

Senate Democratic Policy Committee Hearing

“An Oversight Hearing on the Bush Administration’s Plans to Privatize Social Security”

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Chairman Dorgan and members of the Democratic Policy Committee, thank you for this opportunity to speak with you today about the Social Security Administration’s involvement in promoting Social Security privatization.

I have been a Claims Representative with the Social Security Administration (SSA) since September 4, 1973, currently stationed in Seattle, Washington. I serve as President of AFGE Local 3937, which represents approximately 1,700 employees in SSA Region X who work in the states of Alaska, Idaho, Oregon, and Washington. These employees work in field offices, in tele-service centers answering calls to the 1-800 number, in Offices of Hearings & Appeals, and in the Regional Office of Quality Assurance.

I have daily contact with SSA employees in the Region, and elsewhere in the country, in fulfilling my responsibilities. One of these responsibilities has been to serve as Chair of the AFGE National Council of SSA Field Operations Locals Privatization Committee.

In the testimony that has just been provided by Debbie Frederickson, you heard that the Agency has established a plan to convince the public that the Social Security programs, as currently constituted, are unsustainable, and to support the Bush Administration’s campaign to privatize Social Security.

Shortly after the SSA plans were created a few years ago, I began to understand that something had changed with regard to how SSA was talking about Social Security. Previously, our employees had shared information with the public about Social Security’s financial condition, but had never been encouraged to support any particular reform proposal. In fact, they were always expected to remain neutral on political and legislative matters.

Over the last two or three years, Agency employees have been told that there is an impending crisis, and that the crisis could best be solved through privatization. In addition, SSA employees have been directed to share this message with the public at every opportunity.

Let me describe one example of how effective the SSA marketing campaign has been. In August, 2003, a taxi driver asked me where I worked, and I said that I was employed by the Social Security Administration. He said, “Well, it won’t be there for me.” I asked

why he felt that way. He said that he learned this from SSA itself, when he received his “Personal Earnings and Benefit Estimate Statement” in the mail. Obviously, the effort to scare the public about the future of Social Security, through the messages contained in these statements, was working.

This change was reinforced in my mind by James Lockhart’s presentation to Seattle Regional Office staff soon after he was confirmed as Principal Deputy Commissioner. I attended the meeting to learn about the direction in which the Agency’s second-highest-ranking official wished to take us. I was surprised that Mr. Lockhart’s entire talk consisted of his Power Point presentation regarding Social Security solvency and the urgent need for reform. It was clear that he believed that Social Security was unsustainable without radical change and that private accounts were the solution.

In April 2004, Mr. Lockhart and Dr. Andrew Biggs, the Associate Commissioner for Retirement Policy, conducted what I believe was their first public forum on the subject in Nampa, Idaho. At least five Management officials from the Region were in attendance. Mr. Lockhart stated that it was the first of many public presentations that would be conducted over the next two years to discuss the Social Security crisis and the need for reform.

Shortly after that, a long-time employee in the Region told me that he had been approached by his Manager, who directed him to use only the pro-privatization Power Point Presentation and the other Public Affairs/Public Information materials on the SSA Intranet and Internet when talking to the public about solvency and privatization. He strongly disagreed with the message they contained and refused to use them.

The White House and the Agency have claimed that they haven’t misused SSA resources or career employees to promote Social Security privatization. But *the following are a few examples, posted to Regional SSA Public Affairs Intranet sites, that show how SSA employees have been enlisted to talk about privatization in just the past two months:*

██████████, DM, and ██████████, SR, Columbus, MS were guest speakers for 20 members of the Columbus Association of Insurance Women. ██████████ led a discussion on the various SSA programs administered by the Columbus office and provided BIF/RIF data. ██████████ also discussed solvency and the future of Social Security, using the “Long Term Challenges Talking Points” provided through the “Future of Social Security” link found on the Public Affairs Resource Center website.

TE ██████████, Kansas City South, spoke to 54 employees of the U.S. Department of Agriculture from Denver, St. Louis, and Lenexa. ██████████ discussed WEP and GPO insured status, Medicare, the future of SSA, privatization of Social Security, and FERS and CSRS.

Area 1 PAS ██████████ gave a 2-hour lecture on the Future of Social Security during Drake University’s “2004 Last Change” CEU series for insurance and

financial planning professionals. The session was very well attended, with approximately 50 people in attendance. The session included an overview and history of Social Security's programs and funding, and a discussion of the Trustees Report, the July 2001 report from the Social Security Advisory Board and the 3 options proposed by the White House Commission to Save Social Security.

These examples illustrate that the Agency is aggressively implementing its plan to promote privatization, and is using career Federal employees to do so. Some of these employees are management officials and Public Affairs specialists in the career civil service. Others are frontline, rank-and-file SSA employees who communicate regularly with the American people. I do not believe it is proper for public funds or public employees to be used to stir up fear that there is a Social Security crisis or to promote privatization.

Thank you for inviting me to testify this morning. I would be happy to answer your questions.