

## RALPH NADER RADIO HOUR EP 268 TRANSCRIPT

**Steve Skrovan:** Welcome to the Ralph Nader Radio Hour. My name is Steve Skrovan, along with my co-host David Feldman. Hello David, how are you doing today?

**David Feldman:** I'm very excited.

**Steve Skrovan:** We also have the man of the hour, Ralph Nader. Hello Ralph?

**Ralph Nader:** Hello.

**Steve Skrovan:** We have another jam-packed show today. Up first on the program we have two guests, Dr. Rania Milleron who is a microbiologist and a public health advocate, and Dr. Nicholas Sakellariou, who is a professor who lectures on engineering ethics. They have combined to produce a book entitled Ethics, Politics and Whistleblowing in Engineering. I'm gonna tell you why that's so important in a minute, which is just the first half of the show by the way. In the second half of the show we're gonna welcome back Karen Friedman of the Pension Rights Center. The Pension Rights Center is a non-profit consumer organization committed to protecting and promoting the retirement security of American workers, retirees and their families. Just this week a government report came out with dire predictions about the solvency of Social Security. And I hope Ms. Friedman will fill us in on what all that really means. She'll also give us an update on something we talked about when she last visited, the corporate attempts to cut benefits for defined-benefit pension plans. These are real pocketbook election issues that I would imagine would be important for Democrats to bring up as they try to attract older voters. As always, we will also take some time out to check in with our Corporate Crime Reporter, Russell Mokhiber. And if we have time at the end, we'll try to squeeze in some listener questions. First, I want to set the table here for our discussion about ethics and engineering. Why is this important? As most of our listeners know Ralph came to prominence in the mid 60's with his book Unsafe at Any Speed, which revolutionized how the country and the world dealt with auto safety. That whole campaign was in essence an example of ethics and engineering. Auto engineers for years knew about design flaws that made cars unsafe. They knew about features that could have been applied to make those cars safer, like seatbelts, air bags, padded dashboards, and hey, maybe we don't design the steering wheel with a sharp point in the middle that can stab you in a crash, stuff like that. But because executives were worried that safety didn't sell, and in general, didn't want to be regulated, these design flaws and safety features were kept under wraps, buried. As a result, tens of thousands of people died every year on our streets and highways--deaths that could have been prevented. Ralph not only went into the archives and found that these safety features existed, but he also talked to engineers in Detroit. These whistleblowers would meet with him in unmarked cars and as they either circled the airport or circled the plant, tell him what was really going on. Soon after Unsafe at Any Speed was published, legislation was passed that mandated that seatbelts and other features become standard equipment. Tens of thousands of lives were saved and continue to be saved because whistleblowers in engineering came forward. In short, this was a

public health crisis that had an engineering fix--an epidemic that was cured by an engineering vaccine! These ethics and engineering issues have come to the forefront once again upon the two recent crashes of the Boeing Max 8. It extends to issues involving platforms like Facebook and information it collected that was used by Cambridge Analytica. And for those of you who remember the Space Shuttle Challenger, the same thing. And in the not too distant past, the flooding that resulted from Hurricane Katrina. It's important for engineers to not only be able to design and build things, but do so within an ethical framework--to come forward and blow the whistle when they see that that ethical code is being violated. So, we're gonna dive into all of that with Drs. Milleron and Sakellariou. We're structuring this program a little differently today. Dave and I will be taking the lead in conducting the interview with Ralph offering a postmortem commentary. But first, David is gonna introduce our guests.

**David Feldman:** Dr. Rania Milleron is a microbiologist at the Texas Department of State Health Services in Austin. She's both a biomedical scientist and a public health professional who always brings a multidisciplinary perspective to her work. She's not an engineer, but because of her outsider perspective, she was able to unify in a book, voices that champion good works in engineering. That book is entitled Ethics, Politics and Whistleblowing in Engineering. Also joining us is her co-author Dr. Nicholas Sakellariou. Dr. Sakellariou is a lecturer at California Polytechnic State University College of Engineering where he teaches engineering ethics and professional responsibilities classes. In addition to the book we are discussing today, he is also the author of a book about renewable energy systems, which we will also link to on our website. Welcome both of you to the Ralph Nader Radio Hour.

**Rania Milleron:** Wonderful to be here.

**Nicholas Sakellariou:** Thank you so very much. It's a great honor. Thank you for having us.

**Steve Skrovan:** Rania, let's start with you. In a nutshell, what is Ethics, Politics and Whistleblowing about?

**Rania Milleron:** Okay, so let's use an example from the health care profession where there's an ethic that says, "first, do no harm". But what we found in the engineering profession, there's more of an ethos that says, "let's design it now and well, if it doesn't turn out like we thought, we'll just ask for forgiveness later." What the book is really about is how to bring that "first do no harm" ethic into the world of engineering and to teach engineers how to solve problems through examples in our book with an ethical framework. So, what happened to me is working on this book put a real fire in my belly about the urgent need for ethical concerns incorporated early into the very fiber of engineers. In a nutshell, that's what I would say the book is about.

**Steve Skrovan:** Nicholas what would you add to that?

**Nicholas Sakellariou:** Absolutely, two things that I would like to add to Rania's wonderful point. I think the first thing that comes to mind is that engineering codes of ethics are somewhat

over paradox. The reason for that is because even though some engineers are indeed members of professional organizations, those codes of ethics do not apply to non-members of organizations. Even if someone is a member, there's no law that binds all engineers, like in the medical profession, to abide by their codes of ethics. Rania mentioned that yes, engineers have this "design it first and ask for forgiveness later" sort of ethos which is very different from the "above all, do not harm" that medical practitioners have. It's interesting that Google, until very recently, had the clause, "do not be evil" in their company's code of conduct. Still, engineers at Google are, according to reports from whistleblowers and former Googlers, working on a pretty ethically controversial project called Project Dragonfly that was basically the Chinese version of Google search engine. According to whistleblowers and veterans at Google, this project would be putting at risk Chinese citizens at the risk of innovation or detention if they're actually found to have used Google to seek out information banned by the government. So, it seems to me that yes, this ethic "above all, do not harm" is very important, but also, we have to find ways to both structurally and legally enforce this ethic. Because like I said, the codes of ethics exist, but there's no law that binds engineers to abide by these codes of ethics.

**Rania Milleron:** One other thing that I think is important in this conversation is really what we're talking about is strengthening laws, but we're also really fundamentally talking about changing the culture of engineering. Certainly, while keeping corporate fraud and abuse in check is critical to changing the culture of engineering, it's only one component of a multi-vectorial solution that will produce change. I think we have to think even beyond laws and codes of ethics and think about how we can change the culture by including different perspectives in engineering, by changing engineering education. These topics, for example, bringing the humanities into engineering are discussed in our book, *Ethics, Politics and Whistleblowing in Engineering*. Ultimately, it's about changing the whole culture of engineering. That's not gonna happen overnight, but it will happen, and the more educated the engineers become about all of these different dimensions, ethical dimensions and other, the more likely we are to produce change.

**Steve Skrovan:** Nicholas, you teach courses in this--Ethics in Engineering; how do the engineers respond? Because engineers are very, you know, by reputation, very concrete-thinking individuals and philosophical questions may not necessarily be in their bailiwick, how do they respond to your classes?

**Nicholas Sakellariou:** You know, their response has been amazing. It seems to me that what's really, really important here, is from the very beginning of the class, to address this question of relevancy meaning that the engineer, the technical practitioner, the individual that is schooled to see the world through the lens of math, physics, you know, the laws of nature, they have to realize that what they do really affects the world--the kind of value-laden decisions that they make as engineers while designing platforms, while designing airplanes, while designing infrastructure. And the way I do it is through many, many case studies. I also bring them statistics. I have stories from venture capitalists. I have whistleblowing, ethical engineering testimonies. I bring guest lecturers. It really has to be something, a constant reminder through

case studies, through concrete, I mean you mentioned concrete, so I have to use concrete examples to illustrate that what they do really, really involves taking a stance. They could really take a stance. I mean they design code, they design projects, but they actually design society. They design culture, also they design technical systems.

**Steve Skrovan:** Yes, doesn't this also require companies to have systems in place where whistleblowing can take place, or where problems can be addressed despite the pressure from the executives to push forward?

**Nicholas Sakellariou:** Right.

**Rania Milleron:** That's part of changing the engineering culture, I believe--to have engineers working in an environment where they are able to blow the whistle. These engineers who have blown the whistle, I would say they're really saints of the engineering world who have carried out this action. We can talk about, I think it's really important to bring up who these people, some of these people were and what their names were and what they did, because these are harrowing stories, and it shouldn't be that way. They shouldn't have had to be in an environment, in the corporate or government, or other workplace where you have to, as Ralph Nader says, have to have "courage to express candor."

**Steve Skrovan:** Right, well let's name some names. Tell us some of these stories.

**Rania Milleron:** Yeah, I want to start with some of the whistleblowers that we talk about in our book. One of the things that I found in engineering is we know a lot about what engineers design, like civil engineers, the bridges, the buildings, the products; the electrical, mechanical engineers design the airplanes, all of that, but we don't know many of their names. That's why I wanted to talk starting in the early part of the 20th century. Let's talk about Peter Paltchinky who Nicholas wrote about in our book. He was a mining engineer in the early part of the 20th century who spoke out about safety concerns, and felt that these concerns were paramount. He felt that engineering was not simply a technical field and that the humanities had a big place within the technical world to create Russian engineers that are more competitive. He felt they needed to have an understanding about the humanities area, not simply the technical area. He was outspoken, and he was a whistleblower, if you will. They didn't use that term back then for someone like him, but for miner safety. In 1928 when Stalin took power, Peter Paltchinky was executed for what he did.

Let's talk about then, later on in the 20th century William Stieglitz who was an aeronautical engineer. He really championed the need for standards to improve safety in aviation. He was so well sought after that in the 1960's, the national traffic safety agency, he was sought out to write the standards for that agency. He was the person who was responsible for bringing this idea of crashworthiness to vehicles. Nobody really championed that idea. If you can believe it, it was controversial to talk about developing safe automobiles. What happened was he wrote

these standards that would really move the automobile industry forward, and ultimately, they took him off the project two weeks before the standards were going to be published and he ended up resigning because the new standards had nothing to do with what he had developed over time, well thought out. He, maybe inadvertently, was a whistleblower, but the press helped a lot in the situation. The New York Times reported on the fact that he resigned, and they brought a lot of attention to this issue and showed that there's got to be something going on in the National Traffic Safety Agency, to make this leader resign at this stage. He stood up for safety for the rest of his career, but paid a lot in terms of economically paid for what he did and what he stood for. There's also so many nuclear engineer whistleblowers. Nuclear engineering is an area where a mistake can impact the entire human race and all biological diversity. Any error is--the scope of an error is huge. So back in the '70s, for example, there were three engineers who worked for GE [General Electric] who resigned because they were warning about the fundamental safety problems that that industry was not paying attention to, and neither was the Nuclear Regulatory Commission paying attention to these issues that had to do with safety. They resigned and then their resignation made another statement about the lack of attention to these fundamental safety issues in their area. They were one of the few engineers who went about, sort of unscathed. They definitely sacrificed, but they went on and created their own consulting agency after that and they consulted for a movie, The China Syndrome, and they helped the Union for Concerned Scientists. But there were others who were not as lucky.

There was Jim Pope who was a mechanical engineer who went to work for the FAA [Federal Aviation Administration]. He wanted to keep the FAA true to its mission of making flying as safe as possible. He was convinced that that was not happening with regard to their collision-avoidance system development at the time. He did take a lot of personal risk to point out the problems in this area, and there was a lot of retaliation against him. There were personal effects on his health.

There was another whistleblower who, it's fascinating, the case of the Challenger, and that is Roger Boisjoly, a really amazing story. It's talked about in our book, Ethics, Politics, and Whistleblowing in Engineering. But if you want to look online at videos of Roger Boisjoly talking about ethics in engineering and others. Roger Boisjoly was a booster rocket engineer who worked for a contractor, a NASA [National Aeronautics and Space Administration] contractor called Morton Thiokol. He was on the team who developed these O-rings which were sealing these joints that were part of the rocket booster. This was a very important component of the success of the project. He knew that at temperatures of 53 degrees, these O-rings would not fail, they would be successful. But given that the Challenger was to be launched in Florida on an incredibly cold day, 22 degrees sub-freezing, there was a big question about whether this would fail or not. It did fail. There was loss of seven astronaut's life, there was two billion dollars' worth of damage. But the worst part was that there was cover up. They tried to cover up what happened. What they did to him was they isolated him and they caused severe health problems. He had post-traumatic stress disorder [PTSD]. He had to leave Morton Thiokol. If you look at the risks that some of these people have taken, because they truly want to make this

world better, it's inspirational. They truly want people to be able to learn from mistakes of the past.

**Steve Skrovan:** These are great stories, but I don't see a lot of engineers going, "Yeah, I want to do that!" What needs to happen with whistleblowing laws? I know Ralph was instrumental in the first ones, to either strengthen them, or make the engineers aware of them--that will make this less of an, "I'm gonna give up my life for this?"

**Nicholas Sakellariou:** I was thinking as I was hearing Rania's wonderful stories about the whistleblowers that we talked about in the book, and I'm thinking that - and this is something that Rania and I have been talking about over the years - the book that we wrote is honestly tapping into an ongoing ethical engineering momentum that is, I think, sort of unfolding in both the engineering and the non-engineering worlds. You mentioned in the introduction about Ralph's seminal work with *Unsafe at Any Speed*. I so happened to have read the other day an article about why Silicon Valley's growth at any cost is kind of the new *Unsafe at Any Speed*. I've been witnessing and hearing stories in the corporate-engineering world about a huge, literally huge upsurge in activism within the college community. We've seen walkouts at Google. We've seen people labor organizing at Amazon. We're seeing tech workers trying to make the rest of us, or their colleagues to see that there is indeed a connection between what they do, and social issues. For example, another whistleblower that comes to mind with regards to the modern technology, digital technology--his name is Ashkan Soltani. He worked in the Silicon Valley for many years. He recently gave a testimony before a US Senate subcommittee where he said that no other single company has done more to erode consumer privacy than Facebook. It's the same engineer who speaks about privacy laws as the new *Unsafe at Any Speed*.

**Steve Skrovan:** For the digital world, yes.

**Nicholas Sakellariou:** Exactly, exactly. There was a recent New York Times piece that showed how engineers are actually questioning the why, which goes hand in hand with whistleblowing. Tech workers now want to know, what are we building this for?

**Steve Skrovan:** I was gonna say, Nicholas and Rania, this suggests that the culture is changing, at least for a new generation that's working in Silicon Valley.

**Nicholas Sakellariou:** Absolutely.

**Rania Milleron:** Yeah, so I just wanted to interject the whole notion of public-interest engineering. So, public-interest engineering is now something that people are talking about. I would say until the contemporary time, I hadn't heard that term used, and it's really bringing together different universities--MIT, Stanford, Berkeley--to offer to students this curriculum in public-interest engineering. Definitely an example of how the culture is changing and how

minds are opening. I think that the climate is ripe for our book, Ethics, Politics, and Whistleblowing in Engineering.

**Nicholas Sakellariou:** Absolutely. We will give young engineers more background to solidify and legitimize the fact that they are, these days, no thanks to recruiters for example, citing ethical concerns. I had an interesting discussion in my class the other day, and one student brought the example of a female engineer who said publicly on Twitter that she will not be considering a job at Google now or in the future unless the company seriously rethinks the way it does business by putting human rights before profit. Young, budding computer experts particularly can now, for the first time in history of engineering, we say, no thanks because they can afford it. They can say no to Google because another company will hire them anyway. That is immediately setting a very important ethical background, and it also adds to the ethical engineering momentum that I was talking about earlier.

**Rania Milleron:** I want to say that our book provides a resource to these young engineers who want to say “No thank you.” Because it has all of the major codes of ethics. It has examples of people who came before them who stood up. It has ways of navigating the world of whistleblowing, a very rare event, really for an engineer. But if you needed to blow the whistle, it talks about that. I think that that’s sort of the place for this book, is to give a backbone to those engineers, to support them, who want to stand up and make things better.

**Nicholas Sakellariou:** Right, absolutely.

**Steve Skrovan:** Well, there you have it. For all you engineers out there, the book is called Ethics, Politics and Whistleblowing in Engineering. Where can they get the book?

**Rania Milleron:** On Amazon.

**Steve Skrovan:** (Laughing) All right. I’m not sure Ralph will be happy about that. Is there any other way they can get the book?

**David Feldman:** (Laughing) Apple? Apple books?

**Rania Milleron:** Or though TRC Press; they could get it from the press, from a books store, they’ll order it for you.

**Steve Skrovan:** Very good, very good. It seems like things are moving in the right direction in your mind?

**Nicholas Sakellariou:** It seems to me.

**Rania Milleron:** In certain regards. But in other regards, we haven’t made much progress. For example, women that can add a different perspective to this moving the whole ethics over

profits in the right direction are not represented in the engineering field when you have 14% of working engineers as women; I think you're missing a whole perspective. That's definitely an area that we need to work on, but that's part of changing the culture, not just by encouraging women/girls to go into STEM Fields. We've tried that for decades. What we need to do now is work on changing the culture so that women can be integrated as women into the field of engineering.

**David Feldman:** Are we seeing examples of tech companies refusing Pentagon contracts?

**Nicholas Sakellariou:** Yes. Google had a project, a drone project that they were considering. Google engineers publicly voiced ethical concerns over that project because they cited ethical concerns.

**David Feldman:** That sounds like a good sign.

**Nicholas Sakellariou:** One thing I would like to add to Rania's point about yes, we are indeed moving to the right direction, but we still have a lot of work to do. I think besides the very important issues of diversity, inclusivity--changing the culture that Rania talks about in the book, we should also think about more solid, transparent laws that will hold corporate hours accountable. I was listening the other day, there's very interesting talk by the British investigative journalist that revealed the Cambridge Analytica scandal. She makes a very convincing case about how Facebook really affected Brexit. She is tracking the results of Brexit in kind of the fears of misleading Facebook ads that targeted vulnerable Brexit voters. She also links the same players and the same tactics, the same procedures to the 2016 presidential election in the United States. It's, for me, really, really shocking that Mark Zuckerberg has been called to testify in the European Union. He said no repeatedly. He is/Facebook is literally beyond British law, which doesn't make any sense. Carole Cadwalladr, the journalist, makes a case that whatever is done on Facebook stays on Facebook, which is a threat to democracy, basically, because we do not really know, we cannot know those companies still suggest black boxes that are beyond laws. And we cannot hold them accountable, which is I think, a terrifying thought.

**Steve Skrovan:** Yeah.

**David Feldman:** In San Francisco, they weren't allowing self-driving cars, but Uber went ahead and tested them anyway. Do we have other examples of corporations doing things without permission, and asking for forgiveness later?

**Nicholas Sakellariou:** Right, so Uber and Facebook come to mind. Uber is infamous for having used the tool that they call Greyball that basically relied on data collected from the Uber App that riders would use, also other techniques to both identify, and eventually circumvent officials who are trying to come down on that particular service. That is, it's blatantly unethical.

Another example that comes to mind has to do with the usage of so-called big data, data that users provide to platforms like Facebook. Back in 2014, a lot of Facebook users got really angry when they realized that the company, the engineers that manipulate what the user would see when they logged into the platform as a way to “see or monitor how that would alter their moods.” This is the so-called Facebook mood experiment that the engineers at Facebook were able to sort of explain as “research”, but the ethical outrage entailed that again so-called experiment indicates that those practices are clearly against what you and I would consider ethical.

**Steve Skrovan:** Well I want to thank both of you for joining us today. The book is Ethics, Politics and Whistleblowing in Engineering. The authors are Drs. Rania Milleron and Nicholas Sakellariou. We will link to that at [ralphnaderradiohour.com](http://ralphnaderradiohour.com). Thank you both for joining us.

**Rania Milleron:** Thank you.

**Nicholas Sakellariou:** Thank you very much. Thank you for having us.

**Steve Skrovan:** So, Ralph, let’s bring you into the discussion here. You wrote the Foreword for Ethics, Politics and Whistleblowing in Engineering; what do you think about all of this?

**Ralph Nader:** This is a book that affects everybody in the world. I mean when you have engineers working on a whole range of technologies that affect people’s health, safety and economic well-being, and we don’t have to give many examples. You’re talking about technologies that pollute. You’re talking about chemical plants. You’re talking about auto manufacturers. You’re talking about nanotechnology. You’re talking about military weapon systems. We’re about to focus more and more on their whistleblower rights. There’s an article very recently in the New York Times called “Used to Work for Google. I am a Conscientious Objector” by Jack Poulson. His point is that more and more workers for the tech companies, not being unionized so they can’t be protected, speaking now about the union are banding together and putting it to management and say they don’t want to work on software that’s used by dictators to oppress their people. They don’t want to work on Pentagon weapon systems. The laws, which are better than they were when there were no whistleblowing laws, need to be strengthened. Now you can be a whistleblower in the US government and blow whistle on corporate fraud on the taxpayer and if the Justice Department joins the suit and settles or wins a case, you can get a share of the money. That’s worked to save tens of billions of dollars from when the law was passed in 1986 by a Republican in the Senate and a Democrat in the House taking the leadership. It’s called the False Claims Act. In the Water Pollution Law, you can report if you’re working for a company, you can report violations of water-pollution standards, and be protected. But there needs to be an overall whistleblower protection statute so people who are engineers, scientists, others, can take their conscience to work. Otherwise, what you’re seeing here is the beginning of the end of the very concept of a profession. Because a profession, whether it’s doctor, lawyer, architect, engineer, has three characteristics. One, it is supposed to be independent. Two, it has a learned tradition, in research, publication. Three, a

duty to public service. That's the difference between a profession and a trade. And why do they have those characteristics? Because they're given privileges. They're given quasi-monopolies. I mean you can't play architect or play lawyer, or play engineer without a license. That's why this book is so important, Ethics, Politics and Whistleblowing in Engineering in that it shows case studies of what people have done and saved lives as a result because they took their conscience to work. They blew the whistle, or they quit and reported hazardous conditions or products to the proper authorities. I don't think a lot of engineering students know about this. They don't study much about this because the curriculum is deemed to be too full, and there's not much time. But they're all gonna have these qualms of conscience. I mean, how would you like to be an engineer in Boeing and have the management in Boeing say, you move with the 737 Max; you put those heavy engines on a 737 fuselage. You say, but boss, this is gonna change the center of gravity; it's gonna change the aerodynamics; it's gonna make the plane prone to stall; people can be killed as they were in Indonesia and Ethiopia. And the boss says, "You want your job?" So, what's your recourse? Well your recourse should be whistleblower protection rights if Boeing is not gonna allow you to form a union. It's a very important book; don't think it's just a book for technical people. It's a book for everybody who has a conscience, and who believes that morality has to infuse the daily work of engineers.

**Steve Skrovan:** Thanks for that Ralph. We have been speaking with Drs. Rania Milleron and Nicholas Sakellariou. When we come back, we will welcome back Karen Friedman, Policy Director for the Pension Rights Center. She'll talk about the future of Social Security and your pension; don't go away.

**Russell Mokhiber:** From the National Press Building in Washington, DC, this is your Corporate Crime Reporter "Morning Minute" for Friday, April 26, 2019. I'm Russell Mokhiber. In 1979, Nature magazine, invited Sheldon Krimsky to debate Nobel Laureate David Baltimore, then a professor of Biology at MIT on the collaborations between industry and biology. Krimsky argued that academic institutions and academic scientists need to be free from corporate influence. Just as war-related research compromised a generation of scientists, we must anticipate a demise in scientific integrity when corporate funds have an undue influence over scientific research, Krimsky argued. Baltimore said there was nothing wrong with universities serving as the source of technical expertise for newly developing industries, or even for mature industries. Fast forward 40 years, Sheldon Krimsky is at Tufts University and has just authored a book titled Conflicts of Interest In Science: How Corporate-Funded Academic Research Can Threaten Public Health. For the Corporate Crime Reporter, I'm Russell Mokhiber.

**Steve Skrovan:** Thank you Russell. This week, a scary government report came out that stated that the cost of Social Security will exceed its income in 2020. I looked at my calendar, and according to my calculations, it turns out that's next year. The program's reserve fund is expected to be depleted in 16 years, which means smaller payments to retirees. To tell us what's up with all of that and other things retirement related is our next guest.

**David Feldman:** Karen Friedman is the Executive Vice President and Policy Director of the Pension Rights Center. She develops solutions and implements strategies to protect and promote the rights of consumers. For more than 20 years, has represented their interests in the media, and before congressional committees. Ms. Friedman is also responsible for the Center's day-to-day operations. Welcome back to the Ralph Nader Radio Hour, Karen Friedman.

**Karen Friedman:** Yeah, hi. It's great to be here.

**Ralph Nader:** Welcome Karen. One of the reasons we invited you is because the pension issue not only affects tens of millions of people as we speak, but it involves trillions of dollars, which are often invested in the New York Stock Exchange corporations, and could make quite a bit of influence if they exercise the voting power of these pension funds. But before we get into that, we've been hearing another round of warnings about Social Security. Could you lay out simply what the projection is for Social Security in the context of one simple question, elderly people saying, am I gonna get my Social Security as I have been getting it? And younger people saying, am I ever gonna get Social Security?

**Karen Friedman:** Yeah, well Ralph, let me just say this, yes people are gonna get their Social Security. Social Security is the most successful social insurance program in this country. It's the foundation of income that one out of five older Americans rely on completely in retirement, and it's what's kept millions and millions of older Americans out of poverty. After reading some of the reports, the articles that have come out, I actually talked to Nancy Altman who is one of the Social Security experts in the country. She's the president of Social Security Works. She happens to be our chairman of the board. She said, and this is just what I really want to get out to your listeners today; the trustees' report has been misinterpreted. It's, as always, this is the spin that ideologues who've wanted to destroy the program for the last three, four decades, have been putting out. Oh, Social Security is going broke; oh, young people won't be able to... Let me tell you something, it will be around. According to the report, Social Security has an accumulated surplus of 2.9 trillion dollars. It shows that at the end of the century in 2095, the program will cost only 6.7% of the GDP, which is lower than what's now spent in Germany, France, and other industrialized countries on their social security programs. But most importantly, instead of looking at the negative let's look at the positive. The positive is Social Security is a hundred percent funded for the next 16 years, 93% funded for the next 25 years, 87% funded over the next 50 years. Ralph, if any corporation in America could say, we could pay your salaries and your pensions for the next 16 years, and almost all of them for their 20, there would be champagne popping; not this pan ringing. The truth is that Social Security is in good shape. All we need to do is make some tweaks in the program to make sure that it's on a sound basis for the next 50 years, and there's lots of ways of doing that. There's legislation in Congress. Congressman Larson in the House has a bill that would put Social Security on sound actuarial funding for the next 50 to 75 years, and also expand it, and it's likely to be passed. And there's other bills in Congress. I just want to say this before we get on to pensions, which are the real problem in this country, I would say that Social Security is the

success story. The problem is the private-pension system on top of Social Security, which isn't doing its job, but that Social Security is going to be there, and we just need to make sure that everybody comes together to support the program. Polls show that everybody is in support.

**Ralph Nader:** One of the reasons Bernie Sanders goes around the country saying that Social Security should be expanded is that there's an easy way to fund this. Because if you're making a million dollars in income, you only pay Social Security taxes on how much?

**Karen Friedman:** Like a hundred and thirty-two thousand.

**Ralph Nader:** So, the argument is, yeah, the argument is it's another inequity where the rich get off. The argument is, just raise it higher, raise it to 300,000, 400,000. That will provide an expansion of benefits. I like the way that some of the presidential candidates in the democratic circle, not to mention the Green Party, are asking for an expansion on benefits. How would that work--expansion to monthly check or other collateral benefits?

**Karen Friedman:** I think that there's lots of different ways of doing it, Ralph. I think that what they're talking about is raising benefits over time. I don't know that it's only the minimum benefits, but there's lots of different proposals for how it would be done. The Pension Rights Center spends more time on the pension, on the promise and the pension system, so we haven't been studying all the proposals on Social Security, but we do know that expanding Social Security so that it's more adequate, is the way to go. Honestly, Ralph, if we could have an expanded Social Security program that paid adequate benefits, then that could replace the private pension system in this country.

**Steve Skrovan:** If I may interject, before we get off the topic of Social Security, and this is a question to both of you--what is the motive of people who are denigrating it and trying to disparage the prospects of Social Security and also the need to destroy it? Who are these people and what do they get out of that?

**Karen Friedman:** Let me go first and then Ralph you can jump on whatever I say, but there's been ideologues that are just against government programs. Some have suggested that in passing this huge tax bill that one of the reasons for doing so was that the ideologues wanted to create this huge deficit, which would then give them the fodder to say, "look, we have to pay for this, and we need to cut Social Security and Medicare and Medicaid." Some people are doing it simply because they ideologically do not support government programs, and believe that the money would be better invested in the private market. You remember the whole debate on privatization; they think, let's privatize the system. What I also want to say, which I didn't say before, is that Social Security is not just a program that provides retirees with benefits, it's a social-insurance program that provides benefits to people who are disabled, and to kids who

have lost a parent, the working parent, ensuring that family.. it's really a family protection plan and there's no way that any private account could ever replace this program.

**Ralph Nader:** The other motive is Wall Street, that the Wall Streeters, they're looking on these trillions of dollars and saying "Wouldn't that be wonderful if they are invested in the stock market?" And they come up with all kinds of hoked up figures, that the stock market return is higher than the Social Security return. Of course, they don't pay attention to the collapse of the stock market and the psychological dread. Social Security is named Social Security, not Social "Insecurity". If you got your money in the stock market, you're looking at it every day--up, down, different stocks--that impairs, shall we say, a certain quality of life. So, there's a stock-market incentive to try to get large portions of the Social Security Trust Fund invested in stocks and that increases, of course, the fees of the brokers and in the whole complex up there that was drooling under the Bush brothers, George Herbert Walker Bush and George W. Bush. But fortunately, it's one of things the Democrats did do and they did beat it back.

**Steve Skrovan:** Yeah, I could imagine if it was the 2008 crash, if they had succeeded in that, yeah.

**Ralph Nader:** Imagine, yeah.

**Karen Friedman:** From what I understand, that almost every poll shows that the real majority in this country completely support Social Security, are against privatization. I mean I think that goes with both Republicans and Democrats. People recognize that this is one of the most important programs. Just look at our own parents, our grandparents; I mean if they didn't have Social Security, they'd be out in the streets. So, this is, from our perspective, you can't have a pension system/you can't have a retirement system without Social Security as the foundation.

**Ralph Nader:** Of course, if you want to see what it's like to put pension money in the stock market, just look at what the stock market collapse, and the Wall Street crooks did to private pensions in 2008 and 2009. Let's talk about the situation in private pensions, just illuminate this. We're talking to Karen Friedman of the Pension Rights Center. Illuminate this in terms of what is happening to the monthly check, the defined-benefit plans that were the norm, and now the vast expansion and dominance of the 401K and what's the take of the Pension Rights Center here? There is a crisis here in the pension world for sure.

**Karen Friedman:** Yeah, well let me do the whole big picture for you. Only about 50% of the private workforce has pensions or retirement savings to supplement Social Security. Companies, and we've seen this over the last ten to 20 years, but it's happening at a quicker basis now, companies are dropping good old-fashioned, defined-benefit plans, and those are the guaranteed lifetime pensions and then the pension plans of yore that provide guaranteed income for life to millions of people. Let me just say this, that there still are millions of people in these plans, so that something like 1/3 are in pension plans. There's still a lot of public pension plans that provide good, old-fashioned, lifetime benefits. But everything is under attack right

now, so we have to do what we can to preserve those plans and preserve those benefits. But as you know Ralph, as companies have dropped their defined-benefit plans for 401K plans, which was a lower-cost option for companies, it's a boon for financial institutions that have made so much money off of fees, off of these 401K plans. The 401K plans have been kind of a failed experiment. Half of all workers have about \$59,000 accumulated in their accounts, and those who were closest to retirement age, there's about \$103,000. But a study by the National Institute of Retirement Security shows that the average working household has virtually no retirement savings other than Social Security. If you look at all households, not just those with retirement accounts, the median account, half of all people have balances of about \$2500 for all working-age households. So, what we're dealing with is a huge retirement-income crisis in this country. What we need to do is we need to, from the Pension Rights Center perspective, we have sort of two big policy goals. The first is to protect the people that are in plans to make sure that they get those benefits and the second is we need to start looking at creating a new, secure, pension system that's universal, secure and adequate for the whole country on top of Social Security, taking into account that if people have good plans, those

plans should be maintained, but we need a better system. And we'd like to see the whole issue of retirement security, not just Social Security, but the issue of adequacy and security and pension, become a big part of the presidential campaign, because we think that this is a huge issue. As more and more people are in low-paid jobs, or jobs where they're now in the gig economy, you know, pension security, even 401K's are becoming less secure. We need to rethink retirement in a big way.

**Ralph Nader:** Here's something that a lot of people don't know, that the corporations control these pension plans even in corporations that have labor unions. They control these pension plans and they've looted them. You remember that Wall Street Journal reporter, [Ellen Schultz] she wrote a great book on the pension heist [Retirement Heist: How Companies Plunder and Profit]. How do they loot it? By the way, the bosses have their own preferred pension plans, like there's a double standard. They have really gold-plated pension plans that are accorded to the few, at the top of these large corporations.

**Karen Friedman:** Well in the olden days when they were surplus assets, there were companies way back when, we're talking about the 1980's, then we were able to help change the law so this wouldn't happen anywhere. But there were actually companies way back when that actually were able to kind of take advantage of a loophole in the law to use those surplus assets. They were often corporate raiders who used the pension money in the old days to try to take over companies. Then in the 1990's we were able to stop that practice, but then lots of companies were able to sort of show their pension income on the bottom line. When things were good, it was a way of sort of inflating their profits. And, you know, there's all kinds of schemes that companies do to try to take advantage of their pension assets in these ways. We're always sort of playing catch-up. We've been able to stop a lot of those abuses. One big issue I do want to talk about though, and it's not necessarily corporations who are doing this, but it's a real huge scandal right now. So, the private pension law ERISA [Employee Retirement

Income Security Act] basically protects retirees above all else. They say that if companies want to change their benefits for the future, that's fine, but you can't cut back the already earned benefits of retirees. Back in 2014, Congress and their great wisdom, passed a law called the Multi-Employer Pension Reform Act of 2014. This law allowed, for the very first time, for trustees of these multi-employer plans--and those are plans that are negotiated by a union with more than one employer, to cut retirees' benefits as a way of balancing the books of these pension plans. And, what happened was, much because of what you were talking about before, the big market meltdown in 2008, you see all these multi-employer plans that now are over the next 10 to 20 years, running out of money. Congress passed this law to allow plans, way before they were gonna go down, to cut the benefits of workers and retirees. That has been one of our huge issues is stopping this practice. We have seen just recently under the new administration, there's been more and more applications for benefit cuts to be approved. We've seen thousands of retirees get their benefits cut by as much as 70%. This is an outrageous precedent. We're trying to change this. Congressman Neal just introduced a bill called The Butch Lewis Act that would come up with a way of stopping this practice.

**Ralph Nader:** We've been talking with Karen Friedman of the Pension Rights Center that's been around in Washington. It's has helped a lot of workers, and their personal pension-plan grievances, as well as the big policy questions and the big proposals to have a uniform retirement system in the United States. David and Steve, any comments or questions before we conclude?

**Steve Skrovan:** Well I asked my question about Social Security. David, you've got anything?

**David Feldman:** I'm just thinking about Hank Paulsen who just did an interview and said that people need to be educated about their pensions, otherwise they're gonna be taken advantage of. He was the Secretary of Treasury under George W. Bush when the economy collapsed.

**Ralph Nader:** Before that chairman of Goldman Sachs.

**David Feldman:** Yes, and he said, "People need to be educated." It's the responsibility of the consumer to be educated so they don't get taken advantage of.

**Ralph Nader:** What does that mean Karen?

**Karen Friedman:** That's an interesting question. I mean I would argue that yes, consumers need to know their rights. The question, I think he's probably talking about, although I'm not positive, he may be talking about just understanding what your rights are under plans. It could also mean in 401K plans. As you know, in 401K plans, one of the big problems with 401K plans is you kind of have to have money to put in. So maybe he's just talking about that you need to know what the plan says, and then you have to contribute to your 401K plan; you have to invest the money. We have to see if the employer is gonna be putting an amount for you. You have to ensure that you're able to somehow make that money last. Where I would say, I don't know

what he's talking about but I would certainly say if you're going to financial advisers, you have to make sure that that financial adviser has your best interest in mind--that they're a fiduciary and checking on fees. I mean a lot of financial institutions pay this whopping fees, so you have to know how much money you're paying in fees when you have IRS or 401K plans, and you need to make sure that you know that the plan you have is keeping the fees as low as it can be. I don't exactly know what he's talking about.

**Ralph Nader:** Well I know the outrage that I felt was, well, if you're the Secretary of the Treasury, shouldn't you be the one protecting us?

**Karen Friedman:** Yeah, well that is the thing. I mean I actually think it should be, yes, the truth is that we've moved from, and this is Ralph's first point, we've moved from a system of defined-benefit plans, or these pension plans where the money was put in for you. It was invested by the plan, pooled and professionally invested and you have lifetime income. We moved in the 401K world to a do-it-yourself system where suddenly individuals had to manage their own retirement. Individuals, even people that are PhD economists have not done a great job managing their 401Ks. It's just not what people can do. So, yeah, there's a lot of obstacles in terms of companies who offer 401Ks, and then you have to decide again, as I was saying before, you have to decide how much money to put in, where to invest the money, whether the employer is putting in money, how to make that money last for your lifetime. If you're in an IRA [Individual Retirement Account] or something like that, I mean a lot of people don't have 401Ks, don't have pension plans. Some people are saying, oh yeah, you should invest the money yourself. I mean how can people do this? We're living in a time, it's the Uber economy, it's the Lyft economy. People are trying to just put food on their table; how are they supposed to be able to also save for retirement?

**Ralph Nader:** Yeah, you know if Henry Paulsen was candid, he would have said David, it's a shark tank of investor firms, educate yourself; yeah, in a shark tank.

**Karen Friedman:** Right, exactly. That shouldn't be what we have. We shouldn't be putting people into shark tanks. We should have a system that works--that's universal, adequate--where employers and employees can put in money, where the money is pooled and professionally invested, where you know you're gonna end up with money that's adequate, that you can live on for the rest of your life. That's what we're pushing toward, is a new system that makes sense for everybody. Social Security does do all that, right? We want to preserve Social Security; we want to strengthen Social Security, but we want a retirement system that's rational and makes sense for individuals.

**Ralph Nader:** Karen, tell people how they contact the Pension Rights Center before we conclude.

**Karen Friedman:** Okay, so if you want to reach the Pension Rights Center, and I do want to say that we also help people with their pension problems. So, if people have issues around

their pensions, please give us a call and we can help you with that and also, talk about legislative issues and public policy. You can call us at 202-296-3776. Our website is [www.pensionrights.org](http://www.pensionrights.org).

**Ralph Nader:** Repeat that phone number once again slowly.

**Karen Friedman:** 202-296-3776.

**Ralph Nader:** Thank you very much Karen Friedman.

**Karen Friedman:** Okay, thank you very much. Talk to you soon.

**Steve Skrovan:** We have been speaking with Karen Friedman of the Pension Rights Center. We will link to that at [ralphnaderradioour.com](http://ralphnaderradioour.com). I want to thank our guests again, Doctors Rania Milleron and Nicholas Sakellariou as well as Karen Friedman. For those of you listening on the radio, that's our show. For you podcast listeners, stay tuned for some bonus material we call the Wrap Up. A transcript of the show will appear on the Ralph Nader Radio Hour website soon after the episode is posted.

**David Feldman:** For Ralph Nader's weekly column, it's free, go to [nader.org](http://nader.org). For more from Russell Mokhiber, go to [corporatecrimereporter.com](http://corporatecrimereporter.com).

**Steve Skrovan:** Ralph has got two new books out, the fable, How the Rats Re-Formed the Congress. To acquire a cope of that go to [ratsreformcongress.org](http://ratsreformcongress.org) and To the Ramparts: How Bush and Obama Paved the Way for the Trump Presidency and Why It Isn't Too Late to Reverse Course. We will link to that also.

**David Feldman:** The producers of the Ralph Nader Radio Hour are Jimmy Lee Wirt and Matthew Marran. Our Executive Producer is Alan Minsky.

**Steve Skrovan:** Our theme music "Stand up, Rise Up" was written and performed by Kemp Harris. Our proofreader is Elisabeth Solomon.

**David Feldman:** Join us next week on the Ralph Nader Radio Hour. Thank you, Ralph.

**Ralph Nader:** Thank you everybody. Listeners should get ready for the emerging constitutional crisis between Trump and the Trumpsters and the US Congress, and the federal courts. It's coming big. Trump wants to crush the rule of law, and crush his constitutional accountability. We'll have more on that in future programs.