants, and it sounds like you run the Thrift Savings Plan efficiently.

So my question is, what actions or principles can you take from your work there and apply to reducing administrative costs and to promoting greater efficiency at the Social Security Administration?

Mr. SAUL. Well, I think it is a lot of the things we talked about, Senator. Obviously the whole personnel and organization structure, having the right people in the right place to be able to deliver the services to the beneficiary, is number one.

And we talked about it in the field offices, and we talked about it throughout the organization. That is number one.

Number two, we have to go back to the technology part of this thing, because I do not believe you can ever really be happy with what is going on there without modern, up-to-date systems that work and are able to deliver those services. So I think those are two of the things that are really important.

And really, I do not think it made much difference whether it was in the retail business, where we had these multiple locations that I have described before, or if it was at the Retirement Board. I think the Retirement Board and the SSA are very similar in a lot of ways. The organizations deliver services to the beneficiary or deliver services to the participant, as it was at the Retirement Board.

Senator THUNE. And you mentioned sort of modernizing those systems, the technology, in the same position that you held. I understand that you oversaw the implementation of the record-keeping computer system that, before your time, had faced years of setbacks and ultimately cost plan participants.

Knowing that the Social Security Administration currently relies on an outdated IT infrastructure and that modernization is needed, if confirmed, what is your approach to ensuring that IT projects are completed in a timely fashion and within budget?

Mr. SAUL. The first thing we have to do is analyze the modernization plan that is in place now, be sure it is right for the short term, be sure it is right for the long term. The second thing we have to do is be sure that the personnel are there to manage the systems today and to build the new systems for the future.

This is going to be crucial to the success of the Social Security Administration in the future. And I realize this.

You know, on one hand we have to run it day to day and be sure we are providing the services that we talked about in the offices, but on the other hand we have to be sure we are building something for the future that is going to work. And I had the experience at the Retirement Board, as I said before, of seeing what happens when the train goes off the track. And it was a heck of a mess. A tremendous amount of money was wasted.

So I am very concerned. I am scared to death of the systems, I have to tell you that. And I intend to be sure what we are doing is well thought-out.

Senator THUNE. Well, I hope you can draw on your previous experience in bringing about some of those reforms and changes and modernization, because obviously it is heavily depended upon by millions of people across this country.

Mr. Chairman, I would just say too, and I think this issue has been raised about solvency of the Social Security programs in this country, and I realize that the job to which Mr. Saul has been nominated is to run the agency and make sure it is run efficiently. But I do think we have to address the issue of solvency—and sooner rather than later.

As I mentioned earlier, we have 175,000 South Dakotans who depend upon Social Security, but a whole lot more who are going to be retiring in the years ahead. As we all know, on its current trajectory that program will not be there for a lot of those people, at least in its current form, it is not going to be sustainable.

So it is high time for us to do the hard work up here and to bring about the necessary reforms that will enable future Americans who also have paid into that system to be able to benefit from it when that time comes. So I hope that our committee will begin that important work in the very near future.

Thank you.

The CHAIRMAN. Thank you, Senator.

Senator Wyden?

Senator WYDEN. Thank you very much, Mr. Chairman.

I have two additional questions and one closing comment, with respect to where we go from here.

Let me talk to you about privacy and cybersecurity for a moment, Mr. Saul. I know Senator Thune is here, and he has a great interest in this as well.

We had the hack, of course, at OPM, at IRS, and it is pretty clear that Social Security would be a prime target for the people who were interested in these hacks. The agency is trying to phase out these archaic legacy systems. Some of what is there is in code older than many of my staff people.

I am really a privacy hawk as it relates to protecting people's personal data in situations like this, their identity, particularly securing it and protecting it throughout your business process. In the last year, I have really been pushing the agency to follow the guidelines on passwords, password guidance, as it is called, from the National Institutes of Standards and Technology, and also to promote multi-factor authentication, which again is another kind of process for protecting people's data.

What are you going to do, if you are confirmed, to protect the data of millions of Americans from cyber-attacks?

Mr. SAUL. Well, Senator, this is the kind of nightmare that keeps you awake at night. I understand that everybody's identification, every person who lives in this Nation, who works, is held within the systems of the Social Security Administration. So cybersecurity is going to be a priority in reviewing the whole systems operation there.

We have to make sure—look, nothing is infallible, and as we know, the most sophisticated companies and systems can fall prey to this—but I will assure you that I will do whatever we possibly, humanly can to protect this data. And I agree with you 100-percent; I take this very seriously.

Senator WYDEN. In the questions I am going to give you for the record that I need answers on before we vote, there are going to be two areas. One, specifics with respect to the backlog—and I want to know what you are going to do differently than the two people who sat where you did and were confirmed and said they were going to deal with the backlog. So that is number one.

Number two, I want you to tell me what you are going to do with respect to the letters that I have sent to the agency saying you need to do password guidance in line with state-of-the-art approaches and multi-factor technology, which is a way to beef up the authentication of people's data.

So those are going to be the two areas where I need specifics with respect to what you are going to do, if confirmed.

The other area I would just like to ask about is, we have been contacted by the disability advocates. There has been a tradition of the Commissioner meeting with the disability advocates quarterly. Here we are talking about Arc, the Consortium for Citizens With Disabilities, legal aid folks—which are my roots, so people are not surprised that I mention them.

Will you reinstitute that quarterly practice of meeting with those folks?

Mr. SAUL. Senator, I would like to have the ability to meet with the senior staff to talk to them and to see what has been the past practice at the agency.

Senator WYDEN. I just told you what the past practice was.

Mr. SAUL. I assure you that you have my support, but I want the opportunity just to be able to see what has been done.

Senator WYDEN. Okay.

That is the third area where I am going to need a written answer, because what has been done is, there have been regular meetings with those folks. And of course people understand why they are exasperated. These are the people who do not have power, they do not have clout, they do not have big political action committees, and they are vulnerable and want to be heard.

So I look forward to your written answers. I have told the chairman that I am going to work with him on this. I do need answers to those questions before we go ahead.

I thought you were candid in the office, and I need some candor in those three areas that I will be submitting to you with respect to written questions. I think there may be some other areas that we have gotten questions over the transom, but I look forward to working with you, Mr. Chairman, on this.

The CHAIRMAN. Thank you, Senator Wyden.

Mr. Saul, as you are aware, SSA is mandated to provide support for a large number of other Federal programs, including the death master file, Medicare, Medicaid, E-Verify, Help America Vote Act, et cetera, some veterans benefits, and so on. Some of this work comes at significant cost to the agency and the taxpayer. If confirmed, would you work with Congress to assess agency effective-

ness providing these services and ensuring that, when SSA is effectively working for another agency or program, the SSA gets adequate reimbursement?

Mr. SAUL. Yes, Mr. Chairman, I give you that assurance.

The CHAIRMAN. That is great.

You know, I am really impressed with you and your willingness to serve the people of this country in a very, very important position that we all rely on. So I just want to personally compliment you, your wife, your family, for being willing to give this kind of time to our government and to the American people. You are a good guy, and we want to get you through as quickly as we can.

Senator WYDEN. Mr. Chairman, I am sorry; there is a matter that Senator Casey brought up—

The CHAIRMAN. Okay.

Senator WYDEN [continuing]. With respect to a procedural process as it relates to disability rights. It is called the reconsideration step that Senator Casey is concerned about. He would like to have a question about ensuring protection for folks who are dealing with disability claims. I would just ask unanimous consent that the question that Senator Casey feels strongly about, which I do as well, also be something you respond to as well, Mr. Saul.

Thank you for that courtesy, Mr. Chairman.

The CHAIRMAN. Thank you. I want to thank everybody for attending this and their participation in this hearing today.

I would once more like to thank Mr. Saul for his willingness to serve. We really appreciate you and your willingness.

I ask that any member who wishes to submit questions for the record, please do so by the close of business Thursday, October 4th.

Mr. Saul, you have acquitted yourself very, very well. I am proud of you.

And with that, the hearing is adjourned.

Mr. SAUL. Thank you, Mr. Chairman.

[Whereupon, at 11:48 a.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. ORRIN G. HATCH,
A U.S. SENATOR FROM UTAH

WASHINGTON—Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing to consider the nomination of Andrew Saul to be Commissioner of the Social Security Administration.

This morning we are meeting to discuss the nomination of Andrew Saul to be Commissioner of Social Security. This is a long-overdue nomination. Mr. Saul, if confirmed, will become the first confirmed Commissioner at the Social Security Administration since 2013. I believe that most, if not all, of my colleagues here agree that having a confirmed Commissioner, and sustained leadership, will benefit the Social Security Administration, its operations, its employees, and the American people who rely on their checks arriving on time.

Mr. Saul, if confirmed, you will be taking charge of an agency facing many challenges, including persistent information technology modernization issues and large work backlogs. Last week, I laid out some of these challenges at a nomination hearing for another important position at the agency. This agency needs someone in charge to help reduce disability-determination backlogs and workload backlogs. Those backlogs at the Social Security Administration are unacceptable to many, if not most, of us here in the Senate, and are not fair for the American people and Social Security beneficiaries. Operational issues at the agency need your immediate attention, and we look forward to your leadership in addressing them.

I am pleased to see in your background, Mr. Saul, that you have decades of experience in both financial decision-making and in successfully managing and growing organizations. I believe that this experience helped you understand that you cannot run the Social Security Administration by spending all of your time in Woodlawn, MD and DC. Understanding what is happening in field and regional offices is critical in the role of executive leader of the agency.

Before turning to my friend, Ranking Member Wyden, let me briefly address the fact that the President has nominated Mr. Saul to serve the remainder of the 6-year term that expires January 19, 2019. Today's hearing will not consider the second nomination, which involves service for the following 6-year term that expires January 19, 2025. Let me be clear that we are not considering the second nomination with respect to Senate procedure, and not with respect to your qualifications to serve.

In particular, the second nomination would involve the Senate acting on a nomination which, strictly speaking, would be properly before the next Senate. Setting a Senate precedent that we could consider a possible sequence of future terms could bind future Senates improperly. Therefore, we will not be setting such a precedent today.

Once again, to be clear, the issue is Senate procedure and precedent. The issue is not whether you would be qualified to serve as Social Security Commissioner for both the duration of this term and the following 6-year term. I am confident, and I expect, that if you are confirmed today for the first nomination, your nomination before the 116th Congress will be taken up as promptly as possible next year.

ADDITIONAL STATEMENT FROM CHAIRMAN ORRIN G. HATCH

It is disappointing the ranking member feels a need to question a statement that I made during the hearing to consider the nomination of Andrew Saul to be Commissioner of the Social Security Administration (SSA). I stand by everything I said during my questioning of Mr. Saul, including concerns about budget summary data that SSA put out, purportedly supported by underlying data, during the Obama administration that could not be corroborated using SAA's own underlying data. If budget data from any agency are not supportable by underlying facts in the agency's own accounting data, there is every reason to be concerned, especially if there is a potential that release of the unsupportable data has political undertones. The ranking member cites, in his "Additional Statement," figures related to a 10-percent decline "since 2010" in a relatively new creation by SSA of a "core operating budget," even though my remarks during Mr. Saul's nomination hearing said nothing about a 10-percent decline or the ranking member's identification of the period of such a decline between 2010 and, presumably, 2017. Moreover, I believe that identification of a similar finding by the Congressional Research Service of a 10-percent decline in the "general LAE," which presumably is an analog to the "core operating budget," is irrelevant.

PREPARED STATEMENT OF HON. ANDREW M. SAUL, NOMINATED TO BE
COMMISSIONER, SOCIAL SECURITY ADMINISTRATION

Chairman Hatch, Ranking Member Wyden, members of the committee, thank you for the opportunity to appear before you today. My name is Andrew Saul, and I am honored to be here.

I want to thank the President for nominating me to serve as Commissioner of the Social Security Administration. The Social Security programs touch the lives of almost every American. Being nominated to this position is a tremendous privilege and an awesome responsibility. I am humbled by the opportunity to help the agency to deliver critical services to the American people.

I would like to introduce my wife of 50 years, and my daughters and my son-in-laws.

I am fortunate to have had a long-successful career, both in public service and in the private sector, and to have been able to serve in non-profit organizations.

My experience will serve me well, should I be confirmed. I have worked as Vice Chairman and Chairman of the Finance Committee of the Metropolitan Transportation Authority, New York's regional transportation system and our Nation's largest public transportation network. As Chairman, I have been intimately involved in the budget, procurement, and public financing issues related to running a \$20-billion operation.

I have also served as vice chairman of the Mount Sinai Health System, and long-time chairman of the Audit and Compliance Committee. Mount Sinai is one of our Nation's largest health systems, located in New York City. In addition, I have served as trustee and chairman of the Audit Committee of the National Gallery of Art. In these roles, I have learned a great deal about how to audit and monitor large institutions to ensure that operations are transparent and dollars well-spent. My work at Mount Sinai has also afforded an up-close view of health-care institutions, systems, and delivery of services.

I started my career in the private sector. I worked for 20 years growing and managing two large publicly traded apparel chains. Under my management, these chains grew into national retailers, including hundreds of stores and employing thousands of workers. The operational challenges I faced there are similar to those facing SSA. I understand the importance of having a local retail presence to the customer and the importance of having modern systems that allow these retail locations to be connected to a national center. I worked hard to build a senior executive corps from within and train our employees from the ground up. Servicing the consumer is the key to success in the retail business.

But I am most proud of my work with the Federal Thrift Investment Board. President Bush nominated me, and I was confirmed by the Senate, to be Chairman of the Federal Thrift Investment Board. The Board administers the Thrift Savings Plan, which provides military and Federal employees the opportunity to save for additional retirement security. When I took over as Chairman, the systems of the

Board were in bad shape. I worked hard to lead the Board to modernize its systems and technologies, and to restructure the executive staff and personnel functions.

During my chairmanship, the FTIB introduced the popular life cycle funds, which provide automatic, professionally designed asset allocation. In addition to increasing investment offerings, we increased TSP participation and simultaneously and substantially reduced participant costs. We improved the TSP website and made it and the toll-free telephone service centers user-friendly options for service and up-to-date information.

Today, the TSP is a very different plan than it was in 2002; it is considered one of the most successful 401(k) plans in the Nation. I consider my work there to be one of my greatest life-time accomplishments. When President Bush left office and President Obama asked me to continue as chairman, I did not hesitate to agree.

I am grateful for the opportunity to serve as Commissioner of Social Security. I know that SSA is filled with people who are dedicated to the mission of serving millions of Americans. But I know that the agency also needs leadership and increased executive accountability. If confirmed, I will work to help SSA to have the right organization to serve and be responsive to the American public and millions of beneficiaries. I will work to improve the disability adjudication process to reduce both the appeals backlog and wait times, which are unacceptable. And finally, I will make sure that SSA's systems are modern and updated, as I did with the Thrift Investment Board.

Thank you for the opportunity to talk to you, and I look forward to working with you. I am happy to take your questions.

SENATE FINANCE COMMITTEE

STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name (include any former names used): Andrew Marshall Saul.
2. Position to which nominated: Commissioner, Social Security.
3. Date of nomination: April 17, 2018.
4. Address (list current residence, office, and mailing addresses):
5. Date and place of birth: November 6, 1946; New York City, NY.
6. Marital status (include maiden name of wife or husband's name):
7. Names and ages of children:
8. Education (list all secondary and higher education institutions, dates attended, degree received, and date degree granted):
George W. Hewlett High School—1960–1964.
Wharton School of Finance, University of Pennsylvania—1964–1968; bachelor's degree—May 1968.
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 for each job):
Caché, Inc., New York City—1993–2000; chairman of the board.
BR Investors, New York City—1985–1986; president.
Brooks Fashion Stores, New York City—1980–1985; president—1968–1980; executive vice president.
10. Government experience (list any current and former advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments held since college, including dates, other than those listed above):

Federal Retirement Thrift Investment Board—2002–2011; Chairman.

Metropolitan Transportation Authority: Westchester County Commissioner—2016–present; Vice Chairman—2006–2019; Chairman of the Finance Committee—2006–2015; Board Member—1996–2005.

11. Business relationships (list all current and former positions held as an officer, director, trustee, partner (*e.g.*, limited partners, non-voting, etc.), proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

Caché, Inc., New York City—1993–2000; chairman of the board.

BR Investors, New York City—1985–1986; president.

Brooks Fashion Stores, New York City—1980–1985; president; 1968–1980; executive vice president.

Mt. Sinai Health System; vice chairman—2007–present; chairman, audit committee—1975–present; member executive committee—1975–present; board of directors—1968–present.

Icahn School of Medicine at Mt. Sinai; vice chairman—2007–present; board of directors—1968–present.

Wharton School of Finance, University of Pennsylvania; board of overseers—1994–present.

Metropolitan Museum of Art; trustee—1999–present.

National Gallery of Art; trustee and member—2013–present.

UJA Federation of New York; former board member—2009–2014.

Sarah Neuman Nursing Home, Westchester, NY; former board member—1997 to approximately 2007.

The Manhattan Institute, New York, NY; former board member—1994–2008.

12. Memberships (list all current and former memberships, as well as any current and former offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations dating back to college, including dates for these memberships, and offices):

Mt. Sinai Health System; vice chairman—2007–present; chairman, audit committee—1975–present; member executive committee—1975–present; board of directors—1968–present.

Icahn School of Medicine at Mt. Sinai; vice chairman—2007–present; board of directors—1968–present.

Wharton School of Finance, University of Pennsylvania; board of overseers—1994–present.

Metropolitan Museum of Art; trustee—1999–present.

National Gallery of Art; trustee and member—2013–present.

UJA Federation of New York; former board member—2009–2014.

Sarah Neuman Nursing Home, Westchester, NY; former board member—1997 to approximately 2007.

The Manhattan Institute, New York, NY; former board member—1994–2008.

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate dating back to the age of 18.

Ran for Congress, Westchester County 19th District, dropped candidacy before primary.

- b. List all memberships and offices held in and services rendered to all political parties or election committees currently and during the last 10 years prior to the date of your nomination.

Republican National Committee; Republican National Congressional Committee; Senatorial Trust; New York State Republican Party; Regents member since 2003.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years prior to the date of your nomination.

Year	RNC	NRCC	NRSC	Individual/ NYS Party	Total by Year
2008	\$57,000		\$10,000	\$33,500	\$101,200
2009			10,000	42,500	52,500
2010		\$25,000	10,000	121,800	156,800
2011	75,000	25,000	25,000	94,110	219,110
2012	25,000	25,000	9,100	90,544	149,644
2013	50,000	25,000	10,000	88,603	173,603
2014	50,000	25,000	57,400	91,500	223,900
2015	70,000	33,400	33,400	94,000	230,800
2016	75,000	25,000	35,000	68,573	203,573
2017	135,000	35,000	35,000	267,590	472,590
2018		25,000	35,000	3,000	63,000
Total	\$625,000	\$278,400	\$249,900	\$815,721	\$1,969,021

Itemization of Contributions

Type	Date	Number	Name	Memo	Amount
Check	01/30/2008	8217	NYS Republican Party		\$5,000.00
Check	02/06/2008	8221	New York County Republican Committee		10,000.00
Check	03/06/2008	8276	R.A.C.C.		5,000.00
Check	03/12/2008	8302	Westchester Republican County Committee		1,500.00
Check	04/29/2008	8396	NYS Senate Republican Campaign Committee		10,000.00
Check	05/05/2008	8403	McCain Victory 2008		57,700.00
Check	05/20/2008	8440	New York State Conservative Party		2,000.00
Check	10/21/2008	8718	Committee to elect Caesar Trunzo		1,000.00
Check	10/21/2008	8719	Committee to elect Serphin Maltese		2,500.00
Check	10/21/2008	8720	Committee to elect Michael Ranzenhoefer		2,500.00
Check	10/21/2008	8721	Committee to elect Joe Robach		1,000.00
Check	10/21/2008	8722	Committee to elect Frank Padavan		1,000.00

Itemization of Contributions—Continued

Type	Date	Number	Name	Memo	Amount
Check	10/21/2008	8723	Committee to elect Dennis Delano		1,000.00
Check	10/21/2008	8724	Committee to elect Dave Renzi		1,000.00
Check	01/26/2009	8920	Westchester Repub- lican County Committee		1,500.00
Check	03/04/2009	8998	Tedisco for Con- gress		3,000.00
Check	04/02/2009	9062	New York County Republican Com- mittee		10,000.00
Check	04/06/2009	9077	Friends of Rob Astorino		5,000.00
Check	06/08/2009	9215	Friends of Lee Rob- erts		250.00
Check	07/10/2009	9306	Friends of Rob Astorino		5,000.00
Check	07/14/2009	9305	Rob Astorino for County Executive	VOID	0.00
Check	10/14/2009	9494	Committee to Elect Dan Schorr		1,000.00
Check	10/19/2009	9505	Friends of Rob Astorino		5,000.00
Check	10/27/2009	9523	NYS Senate Repub- lican Campaign Committee		10,000.00
Check	11/02/2009	9536	Friends of Rob Astorino		5,000.00
Check	12/09/2009	9613	Republican Assem- bly Campaign Committee		5,000.00
Check	01/04/2010	9665	New York Repub- lican State Com- mittee		50,000.00
Check	01/11/2010	9680	NYS Senate Repub- lican Campaign Committee		10,000.00
Check	02/04/2010	9725	New York Repub- lican County Committee		1,000.00
Check	02/24/2010	9773	Chris Cox for Con- gress		1,000.00
Check	04/21/2010	9902	New York County Republican Com- mittee		10,000.00
Check	06/28/2010	10030	Friends of Nan Hayworth		4,800.00
Check	08/17/2010	10136	Committee to Elect Mary Beth Mur- phy		500.00
Check	08/18/2010	10156	Taxpayers for Wil- son		5,000.00
Check	09/07/2010	10173	Saland for Senate		500.00
Check	09/21/2010	10208	Westchester Repub- lican County Committee		1,500.00

Itemization of Contributions—Continued

Type	Date	Number	Name	Memo	Amount
Check	09/21/2010	10214	Friends of Mike Ramondelli		200.00
Check	09/27/2010	10229	Phillips for Congress		500.00
Check	09/27/2010	10230	Randy Altschuler for Congress		1,000.00
Check	09/28/2010	10233	Castelli 2010		400.00
Check	09/29/2010	10237	Aiming High PAC	Mitch Daniels	5,000.00
Check	10/04/2010	10241	Richard Hanna for Congress		1,000.00
Check	10/04/2010	10242	Republican National Congressional Campaign Committee		25,000.00
Check	10/19/2010	10281	Quinn for New York		2,000.00
Check	10/19/2010	10282	Zeldin for Senate		2,000.00
Check	10/19/2010	10283	Como for Senator		2,000.00
Check	10/19/2010	10284	Bob Cohen 2010		2,000.00
Check	10/19/2010	10285	Reformers for Russo		2,000.00
Check	10/19/2010	10286	Friends of Patricia Ritchie		2,000.00
Check	10/19/2010	10287	New Yorkers on the Ball		2,000.00
Check	10/19/2010	10288	Senate Republican Campaign Committee		10,000.00
Check	10/27/2010	10300	Michel Faulkner for Congress		2,000.00
Check	10/27/2010	10302	Donovan 2010		5,000.00
Check	11/01/2010	10311	Taxpayers for Wilson		5,000.00
Check	11/10/2010	10322	Randy Altschuler for Congress Re-count Fund		2,400.00
Check	04/11/2011	343	New York Republican State Committee		25,000.00
Check	05/09/2011	409	Republican National Congressional Campaign Committee		25,000.00
Check	05/09/2011	419	Westchester Republican County Committee		25,000.00
Check	05/10/2011	424	Friends of Peter Michaelis		1,500.00
Check	05/23/2011	445	National Republican Senatorial Committee		25,000.00
Check	06/13/2011	497	Bedford Town Republican Committee	VOID: \$300 check never cashed	0.00
Check	07/06/2011	543	New York Republican State Committee		25,000.00

Itemization of Contributions—Continued

Type	Date	Number	Name	Memo	Amount
Check	07/25/2011	567	Republican National Committee		25,000.00
Check	09/06/2011	642	Turner for Congress 2011	VOID	0.00
Check	09/06/2011	643	Turner for Congress 2011		500.00
Check	10/18/2011	747	NYS Senate Republican Campaign Committee		10,000.00
Check	10/20/2011	755	Friends of Peter Michaelis		1,000.00
Check	12/07/2011	861	Republican National Committee		25,000.00
Check	12/12/2011	873	Cash	Waiter 12/8/2011	200.00
Check	12/12/2011	874	Cash	Waiter 12/8/2011	200.00
Check	12/12/2011	875	Cash	Waiter 12/8/2011	200.00
Check	12/12/2011	876	Cash	Waiter 12/8/2011	200.00
Check	12/12/2011	877	Cash	Waiter 12/8/2011	200.00
Check	12/12/2011	878	Cash	Coat Check 12/8/2011	110.00
Check	12/20/2011	906	Republic National Committee		25,000.00
Check	01/17/2012	955	Fifth Seventy Seven Inc.	RNC	4,060.00
Deposit	01/26/2012	004229		Buffet Reimb— 12/8/2011	- 1,170.00
Check	02/13/2012	1022	Randy Altschuler for Congress		2,500.00
Check	03/02/2012	1064	Friends of Rob Astorino		5,000.00
Check	04/18/2012	1174	NYS Republican Party		25,000.00
Check	05/03/2012	1205	Romney Victory, Inc.		25,000.00
Check	05/22/2012	1240	Republican National Congressional Campaign Committee		25,000.00
Check	06/05/2012	1269	Knickerbocker Club	S045—Function #1230	4,354.22
Check	06/11/2012	1288	Bedford Town Republican Committee		300.00
Check	06/21/2012	1319	Friends of Bob Cohen		5,000.00
Check	08/10/2012	1391	Jeff Flake for Congress	VOID	0.00
Check	08/10/2012	1392	Brown for Senate	VOID: Stop Payment 12/3/2012	0.00
Check	08/10/2012	1393	National Republican Senatorial Committee	Denise	9,100.00
Check	08/28/2012	1434	Jeff Flake for U.S. Senate		10,000.00
Check	09/10/2012	1469	NYS Republican Party		25,000.00

Itemization of Contributions—Continued

Type	Date	Number	Name	Memo	Amount
Check	10/11/2012	1540	Saland for Senate		500.00
Check	10/18/2012	1569	NYS Senate Republican Campaign Committee		10,000.00
Check	05/22/2013	2059	Republican National Committee		25,000.00
Check	05/29/2013	2075	NYS Republican Party		25,000.00
Check	09/16/2013	2275	Republican National Congressional Campaign Committee		25,000.00
Check	09/30/2013	2322	NYS Republican Party		25,000.00
Check	10/23/2013	2380	Senate Republican Campaign Committee		10,000.00
Check	12/03/2013	2450	McConnell Senate Committee		10,000.00
Check	12/20/2013	2513	Republican National Committee		25,000.00
Check	02/10/2014	2599	Molinaro for Dutchess		500.00
Check	05/19/2014	3191	NYS Republican Party		25,000.00
Check	06/16/2014	3243	Republican National Congressional Campaign Committee		25,000.00
Check	08/01/2014	3337	American Express	National Republican Senate Committee—7/14/14	32,400.00
Check	09/15/2014	3417	NYS Republican Party		25,000.00
Check	09/29/2014	3447	NYS Senate Republican Campaign Committee		10,000.00
Check	09/29/2014		Friends of Nan Hayworth	VOID	0.00
Check	09/29/2014	3452	Friends of Nan Hayworth		5,000.00
Check	10/06/2014	3457	American Express	Republican National Committee 9/15/14	50,000.00
Check	10/09/2014	3473	The Thom Tillis Committee		2,600.00
Check	10/14/2014	3475	Chase Card Services	Bill Cassidy	5,200.00
Check	11/03/2014	3531	American Express	Ernst, Sullivan, and Perdue—\$5,200 each	15,600.00
Check	11/17/2014	3560	Chase Card Services	Targeted State Victory	10,000.00
Check	11/17/2014	3560	Chase Card Services	Friends of Cahill	5,000.00
Check	12/08/2014	3593	Chase Card Services	Senate Battle-ground Fund	2,600.00

Itemization of Contributions—Continued

Type	Date	Number	Name	Memo	Amount
Check	12/08/2014	3596	American Express	NYS Senate Republican— 10/30/2014	10,000.00
Check	03/02/2015	3766	American Express	Right to Rise Super Pac—Jeb Bush	25,000.00
Check	04/06/2015	3819	American Express	Team Mitch	5,000.00
Check	06/01/2015	3967	American Express	NRSC CMDI	33,400.00
Check	06/08/2015	3982	Bedford Town Re- publican Com- mittee		300.00
Check	06/15/2015	3994	Chase Card Serv- ices	Republican Con- gressional Com- mittee	33,400.00
Check	06/15/2015	3994	Chase Card Serv- ices	NY Republican State Committee	10,000.00
Check	06/15/2015	3994	Chase Card Serv- ices	NY Republican State Committee	15,000.00
Check	07/02/2015	4020	American Express	Republican Na- tional Committee	1,600.00
Check	07/02/2015	4020	American Express	Republican Na- tional Committee	33,400.00
Check	10/22/2015	4211	Westchester Repub- lican Committee		10,000.00
Check	10/22/2015	4219	Friends of Francis T. Corcoran		1,000.00
Check	11/02/2015	4231	American Express	Faso for Congress	2,700.00
Check	11/02/2015	4231	American Express	RNC	1,600.00
Check	11/02/2015	4231	American Express	RNC	33,400.00
Check	11/16/2015	4258	Chase Card Serv- ices	NY Republican State Committee	25,000.00
Check	05/02/2016	4583	American Express	NY Republican State Committee	25,000.00
Check	05/09/2016	4589	Chase Card Serv- ices	RNC	35,000.00
Deposit	05/09/2016	12163		Refund from Right to Rise—J.Bush	-2,927.50
Check	07/27/2016	4734	American Express	NY Republican State Committee	2,000.00
Check	07/27/2016	4734	American Express	Friends of Rob Astorino	5,000.00
Check	07/27/2016	4734	American Express	Oliva for Congress	2,700.00
Check	10/03/2016	4830	American Express	NRSC	35,000.00
Check	10/03/2016	4830	American Express	NYGOP	25,000.00
Check	10/11/2016	4848	Chase Card Serv- ices	NYS Senate Repub- lican Campaign	10,000.00
Check	10/31/2016	4892	American Express	NRCC	25,000.00
Check	12/05/2016	4966	American Express	Faso for Congress	1,500.00
Check	01/03/2017	5022	American Express	58th Presidential Inauguration	180,000.00
Check	02/23/2017	5139	JPMorgan Card	NRCC	35,000.00
Check	02/27/2017	5152	American Express	NRSC	35,000.00
Check	02/27/2017	5152	American Express	NYGOP	25,000.00
Check	04/03/2017	5212	American Express	RNC	35,000.00
Check	07/24/2017	5430	JPMorgan Card	NYGOP	25,000.00
Check	10/02/2017	5543	American Express	Rob Astorino	10,000.00

Itemization of Contributions—Continued

Type	Date	Number	Name	Memo	Amount
Check	10/10/2017	5566	Knickerbocker Club	S045—Function #6255	2,090.39
Check	10/23/2017	5596	Citi Cards	Orangetown Republican Committee	500.00
Check	11/01/2017		American Express	RNC—Trump Pence Victory	100,000.00
Check	12/04/2017	5694	American Express	NYGOP	25,000.00
Check	01/03/2018	5744	American Express	Team Graham	1,000.00
Check	01/08/2018	5760	Perdue for Senate	2020 Re-election campaign	2,600.00
Deposit	01/08/2018	2033		Perdue for Senate refund 2013–2014 campaign	–2,600.00
Check	02/20/2018	5833	The Committee to Elect Terrence Murphy		1,000.00
Check	04/02/2018	5914	American Express	Saccone Victory	1,000.00
Sent Form	2/27/2018		American Express	Protect the House—NRCC	25,000.00
	3/13/2018		Visa	Julie Killian for State Senate	1,000.00
	4/2/2018		American Express	Chairman's Victory Fund—NRSC	35,000.00
Total					2,030,021

14. Honors and awards (list all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement received since the age of 18):

United Hospital Fund, Distinguished Trustee—1999.

15. Published writings (list the titles, publishers, dates, and hyperlinks (as applicable) of all books, articles, reports, blog posts, or other published materials you have written):

None.

16. Speeches (list all formal speeches and presentations (*e.g.*, PowerPoint) you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated, including dates):

None.

17. Qualifications (state what, in your opinion, qualifies you to serve in the position to which you have been nominated):

I have a desire to serve my country. I have extensive experience with various Federal, State, and private entities. For 20 years I was in the private sector growing and managing two large publicly traded mall-based retailing apparel chains.

Brooks Fashion Stores, a New York Stock Exchange-traded company, grew to over 500 stores under my management until it was sold in a leveraged buyout to BR Investors in 1984. Brooks was a national chain operating in over 40 States employing over 5,000 people. As CEO I had to deal with technological innovations, management decisions, and various crisis management.

Management of the executive force was a great part of my responsibilities. Productivity using enhanced technology was most important to improve the profit performance. During my tenure, we trained and built within the organization many of our senior executives. At Brooks, my leadership as CEO was responsible for the improved profit performance which enabled the sale of Brooks to BR Investors.

Caché, another mall-based apparel retailer, grew to over 300 stores under my leadership. Caché was a publicly traded NASDAQ-listed stock. As with Brooks,

Caché had similar management and technological challenges. In 2000 I left my position as chairman and over the next years exited my ownership position.

In 2002, President Bush nominated me and I was confirmed by the Senate to the position as Chairman of the Federal Thrift Investment Board. As Chairman, I presided over the modernization of all the systems and investment offerings. As Chairman, my responsibilities included the management of the executives and employees of the agency. I was responsible for promotions and restructuring of the executive staff and personnel functions. When President Bush left office, President Obama asked me to continue as Chairman, and therefore I have served both Presidents.

During my chairmanship, we substantially reduced the costs to the participants while at the same time increased the offerings and more than doubled the size of the Thrift Savings Plan. I am most proud of my accomplishments and loved government service. Today, the Thrift Savings Plan, which I had a major impact on, is considered to be one of the foremost and successful 401(k) plans in the Nation. I consider this to be one of my greatest life-time accomplishments.

As Vice Chairman and Chairman of the Finance Committee of the Metropolitan Transportation Authority, our Nation's largest public transportation system, I have gained a great amount of experience in budgeting, procurement, and public financing issues. As long-time Finance Chairman, I was intimately involved in all the financial issues of running a \$20-billion-plus entity.

I have served as long-time chairman of the audit and compliance committee of the Mount Sinai Health System. I have experience in all the efforts that one might expect in chairing the committee of one of the major not-for-profit hospital systems. I also serve as chairman of the audit committees of the National Gallery of Art and Metropolitan Museum of Art, which experiences have furthered my financial acumen.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections (including participation in future benefit arrangements) with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

No; however, I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire.

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, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any current and former investments, obligations, liabilities, or other personal relationships, including spousal or family employment, which could involve potential conflicts of interest in the position to which you have been nominated.

I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments and the position to which I have been nominated. I have signed an ethics agreement

that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years (prior to the date of your nomination), 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.

3. Describe any activity during the past 10 years (prior to the date of your nomination) 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. Activities performed as an employee of the Federal government need not be listed.

None.

4. Explain how you will resolve any potential conflict of interest, including any that are disclosed by your responses to the above items. (Provide the committee with two copies of any trust or other agreements.)

I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments and the position to which I have been nominated. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire.

5. Two copies of written opinions should be provided directly to the committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

Copies provided.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (*e.g.*, an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details, regardless of the outcome.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than a minor traffic offense? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details.

In 2012 I had a biking incident at a New York City reservoir roadway across from my home in Westchester. I was briefly detained by the Department of Environmental Protection Officer for riding a bike on a questionably controlled roadway. I was not charged nor issued a summons.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

Roger W. Mehle vs. Andrew M. Saul, et al. Civil Action 03—0111. While I was Chairman of the Federal Retirement Board the former chairman sued myself and my fellow board members in Civil Court in Washington, claiming that we acted improperly in settling a contract dispute involving a failed computer system. The contract was executed prior to our joining the agency. The suit was eventually dropped in its entirety. The Board was represented by the U.S. Justice Department.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.
None.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?
Yes.
2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?
Yes.

QUESTIONS SUBMITTED FOR THE RECORD TO HON. ANDREW M. SAUL

QUESTIONS SUBMITTED BY HON. ORRIN G. HATCH

Question. Like any agency, SSA is always on the lookout for increased funding. I suspect you will, if confirmed, act no differently. Given resource constraints that we all face, I'd like to note that the SSA has been spending millions of dollars on various research activities, the utility of which is questionable. For example, last year SSA spend \$10 million on the Retirement Disability Consortium, and 72 percent of their total output was working papers that likely would be published even if SSA wasn't the funding source. Let me recall that in 2015, some of us in Congress were looking for ways to improve the Disability Insurance program as part of the Social Security reforms that President Obama signed into law in that year. During debates running up to that law, I asked SSA what we had learned, and what their research has shown, that can help guide reform efforts. The answer I got was simply a list of past working papers. And while I am sure that professors and other researchers enjoy having their papers funded, if there is little to no return on investment for SSA, perhaps all the research money that SSA doles out could be used instead to help beneficiaries of Social Security.

If confirmed, will you commit to taking a serious look at the efficacy of research funding that SSA doles out?

Answer. I agree that the taxpayers' dollars should be spent wisely. If confirmed, I will look at the Social Security Administration's (SSA) research funding.

Question. Millions of applicants for Social Security Disability Insurance have endured significant wait times given large backlogs of processed cases. According to SSA's own projections, it will be years before existing backlogs are resolved. I think it is fair to say that there is bipartisan concern about the backlogs, and bipartisan interest in seeing them reduced. So, Mr. Saul, I wonder if you have any thoughts on the backlogs, which I am sure you have studied, and whether you'll be willing to work hard to resolve today's outsized backlogs?

Answer. As I said during the hearing, improving the disability adjudication process, including reducing wait times and hearings backlogs, is one of my top priorities, and I am committed to reviewing the entire disability adjudication process from start to finish. I will devote my attention to this critical issue, if confirmed.

Question. According to a recent SSA-funded survey, only about 1 in 6 non-retirees had ever heard of My Social Security and only half of those had set up an online account. Also, when Social Statements stopped being mailed back in 2011, reported earning corrections decreased dramatically.

Do you have any thoughts on how the agency could help Americans check their reported earnings for corrections, understand the benefits and better prepare for retirement, without becoming a fiduciary?

Would you be willing to look into testing the communications with respect to earnings and possible future benefits?

Answer. I understand that accurate earnings records are key to ensuring proper payment of Social Security benefits. It is critical that Americans can check and correct their earnings easily, and better understand their benefits. If confirmed, I will be briefed on the current communications strategy and see how it can be improved.

Question. SSA has a variety of “demonstration projects” going on, to test possible programmatic changes for effectiveness. Too often, however, it seems as though the projects do not have an end date or sometimes continue beyond specified end dates. So they effectively become back-door public policymaking. Will you look into SSA’s demonstration project activities to ensure that there are appropriate objectives, metrics with which to measure progress or lack of progress, and end dates?

Answer. Yes.

Question. Social Security Disability Insurance determinations rely on an official jobs listing to determine whether or not individuals can perform any job that exists in the national economy. Yet, that official job listing has not been updated for decades. While the listings include jobs such as “seal killer” and “telegram messenger,” there is no mention of the Internet. Do you believe it is important to update this job listing?

Answer. I agree that the disability program should reflect today’s job market, as well as technological changes and medical advances. All three will be part of my review of the entire disability adjudication process.

Question. In 2014, a whistleblower notified Congress that SSA spent \$300 million developing a failing in-house program. To date, SSA has spent \$449 million dollars on this failed project even though a Commercial Off-The-Shelf (COTS) program has existed for decades and reportedly is being fully modernized at private expense. As incoming Commissioner with the opportunity to reverse any wasteful spending practices, what would you do to prevent this continued waste of taxpayer funding?

Answer. I understand SSA is developing an in-house system and that it is fairly far along. If confirmed, I will review the progress of the development and report back to you. Regarding IT as a whole, as I indicated during my hearing, IT modernization will be one of my top priorities, and I am committed to ensuring that taxpayer dollars are used wisely.

Question. SSA has stated, for the record, throughout the lengthy history of the Disability Case Processing System (DCPS) that the States have the option not to accept DCPS. Further, Congress has expressly reminded SSA through appropriations language that the States have the right to choose an alternative Commercial Off-The-Shelf (COTS) solution with Congress also directing SSA to support this right of choice. As incoming Commissioner, how will you view this congressional directive and support the States right to choose an alternative COTS solution?

Answer. I am aware of the appropriations language. If confirmed, I will look into this project and be transparent with Congress about its progress.

QUESTIONS SUBMITTED BY HON. CHUCK GRASSLEY

Question. The Office of Inspector General has identified seven issues they consider the most serious management and performance challenges facing SSA. These include a need to improve customer service, modernize information technology, increase the security of information systems, reduce improper payments, improve the administration of the disability programs, strengthen transparency and accountability, and enhance the integrity and protection of Social Security Numbers. If confirmed, how would you go about prioritizing these serious management issues? Are there any other challenges, not identified by the Inspector General, that you believe should be a high priority for the next Commissioner?

Answer. The Office of Inspector General (OIG) identified several challenges facing the agency, including the three that I identified as priorities during the hearing: improving the disability adjudication process, including reducing wait times and appeals backlogs; modernizing the IT infrastructure; and increasing executive and management accountability. If confirmed, I plan to address these three issues, and will work to review and address the others.

Question. In your written testimony you commit to working to reduce the backlog and wait times for Social Security Disability cases. The disability backlog has long been a concern of Congress and a stated priority of SSA. Earlier this year, Congress even appropriated an additional \$100 million for SSA to help address the backlog. Yet, there still doesn’t appear to be much progress. In your view, what must be done to address the backlog? Is the answer more money, or is this an issue that must be addressed through administrative and program efficiencies?

Answer. I find that the backlogs and wait times are unacceptable. If confirmed, I plan to review the disability adjudication process from start to finish, and will work with agency experts and other stakeholders to explore options for improving the entire process. If I find that additional resources are warranted, I will say so.

Question. In recent years, the Social Security Administration has sought to expand the number of online services that it offers to beneficiaries. This includes allowing beneficiaries to create free personal online account where they can manage their benefits, check benefits statements, and request a replacement Social Security Card among other options. It's good to see SSA using technology to better serve their customers. However, I know for some elderly Iowans, particularly those that may have limited access to rural broadband, online services are no substitute for a physical local Social Security office. Do you agree that it remains critical for SSA to maintain well-staffed local offices where beneficiaries can access face-to-face services?

Answer. I understand the important role local Social Security offices play in delivering service and maintaining personal contact with the public. That said, I also understand the important role that online services play for many beneficiaries. To provide the best service to the public, we have to have the right balance of services. If confirmed, one of my priorities will be a review of the agency's customer service plans.

Question. According to reports in *The Des Moines Register* and other news outlets, Cristhian Bahena Rivera, an undocumented immigrant who is currently on trial for murder in Iowa, began using a fraudulently obtained Social Security number in 2014 through the time of his arrest this summer. Reports indicate that the SSN he used belonged to an Ohio man, John Budd, and that the same number was receiving wages in three different States all at the same time.

To your knowledge, did the Social Security Administration know that this SSN was being used in three different States at the same time? If you don't know, will you find out?

To your knowledge, did the SSA know that this SSN was being used fraudulently? If you don't know, will you find out?

What mechanisms does the SSA have in place to flag when and whether SSNs have been or are being used fraudulently?

Will you commit to combatting SSN fraud if confirmed to the position of Commissioner?

Does the SSA know when an SSN is being used in multiple jurisdictions—even across State lines?

If so, what does the SSA do when that occurs?

Answer. I share your concern about SSN misuse and fraud. At this time, I am not able to provide specific answers to your questions about SSA policies and practices as I have had limited interactions with the agency, pending the Senate's consideration of my nomination. However, if confirmed, I will certainly commit to working with the OIG to combat SSN fraud and look at the other issues you raise.

Question. In 2016, the IRS determined that more than 1 million Americans' SSNs were stolen by undocumented immigrants. On July 11, 2017, I sent a letter to then-IRS Commissioner Koskinen, demanding answers about undocumented immigrants fraudulently using another's SSN to gain employment.

Do you know right now how many Americans' SSNs are being used fraudulently by undocumented immigrant workers?

To your knowledge, does the SSA keep an account, or accounting, for all earnings associated with incorrect or fictitious SSNs? This has at times been referred to as the "earnings suspense file."

Do you know what fraction of the earnings suspense file corresponds to the earnings of undocumented immigrants?

In the name of transparency, will you commit to alerting Congress and the American people of how many SSNs are currently being used by undocumented immigrants? And will you commit to informing the American people how much money the SSA receives from those undocumented immigrants?

Answer. I am not able to provide answers to your specific questions regarding SSA policies and practices, or the exact data SSA maintains regarding workers and

earnings. If confirmed, I will work with the OIG and reach out to the Internal Revenue Service (IRS) to look at the totality of the issues you raise.

Question. Is the SSA legally or statutorily barred from sharing information about suspect SSN usage with law enforcement, including Federal immigration authorities? If not, which section in the U.S. Code, or which law, would you or the SSA cite for this prohibition of information sharing?

Answer. If confirmed, I will work with you and SSA's General Counsel to provide the appropriate statutory citations regarding information sharing.

QUESTIONS SUBMITTED BY HON. PATRICK J. TOOMEY

Question. Since the passage of tax reform, there has been an increased demand for workers throughout the country. However, some individuals are still left on the sidelines. While not all disability beneficiaries can return to work, over 40 percent of beneficiaries said they were interested in working in a 2015 survey conducted by the Social Security Administration. However, in a given year, fewer than one half of one percent of disability beneficiaries leave the rolls due to earnings from work. Beneficiaries who want to return to work face complicated rules and work incentives that discourage re-entering the workforce.

If confirmed, how would you, as Commissioner, work to make it easier for Disability Insurance beneficiaries who want to go back to work to do so?

Answer. If confirmed, I will review the agency's current strategies for promoting awareness of work incentives and collaborate with Congress to seek solutions to support beneficiaries' efforts to return to work. In addition, I understand that the President's budgets include proposals to test alternative program designs to help individuals with disabilities stay in the labor force and assist individuals with temporary disabilities return to work.

Question. State and local government workers who participate in separate pension systems and then transition to jobs that are covered by Social Security are subject to the Windfall Elimination Provision—an arbitrary, one-size-fits-all formula that is not representative of what they pay into Social Security. Often, workers do not even realize they are subject to this reduction because it is not shown on their Social Security benefits statement and is only shown once the worker files for Social Security. I have a bill that would resolve this issue for first responders, who can be hit harder by this reduction because they tend to retire earlier.

If confirmed, how would you, as Commissioner, work to address these issues and provide fair treatment to these State and local government workers?

Answer. If confirmed, I would provide assistance regarding the technical aspects of the statutory requirements related to Social Security coverage for State and local government workers, as well as SSA's administration of those requirements.

QUESTIONS SUBMITTED BY HON. DEAN HELLER

Question. Social Security is the bedrock of financial security for many retired Americans. In my home State, over 500,000 Nevadans today rely on Social Security. For many Nevadans, these benefits mean the ability to retire with dignity or the security of knowing that if they become disabled, they will be protected. This program has served as a vital safety net for retirees and disabled workers for over 75 years.

In order to ensure that Nevada's current and future retirees receive the benefits they were promised and deserve, Congress has a responsibility to protect and preserve Social Security. If you are confirmed, you will be responsible for overseeing one of the Nation's largest and most important domestic programs.

If confirmed, how do you intend to strengthen and preserve Social Security for current and future beneficiaries?

Answer. I believe in protecting taxpayers' hard-earned dollars through the effective management of the Social Security programs. If confirmed as Commissioner, my focus will be on managing the agency and tackling the three key challenges I believe the agency faces: improving the disability adjudication process, including reducing wait times and appeals backlogs; modernizing the IT infrastructure; and increasing executive and management accountability.

I also believe strongly in transparency and will work with you and Congress to ensure we act as good stewards of the programs. That said, I believe issues related to reforming the programs should be left to the Treasury Department and the legislative branch.

Question. Last week, this committee had the Social Security Administration (SSA) Inspector General nominee before it to discuss the importance of detecting and combating waste, fraud, and abuse to ensure that those who qualify for Social Security receive their benefits without delay or error.

If confirmed, how will you prioritize combating waste, fraud, and abuse to ensure that Nevada's seniors receive the benefits they have earned and deserve?

Answer. I strongly believe that the agency must spend taxpayer dollars in an efficient manner. If confirmed, I will certainly work to combat waste, fraud, and abuse, and I will work closely and collaboratively with the Inspector General (IG) on these issues.

Question. In your testimony, you cite several challenges facing the SSA—issues ranging from disability-determination backlogs to an aging IT infrastructure.

If confirmed, how will you prioritize addressing these challenges and others facing the SSA? Specifically, how will you ensure those waiting for a determination on disability benefits are not left waiting months or years on end to get an answer?

Answer. I share your concern about wait times, and I know the agency and Congress have been dealing with this issue for some time. Improving the disability adjudication process is one of my top priorities. If confirmed, I plan to take a close and thorough look at the entire process from start to finish, and review the agency's current plans. If changes need to be made, I will make them. I will also work with you and Congress in a transparent way to ensure we serve claimants and beneficiaries as best we can.

QUESTIONS SUBMITTED BY HON. TIM SCOTT

Question. I greatly appreciate your public and private commitment to prioritizing the enactment of the Protecting Children From Identity Theft Act, which comprises section 215 of S. 2155. Doing so will save countless Americans from becoming victims of synthetic ID fraud and the financial and emotional toll that comes with having your Social Security number stolen.

Please answer the following with specificity.

SSA staff has suggested the administration is more likely to build a whole new system to comply with this law versus simply upgrading existing technology resources. I'm concerned about the impact such a move will have on the ultimate cost for database users. What is your opinion on the best path forward?

Answer. I am aware of the legislation and am committed to implementing it. I do not yet know the details of SSA's plans regarding construction of the system. If confirmed, I will look into this to determine if the current system could meet the statutory requirements and the needs of the end users, or if a new system is needed.

Question. It was not my intention to make SSA a bank regulator. The administration has enough on its plate. Are you willing to work with the Federal banking agencies to find a simple way to verify that the entities accessing the system are, in fact, chartered and insured depository institutions or their intermediaries? And can you confirm that SSA will not develop or impose other requirements not authorized in section 215 of S. 2155, or otherwise re-interpret other existing regulations, precedents, or laws in relation to enactment of section 215 of S. 2155?

Answer. I agree that SSA is not and should not be a bank regulator. That is not the agency's mission. If confirmed, I will look into these issues to ensure SSA meets its statutory obligations under section 215 of S. 2155 and other applicable laws.

QUESTIONS SUBMITTED BY HON. BILL CASSIDY

Question. I asked a similar question to another nominee a few months ago. I'd like to reiterate it here and get your thoughts.

I am very concerned about Social Security and Medicare, and I'm committed to protecting these benefits for workers. If we do nothing, benefits will be subject to

harsh cuts. And this is not some problem for years down the road, *it is at our doorstep*.

To address the Social Security shortfall today, we will be looking at a 17-percent across-the-board benefit cut. If we limit cuts to future retirees, the cut for them would be 21 percent. If we wait until 2034 to address Social Security, the across-the-board cut would be 23 percent. Trying to limit cuts to future retirees becomes unfeasible at that point.

Also, we're told the Medicare Hospital Trust Fund has an insolvency date of 2026. A key problem on the Medicare side is skyrocketing health-care costs. I'm working with colleagues to address the cost side to help put these health benefits on a better path. Inaction on these issues is not an option as it means benefits will be subject to harsh cuts.

What are your thoughts on how to begin to address this issue?

Answer. The Social Security programs touch the lives of almost every American, and your question gets to the heart of a critical issue. That said, I believe issues related to solvency and reforming the programs should be left to the Treasury Department and the legislative branch. I stand ready to assist in providing technical information. However, as I mentioned at my hearing, if I am confirmed as Commissioner, my focus will be on managing the agency and administering the programs as designed by Congress.

Question. Another point I'd like to highlight. The Social Security budget window is generally given a longer time horizon than our typical 10-year period. The 75-year actuarial balance is a key metric that experts use.

But this 75-year actuarial balance must be thoughtfully considered. For example, the metric could be applied to show tax increases as a more efficient way to shore up the trust funds. This is misplaced. What really matters is *the actuarial balance in the 75th year*—otherwise we are counting a generation's tax contributions to the trust fund, but not the benefits that generation will draw down.

Do you have any thoughts on getting the correct methodology and data as we look at policy options to preserve workers' benefits?

Answer. I appreciate the question. That said, I do not have an opinion regarding the correct methodology. I would defer to the Office of the Chief Actuary regarding the correct measure of actuarial balance.

Question. I have concerns with the Social Security Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). This is of utmost importance to public-sector workers in my home State of Louisiana, who may be whipsawed by outdated formulas and uneven application of the rules.

What are your thoughts on this issue and how can Congress and the SSA work together to address a broader formula fix, and to ensure WEP and GPO determinations are made consistently and fairly for all beneficiaries?

Answer. I understand that SSA administers the Social Security programs under the Social Security Act. If confirmed, I would provide assistance regarding the technical aspects of statutory requirements related to Social Security coverage for State and local government workers, as well as SSA's administration of those requirements.

QUESTIONS SUBMITTED BY HON. RON WYDEN

Question. What do you see as the greatest challenges facing SSA?

Answer. In my view, the Social Security Administration faces three key challenges: improving the disability adjudication process, including reducing wait times and appeals backlogs; modernizing the IT infrastructure; and increasing executive and management accountability.

Question. What will be your top priorities if confirmed as Commissioner?

Answer. My top priorities will be addressing the key challenges mentioned above—improving the disability adjudication process, modernizing IT, and improving accountability—to ensure the agency provides accurate, efficient, and timely service to Social Security beneficiaries and the American public.

Question. Why do you believe you are the right person to eliminate the backlog of cases in the disability program, and what is your plan to improve customer service?

Answer. Based on my particular experience in both the public and private sector, I have a deep appreciation for serving the public—whether it's a customer at a local apparel store or a Federal employee seeking to improve his or her retirement security. Serving the public has always been, and will continue to be, my primary focus. The decades I spent managing national retail chains have helped prepare me for the operational and technological challenges SSA faces in administering national programs through local offices. My work modernizing IT at the Federal Retirement Thrift Investment Board (FRTIB) will also be valuable. Today, the Thrift Savings Plan (TSP) is much different than it was when I joined the Board. At that time, its systems were in bad shape; today, the TSP's website and customer service delivery are vastly improved and the TSP itself is considered one of the most successful 401(k) plans in the country.

I share your concerns regarding the disability program and customer service, and, if confirmed, I will devote my attention to these issues.

Question. Will you commit to maintain the field office option for our constituents who need or prefer to meet fact-to-face with a real person?

Answer. I appreciate that your question raises an issue of great importance to the public and to Congress. I strongly believe in efficient, timely and accurate service, and in providing that service through the right balance of service delivery. If I am confirmed, I pledge to be transparent in dealing with the agency's field office structure.

Question. What was your involvement with the Manhattan Institute? Please be specific regarding the dates and the level of your involvement as a board member.

Answer. In the 1990s, the Manhattan Institute was focused on efficient local and State government in New York State, and that is what interested me, as I was Vice Chairman of the MTA as a Commissioner from Westchester County. I was a contributor, and board member of the Manhattan Institute from 1994 to 2008. However, when I became Chair of the FRTIB in 2002, I did not actively follow the activities of the Manhattan Institute. I was not involved in, or familiar with, any work related to privatizing Social Security.

Question. Did you support efforts to privatize Social Security during the Bush administration?

Answer. I was not involved in efforts to privatize Social Security during the Bush administration.

Question. Do you support efforts to privatize Social Security now?

Answer. If confirmed as Commissioner, my focus will be on managing the agency, serving the millions of Social Security beneficiaries and the American public, and administering the programs as designed by Congress. I believe issues related to privatization or reforming the programs should be left to the Treasury Department and the legislative branch.

Question. During the campaign, what did candidate Trump say about Social Security?

Answer. As I recall, candidate Trump said he would not cut Social Security.

Question. How do you explain that the Trump budgets call for more than \$70 billion in cuts to Social Security?

Answer. My understanding is that individuals with disabilities have relatively lower rates of labor force participation. As I understand, the President's budgets are proposing the testing of alternative program designs to help individuals with disabilities stay in the labor force and assist individuals with temporary disabilities return to work. I understand that the budgets envision that these alternative program designs could lead to a reduction in Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) projected outlays over a 10-year period. My understanding is that the budgets are not proposing a change in the benefit formula or eligibility criteria, but rather envision that through these program designs more individuals with disabilities would remain in the labor force and would not seek benefits under SSDI or SSI.

**If you answered the above question by stating that Trump was referring to the retirement program and not the disability program, I believe that is very misleading. Social Security is one program, two trust funds, and three types of protection: life insurance, retirement insurance, and disability insurance. All three protections use the same work history, the same benefit formula, and receive the same COLA. All are earned benefits. Please be very clear about that, if you are confirmed.*

Question. If confirmed, do you pledge to this committee and to the American public that you will run the Social Security Administration in an independent and non-partisan manner?

Answer. If confirmed, I pledge to serve Social Security beneficiaries and the American public in a non-partisan manner.

Question. In 2014, I chaired a Finance Committee hearing titled “Social Security: A Fresh Look at Workers’ Disability Insurance.” That hearing debunked many myths regarding the disability program, such as it is easy to get benefits or that the program had unexplained growth. Recently, we have seen a decline in the applications for the program. Part of the decline is due to the country finally escaping the biggest financial collapse since the Great Depression, and better access to health care through the ACA has played a significant role. Rather than racing to the ER and racking up a colossal hospital bill, newly insured Americans, either through Medicaid or health insurance they purchased on the exchange, are finally able to go to a doctor’s office and receive treatment sooner.

Do you think access to health-care services would reduce the chance that a person would need to apply for disability benefits?

Answer. You raise an interesting question, but I am not in a position to provide an opinion at this time. I am aware that the President’s budgets for the past 2 years have had proposals to test reforms to the disability program to increase workforce participation, and that such proposals included certain interventions to assist individuals with disabilities. This may be a potential area of future focus for SSA.

Question. The National Council on Disability stated: “Receipt of Social Security disability benefits is merely the last stop on a long journey that many people with disabilities make from the point of disability onset to the moment at which disability is so severe that work is not possible. All along this journey, individuals encounter the policies and practices of the other systems involved in disability and employment issues.”

This quote points out that we could reduce the number of people who need disability benefits by improving and expanding the other systems that should help workers before they apply for disability benefits.

There are many pushing radical and complex changes to the disability program, but most, if not all, of these changes do not address the factors that lead to a disability in the first place. My view is real improvement will come from universal health care, boosting the minimum wage and the Earned Income Tax Credit, improving transportation options, and providing meaningful paid leave for all American workers.

That is where my focus will be, and I ask you to keep those issues in mind when thinking about any proposed changes to the disability programs at SSA.

Answer. I appreciate hearing your views and will certainly keep these issues in mind.

Question. I think you will soon learn—if you do not know it already—that SSA has an extremely dedicated workforce who believe in SSA’s mission wholeheartedly. It is not unusual to meet an employee who started at SSA while in high school and has been with SSA for their entire career, often progressing through various roles and responsibilities.

I think you also know that many of the groups that represent employees often meet with members of Congress to discuss the labor–management relationship at the agency. The reports have not been good, and got worse since the Trump administration issued its three executive orders eviscerating the role of Federal labor unions. The executive orders undermine the decades-old rights of Federal employees to fair representation in the workplace by imposing arbitrary limits on official time, official travel, and even the use of office space and equipment. While the Federal District Court judge in DC struck down most provisions of the executive orders, the Trump administration decided last week to take a second crack at it and appealed the ruling. It seems to me that the Trump administration seeks to demoralize the

Federal workforce and make it harder for the Federal Government to hire and retain quality employees. Without a highly engaged and motivated workforce, SSA's service to the public will suffer.

Putting aside the administration's executive order and the lawsuit, what steps do you plan to take to improve the communication and relationships with the various organizations that represent the employees at SSA?

Answer. At the FRTIB, I found the vast majority of employees to be diligent, hardworking, and concerned about the success of the programs. In fact, many senior staff and employees were there since the inception of the Board. My record at the Board demonstrates my dedication to transparency with organizations that represent Federal employees. I am very proud that all 14 Federal unions wrote to then President-elect Obama to request that I remain at the Board as Chairman after President Bush's term expired. If confirmed, I would similarly look to establish such relationships with the various organizations that represent SSA employees.

Question. If you are confirmed, how will you ensure that Americans' data and personal information are protected and safe from cyber-attacks at every stage of SSA's business operations?

Answer. Your question touches upon a critical issue. I share your concern about cybersecurity and the potential for cyber-attacks, and will work to make sure we have the experts we need at the agency to improve the security of its IT systems and protect the vital data maintained by SSA. Cyber-threats are constantly evolving and the agency's security systems and processes must be able to evolve as well.

Question. Please tell me why SSA has not implemented NIST's guidance regarding passwords and the use of Universal Second Factor (U2F) technology, as I suggested in two separate letters to SSA?

Answer. I am not familiar with details of this particular request, as I have had limited interactions with the agency, pending the Senate's consideration of my nomination. If confirmed, I will review the National Institute of Standards and Technology guidance and your correspondence.

Question. In July, SSA informed Congress that it was reinstating the reconsideration appeals step in the 10 prototype States. SSA is making this major change despite bipartisan opposition from members of Congress and without providing any significant data or study showing the impact of eliminating the reconsideration step. Further, the reconsideration step is widely considered to be a "rubber stamp" appeals step because DDS staff often make no effort to further develop the claimant's record. Yet, SSA plans to reinstate the reconsideration step without any proposal or plan to improve the reconsideration step, despite having nearly 50 years of reconsideration redesigns.

What will you do to respond to concerns made by members of Congress?

Answer. I am aware of the issues regarding reinstating reconsideration in the 10 prototype States. The disability wait times and backlogs are unacceptable, and I know the agency and Congress has been dealing with these issues for some time. If I am confirmed, one of my top priorities will be to review the disability adjudication process at all levels, from start to finish, and to work with agency experts and other stakeholders to explore options for improving the process while being mindful of agency resources and taxpayer dollars.

Question. Will you commit to meeting personally with the advocacy community on a quarterly basis, as was done for many years prior to 2017?

Answer. I think transparency is an important aspect of effective agency management and program administration. If confirmed, I will assess the frequency with which meetings with the advocacy community and other stakeholders should take place.

Question. How will you use information gained from the quarterly meetings with the advocacy community to make informed decisions about SSA's programs and other responsibilities?

Answer. I am committed to reviewing the entire disability adjudication process and workloads from start to finish. Feedback from the advocacy community, as well as from other stakeholders, will inform my review of the current process, options for potential improvements, and evaluations of policy and process changes.

Question. In 2010, SSA projected that the pending level on initial disability claims would exceed 1 million cases. In response, the agency created Extended Service

Teams (ESTs) in four DDSs and hired additional staff for the Federal disability units. Today, initial disability claim receipts are much lower and SSA is confronted with a 1 million case backlog of pending disability hearings. What will you do to redirect and train staff in these units to support the reduction of the hearings backlog?

Answer. Resources should be spent where they are needed. My goal is to serve beneficiaries and the American public. To do that, I believe we must monitor workloads carefully, and be flexible and responsive in our deployment of resources to ensure we meet emerging needs.

Question. What are your views on staffing front-line positions, including management, in SSA's field offices and teleservice centers?

Answer. In my 20 years in the retail industry, I learned that serving the consumer is the key to success. The government's service to the public is similar in principle. I understand the important role field offices and teleservice centers play in delivering service and maintaining personal contact with the public throughout the Nation. In recognition of their importance, and as I committed to you during the hearing, I will visit, not just Oregon, but other locations around the country so I can fully understand how services are delivered.

Question. SSA has restricted the number of managers and supervisors in many field offices and teleservice centers. SSA workloads continue to grow and management in many offices are sometimes challenged to oversee all the workloads and complete necessary administrative duties. What is your view regarding the number of managers and supervisors in SSA field offices and teleservice centers relative to the number of non-management staff?

Answer. I do not yet have enough information to have a specific view on the appropriate number of managers and supervisors in field offices and teleservice centers, but I think this is an important question that should be reviewed. I also think one size does not fit all.

Question. What is your plan for ensuring SSA provides a quality workforce in terms of hiring, training and retaining staff when the yearly increase in SSA's administrative budgets often do not cover the yearly increased fixed costs facing the agency?

Answer. As I have had limited interactions with the agency, I do not yet have sufficient details to put forward a plan regarding hiring, training, and retaining staff. If I am confirmed, I will look at the agency's budget and personnel. I want to ensure we use taxpayer dollars efficiently and effectively, and will shift resources as appropriate. If I find that additional resources are warranted, I will say so.

Question. What is your plan for building and maintaining relationships with the National Council of Social Security Management Associations, the American Federation of Government Employees, and the Social Security Advisory Board?

Answer. I believe the position to which I have been nominated dictates that I work with many partners—Congress, the public, unions, and the Social Security Advisory Board—in a non-partisan fashion. My record at the FRTIB demonstrates my dedication to non-partisanship and the public I serve. I am very proud that all 14 Federal unions wrote to then President-elect Obama to request that I remain at the Board as Chairman after President Bush's term expired.

Question. What actions will you take to increase awareness of the SSDI and SSI work incentives?

Answer. If confirmed, I will review the agency's current strategies for increasing awareness of work incentives. I am aware of proposals in the last two President's budgets to test new approaches to promote greater workforce participation of people with disabilities.

Question. What are your plans for reviewing, supporting, and adjusting the work incentives in SSDI and SSI?

Answer. If confirmed, I will review the existing work incentives and assess to what extent they could be improved through regulation or other means to help support beneficiaries who seek to return to work.

Question. What is your view on the role of field offices as a part of SSA's service delivery operations?

Answer. I understand the important role field offices and teleservice centers play in delivering service and maintaining personal contact with the public throughout the Nation. As I mentioned earlier, I plan to visit locations around the country so I can understand fully how service is delivered. I also understand the important role that online services play. To provide the best service to the public, we have to have the right balance of services. If confirmed, I plan to review our customer service strategies.

Question. What are your priorities for customer-facing service at SSA field offices?

Answer. I believe in efficient, timely, and accurate service. In my experience, it's critical to give front-line employees the tools they need to do the job right. That means listening to what employees need and then pairing it with the right technology. I understand the agency has a 5-year IT modernization plan, which focuses on meeting the needs of the public and employees. If confirmed, I will spend some time reviewing the plan, in addition to visiting local offices to hear from front-line employees, and make changes as needed.

Question. What will you do to make sure claimants are better informed about the SSDI claims process?

Answer. This is an interesting question, and one I will pose to front-line employees as I visit local offices. As the agency's "boots-on the ground," they will have unique insight into the processes and policies that seem the most difficult for the public to understand. If confirmed, I will also look at our entire communications strategy on the SSDI claims process.

Question. Would SSA benefit from a "National Claimant Advocate" similar to the "National Taxpayer Advocate" at the IRS?

Answer. I will assess the reasons for such an advocate at the IRS and whether such an advocate could play a similar role at SSA.

Question. My office has been contacted with concerns about Continuing Disability Reviews (CDRs). There are disability cases from all parts of the United States that were not properly developed and the evidence that lead to the initial award of benefits is not included in the record, per existing regulations. Without this Comparison Point Decision (CPD), it would be difficult or impossible to make a finding of medical improvement, which is necessary under the medical improvement review standard (MIRS) for CDRs. The allegation is that instead of acknowledging that cases were not properly developed and the relevant evidence is not in the case, SSA adjudicators are making new findings, and then conclude that there must be improvement.

Are you aware of this problem with CDRs, and what steps will SSA take under your leadership to improve this issue?

Answer. This is not an issue I am familiar with, but, if confirmed, I will certainly learn more about it and determine the appropriate course of action.

Question. I am very interested in SSA's work on Targeted Denial Reviews (TDR), which are a part of the CARES plan to improve service in disability case processing. Under your leadership, will SSA consider expanding the use of TDRs? Will SSA review an equal number of allowances and denials of initial disability determinations?

Answer. One of my top priorities will be to review the disability adjudication process at all levels and work to improve it to better serve claimants and beneficiaries. As part of my review, I will look at how the agency selects cases for TDRs and whether expansion of the initiative is warranted.

Question. SSA uses more administrative law judges (ALJs) than any other Federal agency. The President issued an executive order that calls for new ALJ appointments to be made under the excepted service, rather than the competitive service eliminating the Office of Personnel Management (OPM) qualification exam and appointment process. OPM has issued guidance confirming that all ALJs must be appointed by the agency head to positions in the excepted service, but left the criteria and procedures for ALJ qualification, probationary periods, and removal for agency heads to clarify. For example, while OPM directs that agencies "follow the principle of veterans' preference as far as administratively feasible," it is unclear how such guidance will be applied by individual agencies. SSA has informed me that they have not yet developed their criteria and procedures to appoint ALJs. If confirmed, how will you guide the Social Security Administration's (SSA) development of a new excepted service hiring process for prospective ALJ appointees and what will you

do to ensure that the new process leads to well-qualified, impartial ALJs with subject matter expertise?

Answer. I appreciate your concerns about the recent executive order on administrative law judges. I will always follow merit-based principles in hiring all employees including ALJs. I also want to note that I believe ALJs should maintain their decisional independence. If confirmed, my focus will be on hiring the best people to do the job.

Question. In 2017, the U.S. Commission on Evidence-Based Policymaking presented Congress and the President with a unanimous set of recommendations to make better use of government data to inform policy decisions. If confirmed, will you commit to taking steps at SSA to implement the commission's recommendations? Specifically, will you commit to direct SSA to develop a learning agenda to identify evidence priorities and to designate a chief evaluation officer to facilitate the use of evidence at SSA?

Answer. I agree that the government should make better use of data when deciding policy. If confirmed, I will look at the commission's recommendations on how the agency can better use data and what steps should be made administratively to facilitate the use of evidence at SSA.

Question. In 2003, the New York State Comptroller investigated the MTA's 2002 financial plan, which projected a \$951-million deficit and included fare hikes to offset the deficit. However, the Comptroller's office found that the MTA had two versions of its financial plan: a public version and a private version, the latter showing a \$537.1-million surplus. At the time, you were reportedly the Chairman of the MTA Audit Committee. While you have explained this situation to the committee in staff interviews, those responses have not been made public. Please explain your involvement in developing the MTA's 2002 financial report as an MTA board member, and your involvement in its review process as Chairman of the MTA Audit Committee. Please also explain the 2003 State Comptroller's report findings and how those findings were resolved by the MTA and your role in that resolution if any.

Answer. There was only one financial plan for the MTA, and any allegation to the contrary was simply false. As Chairman of the Audit Committee, I strived to ensure full transparency with the MTA's financial reporting. During my tenure, we changed procedures so that all financial reporting was timely presented and made publicly available on MTA's website. In addition, MTA's annual financial statements were audited, reviewed, and certified by Deloitte and Touche, and were made publicly available.

Question. The committee has received a letter from outside organizations implying that in 2007 you accepted Federal campaign contributions from entities seeking to do business before the MTA, contrary to New York law. Please explain whether or not you received such contributions and whether or not such contributions violated New York law.

Answer. In 2007, I sent a letter to family and longstanding friends seeking financial support for my campaign. I did receive contributions from some family and longstanding friends. For personal reasons, I withdrew from the campaign well before the primary, and all the funds raised were returned. As far as I am aware, there was no inquiry relating to these contributions. Subsequent to this, I was re-nominated to serve with the MTA several times, including most recently by Governor Cuomo (and confirmed by the N.Y. Senate) in 2016.

Question. In the same letter mentioned above, the allegation is made that in 2007 you established a campaign for a seat in Congress and accepted political contributions in possible violation of the Hatch Act due to your position as Chairman of the Federal Retirement Thrift Investment Board.

Please explain whether or not you engaged in these campaign activities and the extent to which they were subject to the Hatch Act.

Did you consult with your agency's ethics officer about these activities and what advice did you receive?

Answer. As Chair of the FRTIB, I was classified as a special government employee. As I understand, a special government employee is subject to the Hatch Act only at the time such employee works on agency matters (5 CFR 734.601). To the extent I engaged in campaign activities, I did so at times I was not subject to the Hatch Act.

I believe I did consult with the ethics office at the FRTIB. It was my practice to consult with the ethics office on possible ethics issues, and I would continue such practice at SSA, if confirmed.

Question. In the same letter cited above, the allegation is made that in 2012 you failed to cooperate with a local law enforcement officer. While you have explained this situation to the committee in response to the committee's questionnaire and due diligence review, those responses have not been made public. Please explain the 2012 incident.

Answer. In 2012 I had a biking incident at a New York City reservoir roadway across from my home in Westchester. I was briefly detained by the Department of Environmental Protection Office for riding a bike on a questionably controlled roadway. I was not charged nor issued a summons.

QUESTION SUBMITTED BY HON. DEBBIE STABENOW

Question. For the past 2 decades, Michigan has been one of 10 States involved in a prototype project that eliminated the reconsideration level, the second step in the Social Security appeals process. In July 2018, the Social Security Administration informed Congress of its intention to reinstate reconsideration in the 10 affected States. In just Michigan alone, approximately 3,200 claimants would receive their benefits quicker if the reconsideration level was reinstated. However, 21,288 claimants would experience longer wait times and 5,307 would drop out of the process completely due to the extra step. For over 85 percent of applicants, reinstatement of reconsideration would increase the decision making process from the current 600 days to over 700 days.

If confirmed as SSA Commissioner, what steps will you take to address and alleviate the longer wait times applicants will experience as a result of this decision?

Answer. I am aware of the agency's plan to reinstate reconsideration. As I said during the hearing, improving the disability adjudication process, including reducing wait times and appeals backlogs, is one of my top priorities. The wait times and appeals backlogs are unacceptable, and I am committed to reviewing the entire disability adjudication process from start to finish. I will devote my attention to this critical issue, if confirmed.

QUESTIONS SUBMITTED BY HON. MARIA CANTWELL

Question. Administrative law judges (ALJs) perform adjudication of Social Security benefit cases, such as appeals. It is essential that they remain independent and not politically influenced in making decisions about earned benefits. However, in July the President issued an executive order to reclassify ALJs so they can be selected based on their political views. That is why I introduced a bipartisan bill—S. 3387—to restore the ALJs to the competitive service.

If confirmed, will you commit to respecting the independence of ALJs at the Social Security Administration?

What steps would you take to restore them to the "competitive service" system?

Answer. If confirmed, I will commit to respecting the decisional independence of ALJs at SSA. In addition, I will always follow merit-based principles in hiring all employees including ALJs. My focus will be on hiring the best people to do the job.

Question. Washington seniors need in-person help with their earned Social Security benefits, whether that is applying for benefits or speaking to someone face to face. But nearly 1 in 10 Social Security field offices has closed since 2000, according to a *Washington Post* article, while wait times have increased. In 2012, Social Security benefits offices in the Belltown and International District neighborhoods of Seattle were merged into the Jackson Federal Building, forcing beneficiaries to make a trip to downtown Seattle, often requiring complicated public transportation logistics. This is happening as 10,000 baby boomers reach retirement age each day.

If confirmed, will you commit to reviewing how these field office closures are affecting access and wait times?

How would you prioritize in-person services for beneficiaries?

Given that many beneficiaries are elderly and lack easy online access, how would you balance in-person and online services?

Answer. I believe in efficient, timely and accurate service, and in providing that service through the right balance of service delivery. I will certainly commit to reviewing the agency's service delivery plans, including field office closures and their effect on access and wait times, if confirmed.

Question. I understand that from 1994–2008, you were a board member of the Manhattan Institute, a policy organization that has promoted the privatization of Social Security, during the same time frame in which the Bush administration proposed partial Social Security privatization. In 2008, the Great Recession ensued, greatly reducing the savings of retirees and pensions investments while Wall Street got bailed out.

As a policy matter, what do you think about proposals to divert Americans' Social Security into the stock market, *i.e.*, privatization proposals?

If confirmed, I assume you would play a role in advising the Treasury and the White House on policy changes to Social Security, including the President's budget proposal. How would you exercise that role? How would you advise them on proposals to reform Social Security?

Answer. If confirmed as Commissioner, my focus will be on managing the agency, serving the millions of Social Security beneficiaries and the American public, and administering the programs as designed by Congress. I believe issues related to privatization or reforming the programs should be left to the Treasury Department and the legislative branch. I would provide assistance regarding the technical aspects of proposals, if confirmed.

Question. Unionized Federal employees in Washington State who work for the Social Security Administration have expressed deep concerns to my office about their legal rights in the workplace, specifically as it relates to official time and collective bargaining. This is especially true after the President's executive orders issued earlier this year, which would undermine collective bargaining rights of Federal employees. Despite a recent court ruling reversing the executive orders' collective bargaining proposal, some Washington State Federal employees report that the agency is not respecting this ruling.

How specifically would you ensure that unionized agency employees can exercise their legal rights, including collective bargaining?

If confirmed, will you commit to following the court ruling on collective bargaining rights for Federal workers?

Answer. Please be assured that if I am confirmed as Commissioner, I will follow the law and act transparently and in good faith when working with the public-sector unions at the agency.

My record at the FRTIB demonstrates my dedication to transparency with organizations that represent Federal employees. I am very proud that all 14 Federal unions wrote to then President-elect Obama to request that I remain at the Board as Chairman after President Bush's term expired.

QUESTIONS SUBMITTED BY HON. ROBERT MENENDEZ

Question. During the hearing, you stated that you terminated your association with the Manhattan Institute when you were appointed to the Federal Retirement Thrift Investment Board, but your questionnaire lists the end date of your association with the Manhattan Institute in 2008. Could you clarify your statements from the hearing?

Answer. In the 1990s, the Manhattan Institute was focused on efficient local and State government in New York State, and that is what interested me, as I was Vice Chairman of the MTA as a Commissioner from Westchester County. I was a contributor and board member of the Manhattan Institute from 1994 to 2008. However, when I became Chair of the FRTIB in 2002, I did not actively follow the activities of the Manhattan Institute. I was not involved in, or familiar with, any work related to privatizing Social Security.

Question. What your involvement was with the Manhattan Institute while you were on the Thrift Board?

Answer. As stated above, when I became Chair of the FRTIB in 2002, I became inactive at the Institute and remained so throughout my tenure as Chair.

Question. During the hearing, you mentioned you would be undertaking a review of the management structure of the Social Security Administration (SSA) to ensure the organization has the management structure necessary to run well as a modern and large organization. However, we already know that since 2010, there have been staff cuts of 12 percent and that claims have been backing up.

What is your understanding of the negative impact staff cuts have had on front-line service?

Answer. If confirmed, I will look at the agency's budget, personnel, and delivery of service. I want to ensure that we use taxpayer dollars efficiently and effectively. If I find that additional resources are warranted, I will say so.

Question. Will you commit to working with this committee to improve security of sensitive information at the SSA?

Answer. Yes. I share your concern about ensuring the security of the sensitive data SSA collects and maintains. If confirmed, I will work to make sure we have the experts we need at the agency to improve the security of the agency's IT systems and protect the vital data maintained by SSA. Cyber-threats are constantly evolving and the agency's security systems and processes must be able to evolve as well.

QUESTIONS SUBMITTED BY HON. BENJAMIN L. CARDIN

Question. This August, SSA was slow to comply with Judge Ketanji Brown Jackson's decision to reverse the executive orders relating to union collective bargaining agreements. Additionally, SSA had been particularly harsh among Federal agencies in its enforcement of these executive orders, having reduced official time, confiscated union equipment, and locked union members from their spaces.

Should you be confirmed, how will you ensure that SSA will be fair and balanced in its relations with its Federal employee unions?

Answer. If confirmed as Commissioner, I will follow the law and act transparently and in good faith when working with the public sector unions at the agency. My past history as Chair of the FRTIB highlights this.

Question. What actions will you take to ensure that the next collective bargaining agreement is in compliance with Judge Jackson's ruling?

Answer. If confirmed as Commissioner, I would abide by judicial opinions that affect the SSA.

Question. Telework is a well-established and accepted practice within the Federal Government. SSA management has used telework to discipline SAA employees by threatening to take away employees' right to telework.

If confirmed, will you review SSA telework practices and strive to stop the current practice of using the ability to telework as a way to discipline employees?

Answer. I understand that telework is governed through a framework of laws and regulations. If confirmed, I will review SSA's telework practices to ensure they are consistent with these laws and regulations.

Question. I have been paying close attention to the issue of field office closures, and particularly that of the Baltimore North office, which occurred in June 2018. SSA has planned to consolidate its employees and workloads from both the Baltimore North as well as its Arlington field offices into others in the area. Many beneficiaries are, however, in a poor physical or mental condition for traveling long distances, do not possess vehicles, and/or live alone without any family, friends, or caretakers to assist them.

If confirmed, how would you analyze the impact of each field office closure?

Answer. I recognize that this issue is one of great importance to the public and to Congress. I believe in efficient, timely and accurate service, and in providing that service through the right balance of service delivery. If I am confirmed, I pledge to be transparent in dealing with the agency's field office structure.

Question. What steps would you take to ensure that SSA does not overburden certain field offices that have to now double their workloads due to closures?

Answer. If confirmed, one of my top priorities will be to look at SSA's structure, including its management, to ensure that the agency is properly positioned to provide quality service to beneficiaries.

Question. How would you ensure that beneficiaries receive sufficient notice of any closure or disruption to field office service, as well as recommendations from SSA?

Answer. If confirmed, I will look into the issues surrounding communications to communities served by field offices. Specifically, I will consider recommendations made by the OIG, as well as input from key stakeholders.

Question. How would you ensure that program beneficiaries who may not be able to travel longer distances to other offices receive the support and service they need?

Answer. I understand the important role local offices play in delivering service and maintaining personal contact with the public. I also understand the important role that online services play. To provide the best service to the public, we have to have the right balance of services, which includes considering the needs of beneficiaries. If confirmed, I plan to review the agency's customer service delivery to ensure we have that balance. I also plan to be transparent in dealing with the agency's field office structure.

Question. SSA has emphasized its vision for expanded online services, perhaps as a substitute for field offices. Polling consistently shows that program beneficiaries, who are often not technologically savvy, prefer applying for benefits and raising questions and claims at field offices with staff representatives, or by voice over the phone. The amount of people entering field offices in 2018 is at a level similar to that of 2000, suggesting that field offices continue to provide essential services to the public.

What steps would you take to balance SSA's need for IT modernization and an improved online presence with its field office activities?

Answer. As I said during the hearing, one of my top priorities will be to look at IT modernization. I believe improved IT would serve to both improve online presence and to help local offices deliver services to beneficiaries.

Question. You have noted in your earlier responses to this committee that you will be sure to make a serious and thorough consideration of all the factors at play before making a decision to close a field office.

What would such a review on your part look like?

Which parties and interests would you be considering?

Answer. As I said during the hearing, local Social Security offices provide important services to the beneficiaries and the agency has to be deliberate in making changes. As I have had limited interactions with the agency, pending Senate confirmation of my nomination, I do not currently have criteria that would be considered in such a review. If confirmed, I look forward to discussing this area with the agency.

Question. The Social Security Administration has endured years of budget cuts and freezes that have taken their toll on the agency's service capabilities. Since 2010, the staff has been reduced by 12 percent, approximately 70 field offices have been shuttered, hours of public operation have been reduced, and there is a record high backlog in disability appeals. SSA's service delivery has also dipped in quality. A significant number of callers to SSA's national 1-800 number do not get their questions resolved. As hold times have risen, nearly half of callers hang up before connecting and a growing number get busy signals. Meanwhile, the average wait for a disability appeal has stretched to 20 months. Further cuts would force the agency to freeze hiring, furlough employees, shutter more field offices, or further restrict field office hours, causing yet longer wait times for taxpayers and beneficiaries. Although the agency received a notable increase in its budget in FY18, much of those funds went to IT improvement and reducing the backlog, not front-line service.

How would you prioritize service at field offices and teleservice centers to ensure that SSA is able to respond to the needs of a growing beneficiary population?

Answer. I understand the important role field offices and teleservice centers play in delivering service and maintaining personal contact with the public. That said, I also understand the important role that online services play. To provide the best service to the public, we have to have the right balance of services. If confirmed, I plan to review our customer service strategy to ensure we have that balance for our beneficiaries.

Question. How do you plan to ensure the levels of staffing needed for quality service?

What budgetary needs do you anticipate SSA requiring in your term? Further, what steps would you take to secure those needs?

Answer. I do not yet have sufficient details to put forward a plan regarding hiring, training, and retaining staff. If confirmed, I will look at the agency's budget and personnel. I want to ensure we use taxpayer dollars efficiently and effectively, and will shift resources as appropriate. If I find that additional resources are warranted, I will say so.

Question. Earlier this summer, President Trump signed an executive order that removed administrative law judges (ALJs) from the competitive civil service, to be selected by agency leadership rather than being independently vetted by the Office of Personnel Management. I have written to you earlier this year about my concerns about the ALJs, who are very critical to the operations and services of Social Security.

How will you ensure that the independence and integrity of SSA's ALJs are protected and free from any political influence?

Answer. I will always follow merit-based principles in hiring all employees, including ALJs. I also want to note that I believe ALJs should maintain their decisional independence. If confirmed, my focus will be on hiring the best people to do the job.

Question. I am very concerned about the disability backlog and the de facto SSA quota of 500–700 cases per year per ALJ. A judge handling 500 cases per year would take approximately 2.5 hours to adjudicate a case—2.5 hours to read a file, hold a hearing, make a decision, and then draft the decision. The ALJs have done the only case time study we are aware of, and that study indicates it takes an ALJ an average of 7.5 hours to decide a case. My concern is SSA is putting quantity ahead of quality.

If confirmed, will you work with Congress and other stakeholders to determine the time required for an SSA ALJ to adjudicate a case and abandon arbitrary quotas?

Answer. I understand that the ALJs play a critical role in making sure claimants get the public service they deserve. As I said during the hearing, improving the disability adjudication process, including reducing wait times and appeals backlogs, is one of my top priorities, and I am committed to reviewing the entire disability adjudication process from start to finish. An important part of this review will be to look at increasing efficiencies in the hearings process.

Question. The Social Security Act created the SSA as an independent agency within the Federal Government charged with providing critical benefits to recipients. Projected solvency and trust fund issues have prompted many to advocate for privatization, reduction of benefits, and delayed eligibility. Notable proponents of such ideas include the Bush White House and the Manhattan Institute, both of which you have been affiliated with. In your responses to the committee's concerns, you indicated that you would leave policymaking to the legislators and the Treasury Department.

What does the independence of the agency mean to you?

Answer. As I mentioned at the hearing, I will put the agency's mission and those we serve ahead of all other interests. The independence of the agency means I will not allow politics to interfere with the fundamental mission of the agency, which is to serve the public.

Question. How do you envision your responsibilities with regards to Congress?

Answer. As I said during the hearing, if confirmed, my focus will be on improving service to the beneficiaries. To that end, I am committed to working in a transparent manner with Congress.

Question. Can you commit to not taking any actions that, while within the scope of your authority, would seek to build a case for privatization and similar policies?

If confirmed as Commissioner, my focus will be on managing the agency, serving the millions of Social Security beneficiaries and the American public, and administering the programs as designed by Congress. I believe issues related to privatiza-

tion or reforming the programs should be left to the Treasury Department and the legislative branch.

Question. While provisions in specific retirement security bills do not always impact the SSA's mission, I believe that we need to consider retirement policy holistically. Social Security is a critical pillar of many American's financial security in retirement. It's my hope that we will be able to agree on helpful changes to retirement policy both in this Congress and going forward.

Should you be confirmed, will you commit to working with Congress to help provide expertise and move bipartisan retirement security legislation?

Answer. If confirmed, I will focus on improving the services provided to the beneficiaries. I believe that policy issues such as legislation on retirement security should be left to the legislative branch. However, I would provide assistance regarding the technical aspects of proposals, if I am confirmed.

Question. Federal law requires agencies to bargain in good faith with the unions representing their workforce—an obligation that the President cannot overturn by executive order. If confirmed, the Senate expects you to follow the law. In your response to the letter Senator Van Hollen and I sent you voicing our concerns, you noted that the executive orders had been struck down. I would like to stress however that the administration is appealing.

Will you hold SSA to honor its collective bargaining agreements by rescinding the unilateral changes SSA has made, and not make further unilateral changes?

Will you hold SSA to honor the terms of expired collective bargaining agreements until reaching a new agreement, by rescinding unilateral changes and not making further unilateral changes?

If SSA and its workforce seek to negotiate a new collective bargaining agreement, will you commit to bargaining in good faith with the unions representing SSA's workforce, and do everything in your power to reach an agreement without resorting to the Federal Service?

Answer. If confirmed, I will follow the law and act transparently and in good faith when working with the public sector unions at the agency.

My record at the FRTIB demonstrates my dedication to transparency with organizations that represent Federal employees. I am very proud that all 14 Federal unions wrote to then President-elect Obama to request that I remain at the Board as Chairman after President Bush's term expired.

QUESTIONS SUBMITTED BY HON. ROBERT P. CASEY, JR.

Question. The proposal by SSA to reinstitute the reconsideration step in 10 States' disability appeals processes, including Pennsylvania's, will add an average of 100 days to many applicants' already unacceptably long wait times. In Pennsylvania alone, SSA's own analysis shows that roughly 20,000 individuals will see their wait times increased. All seven field processing offices in Pennsylvania already average more than 600 days to make a final determination regarding a disability claim. One office in Philadelphia already takes an average of 700 days, or nearly 2 years, to make a final determination.

Will you commit to delaying the reinstitution of the reconsideration step in the disability appeals process until SSA has identified a process to do so that will not harm any claimants in Pennsylvania or any other State by lengthening applicants' decision wait times?

Answer. I am aware of the issues regarding reinstating reconsideration in the 10 prototype States. The disability wait times and backlogs are unacceptable, and I know the agency and Congress has been dealing with these issues for some time. If I am confirmed, one of my top priorities will be to review the disability adjudication process at all levels, from start to finish, and to work with agency experts and other stakeholders to explore options for improving the process while being mindful of agency resources and taxpayer dollars.

Question. As SSA has proceeded with its plan to reinstitute reconsideration into the disability appeals process, it has repeatedly avoided providing Congress with complete information regarding the full effects of this change. Specifically, at multiple briefings with congressional staff, SSA representatives avoided providing information on claimants that will have to wait longer to receive an eligibility decision

due to the reintroduction of reconsideration. SSA representatives presented projections illustrating what they view as the benefits of this change, but did not present information from the same projections showing its negative effects until questioned about these projections by congressional staff.

Will you confirm that SSA's planned reinstatement of the reconsideration step in 10 States' disability appeals process will immediately result in longer decision wait times for the majority of impacted applicants, causing them harm?

Will you commit, if approved to be Commissioner, to briefings to congressional offices from SSA staff that provide full information regarding policy decisions proposed by the SSA?

Answer. Pending the outcome of the Senate's consideration of my nomination, I have had limited interaction with the agency and cannot provide specific information regarding the effects of reinstating the reconsideration step in the ten prototype States. If confirmed, I will commit to working with you and Congress in a transparent way to ensure we serve claimants and beneficiaries as best we can.

Question. During our meeting, I asked about working with my office and other Senate offices. Making major administrative decisions about benefits has an immediate impact on the constituents I and other Senators serve.

Will you commit to working with my office when you plan to implement administrative changes that will have an effect on claimants of any SSA program, including contacting my staff about plans for new procedures and briefing them at the outset so we can work collaboratively to support processes that will benefit all constituents?

Answer. Serving the public will be my primary focus, if confirmed. I believe that a critical element to such service is working with Congress in a transparent way. I will be transparent with Congress, including through briefings, on administrative changes that are likely to have a significant effect on programs.

Question. For the past 2 decades, there has been an extensive history of the SSA Commissioner and senior staff meeting, on a regular basis, with constituent and advocacy groups of the title XVI (SSI) and title II (SSDI) claimants. When held, these meetings have been very productive and have led to program efficiencies and reforms. For the past 18 months, these meetings have been discontinued.

Will you commit to reinstating these meetings on a regular basis?

Answer. I think transparency is an important aspect of effective agency management and program administration. If confirmed, I will assess the frequency with which meetings with the advocacy community and other stakeholders should take place.

Question. At the Finance Committee hearing held on October 2, 2018, you indicated that, if confirmed, you intend on reviewing the entire disability application and appeals process.

What specifically do you view as the central problems with this process that need to be addressed?

What criteria would you use to evaluate the steps in this process and any potential changes to this process?

Can you commit to not making any changes to the disability application and appeals process that would reduce the number of individuals that are eligible for disability benefits that receive them?

In working to reduce hearing backlogs and wait times, what specific goals and deadlines would you put in place and how would you ensure SSA meets these goals and deadlines?

Do you have any intention of making changes to SSA operations that would impact individuals who have already been deemed eligible for disability benefits and have already begun receiving them, and if so, what would those be?

Answer. If confirmed, I do plan to review the entire disability adjudication process from start to finish, to address the longstanding problems of disability wait times and backlogs. My goal is to improve service and to make the right decision as early as possible in the process. I believe the disability program and disability determination processes should be modern and should reflect today's job market, as well as technological changes and medical advances. I intend to make the program more efficient.

I am aware that Congress provided funding for the agency to reduce the hearings backlog. If confirmed, I will review the agency's backlog reduction plan to ensure these additional resources are being used wisely, and will make adjustments as needed.

Question. In-person services at Social Security field offices are essential to many seniors and people with disabilities living in Pennsylvania and throughout the Nation. In many rural areas of Pennsylvania, in particular, access to broadband Internet is limited and in-person services cannot be easily replaced by online services.

Will you commit to working to keep Social Security field offices open and to maintaining the critical in-person services provided by these field offices?

Will you commit to having SSA keep members of Congress informed about any potential field office closures or relocations that would impact their constituents and to do so before SSA finalizes any decision on the future of a field office?

How will you ensure that, as SSA expands the services it provides online, it continues to provide essential services and information to individuals who may not have reliable Internet access or who may not use the Internet?

Answer. I understand the important role local offices play in delivering service and maintaining personal contact with the public. I also understand the important role that online services play. To provide the best service to the public, we have to have the right balance of services. If confirmed, I plan to review the agency's customer service strategies to ensure we have that balance.

Question. SSA's workload is increasing rapidly as the Baby Boomer generation moves into retirement, and the agency's services are more important than ever. I have repeatedly pushed to provide SSA with the additional administrative funding it needs to maintain and improve critical services and eliminate unacceptable backlogs.

Will you commit to being transparent and forthcoming with Congress about the level of administrative funding SSA needs to meet all of its statutory obligations and eliminate backlogs?

If you believe SSA needs additional resources to fulfill its mission and maintain essential services, will you communicate that need to Congress?

Answer. Yes, I will be transparent and forthcoming about the agency's funding needs. I believe in efficient, timely and accurate service, and protecting taxpayers' hard-earned dollars through the effective management of Social Security programs. If confirmed, I will look at the agency's budget and its workloads to ensure resources are spent wisely. If I find that additional resources are warranted, I will inform Congress.

Question. At the Finance Committee hearing held on October 2, 2018, you indicated that, if confirmed, you would review the management structure and management practices at SSA.

What criteria would you use to evaluate whether management structures and practices are operating successfully?

What specific changes, if any, are you considering making to these management structures and practices?

Will you commit to working with and consulting with the employees of SSA and the unions that represent them?

Answer. If confirmed, I will review the management structure in detail. While I cannot outline specific criteria at this time, my primary focus will be on serving beneficiaries and tackling the three key challenges the agency faces: improving the disability adjudication process, including reducing wait times and appeals backlogs; modernizing the IT infrastructure; and increasing executive and management accountability. Any changes made to the management structure will be transparent and in service of meeting these challenges.

Regarding the unions and employees at SSA, I am committed to working with all stakeholders to ensure we serve the public as best we can.

Question. In addition to processing Social Security disability and retirement benefits, SSA is responsible for several key Medicare functions, including providing basic education about when and how to sign up for Medicare and processing Medicare enrollment.

Increasingly, people new to Medicare are delaying retirement beyond age 65. Without adequate, advance notification, these individuals often lack sufficient information on when and how to sign up for Medicare. The consequences of enrollment missteps, particularly in Medicare Part B, can be significant and may include lifetime late enrollment penalties as well as lengthy gaps in coverage.

Will you commit to an evaluation of SSA's processes and procedures for educating individuals approaching Medicare eligibility about basic Medicare enrollment rules, including how Medicare benefits coordinate with other forms of insurance, Part B enrollment periods and coverage start dates and eligibility for and enrollment in Medicare low-income support programs?

Will you commit to working with my office to identify opportunities to strengthen notification and resources for individuals nearing Medicare eligibility?

How will you ensure that SSA will appropriately balance online educational initiatives pertaining to Medicare enrollment with both paper mailings and in-person assistance?

Will you provide information to my office about the resources made available by the Centers for Medicare and Medicaid Services to SSA to carry out the agency's functions related to Medicare, including those related to enrollment and the administration of low-income programs? And, will you provide information on any additional resources the agency might need to improve upon those functions?

Answer. I appreciate your questions, which illustrate the historical relationship between Social Security and health care, and specifically between SSA and the Centers for Medicare and Medicaid Services (CMS). If confirmed, I will work with Congress and the Administrator of CMS on ways to better educate the public about Medicare enrollment.

Question. Created through Federal law, equitable relief is an administrative process that allows people with Medicare to request relief from SSA in the form of immediate or retroactive enrollment into Part B and/or the elimination of a Medicare Part B Late Enrollment Penalty (LEP). It is my understanding that SSA does not currently collect or retain information on equitable relief cases, including the number of cases processed, the outcomes of these requests or information on the basis for these requests.

Will you commit to collecting basic, State-by-State data on equitable relief cases (including the number requested, the outcome of the requests, and the basis for requests) and ensure that data is made available to my office?

Will you ensure this data collection process includes information on current and former Marketplace enrollees who seek time-limited equitable relief, a process recently extended by CMS through September 30, 2019?

Will you provide my office with information on how SSA manages, processes and decides equitable relief requests?

Will you provide information to my office on the extent to which SSA trains field office staff regarding cases of equitable relief and special enrollment periods?

Answer. I cannot provide answers to your specific questions regarding equitable relief policies and practices, or the exact data SSA maintains regarding equitable relief requests. If confirmed, I will review the data SSA collects and maintains to determine whether it addresses your data requests.

QUESTIONS SUBMITTED BY HON. MARK R. WARNER

Question. Key provisions in the President's three executive orders undermining Federal worker protections were struck down by a Federal court. At the Social Security Administration, how do you intend to comply with the court's decision finding that the President's EOs were unlawful? Will you work with the Federal employee unions to ensure that their collective bargaining rights are being respected?

Answer. If I am confirmed as Commissioner, I will follow the law and the court order, and act transparently and in good faith when working with the public-sector unions at the agency.

My record at the FRTIB demonstrates my dedication to transparency with organizations that represent Federal employees. I am very proud that all 14 Federal

unions wrote to then President-elect Obama to request that I remain at the Board as Chairman after President Bush's term expired.

Question. The Social Security Administration recently closed many field offices, making it harder for older and disabled Americans to get the assistance they need. This includes an SSA field office in Arlington, and Senator Kaine and I have asked the inspector general at SSA to look into whether all appropriate laws and procedures were followed. How do you intend to ensure that people who need in-person assistance, but are limited in their ability to travel long distances to far-off field office, are able to access these resources?

Answer. Serving the public has always been, and will continue to be, my primary focus. I plan to review the agency's service delivery strategies and how they affect access to in-person services.

PREPARED STATEMENT OF HON. RON WYDEN,
A U.S. SENATOR FROM OREGON

The Finance Committee meets this morning to consider the nomination of Andrew Saul to serve as Commissioner of the Social Security Administration. It goes without saying that this position is one of the most important posts in the Federal Government. It's responsible for administering benefits to over 69 million seniors, people with disabilities, and other Americans who earned their Social Security after working for years and paying into the program with each paycheck.

Mr. Saul's nomination comes before the committee at a critical moment. Middle-class paychecks aren't keeping up with rising living expenses and health-care costs, making saving for retirement even harder for many workers. That means Social Security is more important than ever when it comes to guaranteeing all Americans a secure retirement without worrying about financial destitution.

That's especially true for women, who in many circumstances are working multiple jobs while also raising children, sometimes on their own. A recent study showed that women have an average of half the retirement savings as men. That gap means hard times for women in their later years: women aged 65 and older are 80 percent more likely than men to be in poverty.

My parents were divorced when I was young, and to a great extent my mother raised my late brother and I. Despite having a master's degree, she always seemed to take home less pay than men doing the same job. She wasn't alone. That's another reason why it is so important that women get a fair shake when it comes to retirement.

When it comes to the future of Social Security, the program can pay full benefits through 2034 and 79 percent of benefits after 2034. There has been an effort from Trump's top economic advisers on down to portray this as a "crisis" and insist that drastic changes are needed and benefits have to be cut.

Let me be clear colleagues: cuts to Social Security are the exact opposite of what's needed now. Increasing the retirement age, transforming Social Security from a secure defined benefit to a privatized scheme that puts vital benefits at risk, and more—these harmful ideas will make it harder for seniors and vulnerable Americans to live full lives after years of work. I will go to the mat to prevent these harmful attacks on Social Security. Instead, Congress should focus on ways to improve the program and ensure all Americans can enjoy a secure retirement.

If Mr. Saul is confirmed to a full 6-year term next Congress, he will be managing the nuts and bolts of Social Security as this important debate takes place. But there is already work to be done today to ensure Social Security works for Americans who count on its benefits right now.

Today, too many who are seeking benefits are stuck in bureaucratic purgatory—nearly a million Americans are waiting as Social Security considers appeals of their eligibility. This backlog of disability cases means people often wait more than a year or longer for a decision. That is unacceptable.

Recently Congress has done better when it comes to funding the agency, and the backlog has improved. I want to thank Senator Brown and others for pushing hard for these resources in the recent appropriations bills, but it will be important to see results before anybody declares "mission accomplished." Too many Americans are waiting for help instead of getting the service they paid for and deserve. The Com-

missioner should make it very clear—perhaps with a weekly update on the front page of SSA’s website—about the average wait time for our constituents.

The Social Security Administration has made great strides to modernize its information technology. Earlier this year the Government Accountability Office said SSA had made the most progress of any agency when it comes to improving and managing its IT.

This is the critical task for every Federal agency at a time when data theft is rampant—more vulnerabilities and opportunities for cyber-crime are cropping up every day. Americans have made it clear that privacy is paramount, and Social Security can’t fall short when it comes to protecting personal information. On a positive note, the agency’s Disability Case Processing System has received great reviews from the employees that use the system every day to help people. But to paraphrase President Lincoln, a “bath of public opinion” is needed to verify that it is leading to better service and less waiting.

If confirmed, Mr. Saul will be the first confirmed head of Social Security since 2013. It’s a shame there has been such a delay, and that delay has taken its toll. Without a confirmed leader, the agency cannot create and execute a long-term vision of how to improve the program for beneficiaries. On a more practical level, an acting leader cannot hire qualified people from outside the agency into Senior Executive Service positions, such as the person in charge of SSA’s IT security or the head of the agency’s 1,245 field offices. Americans deserve the best talent at the Social Security Administration, and this artificial barrier should be removed as soon as possible.

Before I conclude, I want to address the issue the chairman raised about taking up only the first nomination. The White House nominated Mr. Saul for two consecutive terms, one for the remainder of the current term ending on January 19, 2019, and one for the succeeding term beginning the next day. If the Finance Committee were to vote on the second nomination, it would be acting during this Congress to fill a vacancy that does not occur until next Congress. That would upend the notion that Senators advise and consent on the contemporaneous nominations of officials who will be running key parts of the Federal Government. It also would be unprecedented in this committee, and could expose the actions of the Commissioner to legal challenge.

Given these concerns, Chairman Hatch and I have reached an agreement to wait to vote on that future term until next Congress. For my part, if Mr. Saul is confirmed this year, I will support taking up the second nomination without delay in the next Congress. I want to thank Mr. Saul for appearing before the committee today and for his willingness to serve.

ADDITIONAL STATEMENT FROM HON. RON WYDEN

During the hearing on the nomination of Andrew Saul, Chairman Hatch said that, under the Obama administration, SSA had, during budget discussions, “manipulated and cherry-picked data about SSA’s budget to the authorizing committees, appropriators, and various advocacy groups.”

I understand that the chairman feels strongly about this issue, but, respectfully, I do not share his view. For many years, I and other members of the Finance Committee have relied on accurate data from SSA to understand the agency’s needs. In this case, I am comfortable with the data that was provided to support the proposition that SSA’s core operating budget has shrunk by 10 percent since 2010 after adjusting for inflation. Further, the Congressional Research Service has reached a similar conclusion, writing, “When adjusted for price and wage growth over this period (Fiscal Year 2010 through Fiscal Year 2017), general LAE funding fell by 10 percent and 19 percent, respectively.”

COMMUNICATION

CONSUMER FIRST COALITION
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October 2, 2018

The Honorable Orrin Hatch
Chairman
U.S. Senate
Committee on Finance
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
U.S. Senate
Committee on Finance
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden:

On behalf of the members of the Consumer First Coalition (CFC), I am pleased to submit this letter for the record for your Committee hearing to consider the nomination of Andrew M. Saul, of New York, to be Commissioner of Social Security for the term expiring January 19, 2019.

CFC represents a group of leading financial services companies committed to combating new forms of fraud, protecting identities, and upholding the privacy protections that are a hallmark of the financial services industry. To meet these objectives and ensure consumer data and accounts are kept safe, the financial sector is constantly evolving and adapting to meet the dynamic challenges posed by sophisticated cyber-criminals. Often, the best solution requires close collaboration among public and private stakeholders.

Such is the case with efforts to combat synthetic identity fraud, a particularly egregious form of identity theft that most often victimizes children. Earlier this year, legislation was introduced to address this type of fraud—the Protecting Children From Identity Theft Act, S. 2498, sponsored by Senators Tim Scott (R-SC), Claire McCaskill (D-MO), Bill Cassidy (R-LA) and Gary Peters (D-MI)—and a similar version was signed into law as Section 215 of S. 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act. This new law directs the Social Security Administration (SSA) to modernize its system that provides the financial industry the ability to verify whether a given name, date of birth, and Social Security number (SSN) match with what the SSA has on file. As part of a creditor's underwriting and fraud review of a new applicant, this piece of information can help prevent synthetic identities—which pair valid SSNs with fabricated personal information in order to create a “synthetic” credit history—from getting off the ground and harming the consumers whose SSNs were compromised.

Enacting this measure was a significant victory for consumers. Congress and the new SSA Commissioner must now ensure implementation is a success as well. CFC and other industry stakeholders are actively engaged with SSA in positive discussions to drive the implementation process forward. For example, while Congress specifically addressed the importance of privacy and data security for users of the SSA's verification system, it did not intend to deputize the SSA to regulate financial institutions. Those regulators already exist (*e.g.*, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Board of Governors of the Federal Reserve System), and we are working with them to ensure that the legal protections afforded to the SSN itself are applied to SSA's confirmation of the SSN's validity. Financial institutions are regulated and examined for compliance to the highest standards of privacy and cybersecurity. We are hopeful the outcome will address the important concerns of Congress and the SSA, but not create duplicative compliance burdens for financial institutions.

Also, as you know, the new law gives the Commissioner of SSA broad latitude to set fees and determine costs for users of the system on both an ongoing basis to sustain the system, and to meet any system build or expansion demands placed on SSA by the new law. Without question, meeting the requirements of the law will result in significantly increased volume and a greater need for reliability and system up-time, which will require an investment by users of the system to achieve.

While the financial industry recognizes the importance of implementing a functional system that achieves Congress's goal of combating synthetic identity fraud, I would stress the importance to the Committee of ensuring costs to users are not so high as to derail both the utility of the system and Congress's goal of protecting consumers from fraud. Modern technologies such as scalable system architecture and the increasingly common use of robust application programming interfaces (APIs) to facilitate real-time data exchange are just some of the methods and tools at SSA's disposal that can lead to a cost-effective yet highly sophisticated system that achieves all of Congress's goals.

In conclusion, thank you for holding this hearing today and taking an important step toward confirming a new leader of the SSA. While developing this verification system is just a small piece of the broader SSA IT modernization effort the Commissioner will need to see through to completion, it is one that has the potential to benefit millions of Americans—especially children—who might otherwise become victims of synthetic identity fraud. CFC is committed to working with SSA to successfully implement this new law by leveraging member firms' deep knowledge of privacy and data security compliance, as well as technological expertise that comes from building the most cutting-edge financial services platforms in the country.

Sincerely,

Jason Kratovil
Executive Director

