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Senate Confirms McConnell In-Law To Lead PBGC

By **Emily Brill**

Law360 (April 30, 2019, 9:22 PM EDT) -- The U.S. Senate on Tuesday confirmed Majority Leader Mitch McConnell's ex-businessman brother-in-law Gordon Hartogensis as the new leader of the Pension Benefit Guaranty Corp., the federal agency that runs the government's insurance program for pension plans.

The chamber voted 72-27 to approve the nominee, with all of its Republicans and 18 of its Democrats signing off on Hartogensis.

A former PBGC director told Law360 that "having a director whose brother-in-law is the Senate majority leader is not a bad thing," considering that the agency, which is embroiled in a funding crisis, "needs friends in Congress" right now.

Hartogensis is married to the sister of Transportation Secretary Elaine Chao, who is McConnell's wife.

Former PBGC chief counsel Israel Goldowitz, now a partner at the Wagner Law Group, told Law360 on Tuesday that Hartogensis' "experience as a manager and leader of organizations" should serve him well in the position.

"I'm confident he will lead the organization well, and I'm sure he will get great support from his staff," Goldowitz said. "The PBGC staff has great expertise, experience and political savvy, and they take their mission very seriously."

Goldowitz added that "the most important challenge [Hartogensis] will face is the looming disaster in the multiemployer system." PBGC's insurance program for multiemployer pension plans, which serve union members, is slated to run out of money by 2026.

Hartogensis' nomination initially drew skepticism from Democratic lawmakers, who questioned his ties to McConnell and his qualifications for the position.

Sen. Robert Menendez, D-N.J., noted during a September nomination hearing that Hartogensis has no background managing pensions and did not offer a pension at either of the software companies he built.

Menendez voted no on Hartogensis on Tuesday alongside other Democrats who opposed the nominee at the committee stage, including Sens. Tina Smith of Minnesota, Tammy Baldwin of Wisconsin and Patty Murray of Washington, as well as Democratic presidential candidates Bernie Sanders of Vermont and Elizabeth Warren of Massachusetts.

One Democrat who initially criticized Hartogensis' nomination voted for him on Tuesday. Sen. Ron Wyden of Oregon, who questioned Hartogensis' nomination in a letter to President Trump last year alongside Murray, changed his mind after a hearing in the Senate Finance Committee, a spokesperson for the committee, Ashley Schapitl, told Law360 Tuesday.

"During the confirmation hearing in the Finance Committee, Mr. Hartogensis affirmed to Senator

Wyden the value of pensions and the collective bargaining process to American workers and committed that the Pension Benefit Guaranty Corporation would provide technical expertise to Congress to help develop a bipartisan solution to the multiemployer pension funding crisis," she said in an email.

Hartogenesis spent one year as a foreign exchange trader at Credit Suisse after graduating from Stanford University in 1992 with a bachelor's degree in computer science, then spent a decade running two businesses — Auric Technology LLC and Petrolsoft Corp. — that built software for oil and manufacturing companies, according to his LinkedIn profile.

Since 2011, he has managed the money in his family's trust, investing in a portfolio of "private equity, venture capital and real estate assets," according to his online resume. He holds a master's degree in technology management from Columbia University.

The PBGC had no comment Tuesday evening. McConnell could not be reached for comment Tuesday. Contact information for Hartogenesis could not be determined Tuesday.

--Editing by Adam LoBelia.

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