

## Statement of John W. Wilde

An article pertaining to a "goof" of Pension Benefit Guaranty Corporation (PBGC) appeared in the March 29, 1999 issue of *USA Today* describing the experience of Dorothy Jasko, a widow who received an incorrect PBGC pension check for almost a half million dollars. The article describes the retired widow's efforts to return money and the fact that she did not receive even so much as a thank you for her honesty.

This story was especially painful for me to read since I am the only son of the widow named in that article. I have had to watch the tragic impact that this error of PBGC has had on my 75 year old mother's mental health.

I trust your committees will consider my mother's plight in this unbelievable mess caused by PBGC.

By way of background, in late November of 1997 my mother called me in Beijing where I was on a one-year sabbatical. She emotionally informed me that a pension check addressed to her for \$473,129.55 had recently arrived and that she was fearful that someone was going to steal it. Over the phone I knew that her voice was shaking and I could easily sense she was in a state of stress. In an attempt to calm, I told her that there must be some mistake and that I would come to Chicago shortly to assist in straightening out the problem.

When I arrived at my mother's southside Chicago home on December 15, 1997 I found her in a highly agitated state. My mother informed me that she had been desperately trying to call PBGC "dozens of times", but had found it "impossible to get through to them." She said people kept hanging up on her and that she had to wait for long periods of time for someone to come on the line. I vividly recall her repeating to me, "They are going to arrest me." Apparently my mother had a double fear; that someone would break into her home and steal the check (because of this fear she finally put the full check amount into the bank because PBGC would not give her directions on what to do with the check), and that the government would take her away and put her in jail for cashing the check. Neither her sister, her niece, her friends nor myself could get her to think rationally.

On December 16, 1997, I phoned the PBGC and spoke with a representative. When I informed this person of the amount of the check received, ***it was clear that the representative was unaware of the error.*** After being put on hold for several minutes, she returned to the line and asked that my mother send the amount of the error check back to PBGC.

That very day I helped my mother write a personal check to PBGC for the full amount of the error check and personally accompanied her in mailing the check to the address given by the representative. When I left Chicago to return to China on January 15, 1998, my mother was still visibly upset by the PBGC mix-up, but it appeared that she was under control and we both thought the matter was resolved.

The last week of January, 1998 my mother called me in Beijing. She was crying frantically. She had just received in the mail from PBGC a 1099-R saying that she had a taxable income of \$474,944.67 from the proceeds of the pension check and that this amount was being reported to the IRS. She could not be calmed down. In one week of costly long distance calls with my mother I futilely tried to dissuade her fears and her irrational thoughts about the incorrect 1099. Finally, it was evident that I had to quit my sabbatical studies in Beijing to fly back to Chicago as soon as possible on an emergency basis.

When I returned to my mother's home on the night of February 5<sup>th</sup>, I was shocked to find she had stopped eating, cleaning her house and that she was constantly crying. I called the PBGC on the

following Monday and requested that they correct the 1099 error. I had a highly charged conversation with two representatives where I blamed them for my mother's emotional grief. I angrily pointed to PBGC's lack of sensitivity in not even acknowledging my mother's honesty and it's refusal to at least demonstrate appreciation for returning the money that was sent to her in error. I was overwhelmed with the apparent cavalier way in which my mother's plight was handled by each of the representatives.

Unfortunately, the gravity of the PBGC error payment had done irreparable harm to my mother. On February 8, 1998 she tried to kill herself. With much grief, on February 11 I had to take her to the emergency room of Christ Community Hospital in Oak Lawn, Illinois. She was committed to the psychiatric ward where she stayed for seven days. Two weeks after her release from Christ Hospital, it was with even greater remorse that I had to move my mother out of her home and into a senior residence in a Chicago suburb--over 20 miles from her beloved neighborhood. She could no longer take care of herself.

Honorable Senators, to put a more human face on how this example of PBGC's careless operation devastated my mother's life, please know that before this mess occurred, my mother was completely independent. I had spent several weeks with her in the summer of 1997 and she was in fine spirits. She was healthy, had plenty of friends, tinted her hair blond, weighed 150 pounds, drove her car all over the city, daily walked six blocks to the local 7-11 to buy the *Chicago Tribune*, went to church every Sunday and closely monitored local, state and national politics. She prided herself on her cleanliness and she enjoyed taking care of her parakeet.

By March of 1998, only five months after the problems with PBGC started, my mother weighed 125 pounds and had become isolated. She could not sleep and had lost her appetite. The hospital psychiatrist diagnosed her condition as organic psychosis with dementia and depression. The prognosis was guarded and by September 1998 my mother weighed 110 pounds.

Between December 16, 1997 and March 18, 1998 I made numerous phone calls to PBGC and spoke with a variety of personnel. It took me over three months to completely resolve all the errors made by PBGC. The requested correct 1099-R was issued and finally received along with an apology on February 12, 1998

Then on May 5, 1999 the IRS sent my mother a notice that she had underreported \$474,944 on her 1997 return. The letter asked for an explanation as to why she had not reported this income.

Imagine the emotional impact of such unresponsive and seemingly incompetent corporate behavior on a senior citizen living alone!

For your information, I have kept a log of all my phone contacts and written communications with PBGC along with dates and names. The number of times I had to place phone calls to that enterprise is staggering. Further, medical notes taken by the attending physicians and the hospital psychiatrist as well as the hospital's emergency room personnel all clearly document PBGC as being the sole culprit responsible for triggering my mother's emotional breakdown and subsequent loss of independence. In my recent conversation with her psychaitrist he still observes that the problem with PBGC was the cause of my mother's mental breakdown and subsequent hospitalization.

Indeed, this has been difficult for me. No one wants to see his or her parent violated and treated cruelly. My mother raised me as a single parent while she worked at the Wieboldt department store in Chicago. She worked long hours and in difficult conditions at that department store for forty-six years. She was a dedicated worker and made only a meager salary that was minimum wage. Today, she receives an

obscene minimal pension of \$191.87 per month.

\$191.87 after working for forty-six years!

The rage I feel toward PBGC for what it did to my mother's mental health is certainly justified. It is my wish that your committee conduct a thorough investigation into PBGC's operations and that my mother be recognized for her loss and the pain she has been put through by this company's actions. A thank you came from PBGC only after I had to chide them into acting like humans. In my view, my mother should have been financially rewarded for her honesty in returning the \$473,129.55.