

RALPH NADER RADIO HOUR EP 405 TRANSCRIPT

Tom Morello: I'm Tom Morello and you're listening to the *Ralph Nader Radio Hour*.

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

David Feldman: Hello, Steve. When you say episode 405, does that mean we've done 405 episodes?

Steve Skrovan: We have done 405 episodes. That is correct. And we've got # 406 next week, which we're very excited about because it's gonna be our first live Zoom [Video Communications, Inc.] recording where we'll have a live Zoom studio audience in essence. So sign up for that at ralphnaderradiohour.com. And we also have the man of the hour – he'll be there – Ralph Nader. Hello, Ralph.

Ralph Nader: Hello, everybody. I just wrote a column that reflected some of the frustrations of our listeners that they hear week after week exposes and nothing seems to happen. And so, I wrote an unusual column. You can go see it at nader.org and it basically lists 65 expose books on almost every industry from Wall Street and the coal industry to the military defense industry, and compared it to 1960s. And these books are terrific.

It's like the golden age of muckraking books and they've produced very little change as our democracy decays perilously, while three books in the 1960s, Michael Harrington's book on poverty in America called *The Other America*, Rachel Carson's *Silent Spring*, and my book, *Unsafe at Any Speed*, really put forces in motion – public education, major TV outlets, talk shows like *Phil Donahue*, congressional hearings, legislation, prosecutions. So, we have an opportunity with Peter Robison on his book on Boeing to ask that tough question. Where does it go from here? Because the documentation of criminal negligence is overwhelming.

Steve Skrovan: Well, that's a very good segue, Ralph, to this show because last week we saw what happens when drug companies get to write their own rules with government regulators. The FDA [Food and Drug Administration] let Purdue Pharma literally write their own drug approval for OxyContin and things are fine. Of course not. The opioid epidemic devastated countless lives and rages on to this day and the corporate criminals right off into the sunset with a slap on the wrist and billions of dollars in blood money.

Well, today we're gonna look at another corporate nightmare that's shaping up to be a carbon copy of that narrative – Boeing and the FAA [Federal Aviation Administration]. Our guest will be Peter Robison. In his new book, *Flying Blind[: The 737 MAX Tragedy and the Fall of Boeing]*, he chronicles the rise and decay of Boeing and the development of their death trap, 737 Max. We've covered Boeing's malpractice and the resulting tragedies in Indonesia and Ethiopia often on this show.

On today's program, we'll talk to Mr. Robison about his book, what went wrong at Boeing, and how they ended up in charge of their own safety compliance. If we have time, Ralph answer some of your listener questions. As always, somewhere in the middle, we'll check in with our relentless corporate crime reporter, Russell Mokhiber. But first, why aren't government overseers doing more to keep a dangerously flawed plane out of the sky, David?

David Feldman: Peter Robison is an investigative journalist for Bloomberg and *Bloomberg Businessweek* and the author of *Flying Blind: The 737 MAX Tragedy and the Fall of Boeing*. Welcome to the *Ralph Nader Radio Hour*, Peter Robison.

Peter Robison: Thanks very much for having me.

Ralph Nader: Yes. Welcome, Peter. This book is in a way a history of Boeing's commercial aircraft business. You wanted to put the 737 Max disaster in broader context as to what led to it. And the first question is, has Boeing responded at all to this book? You're in Seattle. I think you did Seattle Town Hall. You have the *Seattle Times* that has done good work exposing Boeing 737 Max disaster. Has Boeing replied in any way?

Peter Robison: I've had no official comment from Boeing and I had no official comment from any of the questions I submitted. I had a single official comment and it was defending Boeing. It made one statement defending its accounting practices on a different plane, the [Boeing] 787.

Ralph Nader: But not directly to your book.

Peter Robison: No, no.

Ralph Nader: This is typical practice, listeners. They feel so secure that they don't have to respond at all. This is a heavily documented book, heavily footnoted. Peter has been covering Boeing for many years and no response. It shows you the security of very powerful corporations. How about the FAA? Any response from the FAA?

Peter Robison: None. Either before or after.

Ralph Nader: Another example. Government agencies have now adopted the practice over the last few decades of just no comment. Justice Department has no comment when non-enforcement of its statutory duties is called in question reliably and accurately. The FAA is notorious for no comment. And of course, in Peter's book, he shows how close the FEA is to Boeing in terms of delegating the certification of its parts and its planes to Boeing representatives on the factory floor. How about Congress? Did anybody in Congress, any House Transportation [Committee], Senate Transportation Committee?

Peter Robison: The House Transportation and Infrastructure Committee has been active on this issue. They published a report, which I relied on heavily in the book. And they've since issued more requests to the FAA for further information about what it's doing to monitor Boeing.

Ralph Nader: So you think the book helped prod that? They didn't actually react to the book directly?

Peter Robison: I think that committee in particular has been very active and they may have felt that the book was another opportunity to look again.

Ralph Nader: Okay. Just to give you an idea of the decay. When Wesley Smith and I produced this book in 1993 called *Collision Course: The Truth about Airline Safety*, Peter DeFazio gave a terrific blurb saying this book should require you to call every member of Congress and he gave the numbers of the switchboard and Congress. You see the difference? No. Tell us how Boeing turned from a proud engineering corporation into a financial institution, which led to all kinds of cost-cutting, outsourcing, degradation of their engineering staff and a high focus on stock buybacks, the stock price bonuses – as if they were just a financial company. Trace it back. Because, listeners, this is extremely important to see how corporations are deteriorated by placing commercial interests over the quality of its own product.

Peter Robison: That's a great question. And I wrote a book about it. It's got parts and subparts but one thing that that surprised me in researching the book was a moment that I covered, which was in 1985, on Boeing's 747 crash. And you know, the company had really created the jet age with its innovative products, but it wasn't flawless. It made mistakes. And this 747 crash and it was a terrible accident and 520 people died. The Japanese authorities were settling in for what they expected would be a long investigation, tough negotiations, to determine the cause. But within a month, Boeing issued a statement and had said, "It was our fault. We had done a bad repair job in our own factory and it's our fault."

That's '85. Now moving forward, I started covering Boeing in the late 1990s and that was a period when the idea of shareholder capitalism was really ascendant. You had the Business Roundtable, the lobbyists for the biggest US companies, put out a statement saying that in terms of the corporate governance, the shareholders are the primary responsibility of any company. And as long as the shareholders are taken care of, employees, customers, communities would also be taken care of.

So, that was a surprising sentiment to many of the engineers that I talked to at Boeing because in the late 90s, a CEO named Phil Condit took charge of the company and he really idolized and feared in some ways Jack Welch, who was the CEO of General Electric [GE], which was considered the prime example, the model of what an American CEO of a publicly traded company should be. And from that point, Phil Condit pursued basically a copycat strategy of GE; Boeing moved its headquarters to Chicago with the idea being that it would be just like GE, which had its headquarters in Fairfield [IL]. It could run these vast businesses by playing off communities [and] playing off workers in different parts of the country.

And the prime thing it started doing was to start buying back its own stock, which seems like an arcane thing, but it diverts a huge portion of the company's cash directly to shareholders. When in the 80s Professor William Lazonick at UMass [University of Massachusetts] traced this. In the 80s companies were only diverting about 4% of their profits to shareholders through buybacks. And more recently, it's been about half. And that's exactly... but Boeing actually took it farther.

In the period they were developing the Max, they were sending 80% of their free cash to shareholders.

Ralph Nader: Let's elaborate that. It's a very important point for our listeners. When companies like Boeing spend over 50% of their profits on stock buybacks, they're disinvesting in engineering, research, and development in their own company, because the stock buybacks have a different ratio to help the price of the stock although it dissipates after a while and doesn't have the touted benefits that corporate executives claim for it.

But after the Lion [Aircraft] crash in Indonesia, Peter, as you know, [Dennis] Muilenburg, the CEO, went to the board of directors and got approval for \$20 billion stock buyback, which was suspended after the Ethiopian crash in March of 2019. And that money was enough to have built a new plane in 2011 instead of just providing another version of the ancient 737 with its outsized engines in a plane called the 737 Max.

So, listeners, when you hear about all these stock buybacks, that's just not something that the SEC [Securities and Exchange Commission] may be interested in or permitting. It's not something that some financial people on Wall Street... It's burning money. It's not creating jobs. It's not expanding pensions. It's not developing research and development. I've had people in the know about corporate management say whenever they hear about a stock buyback, they say the management isn't competent because they don't have any more productive or compassionate uses for the money. Like Apple [Inc.] just announced earlier this year a \$90 billion stock buyback and the toxic results of its spent computers that have to be dismantled by poor people in third [world] countries. That doesn't get any investment in terms of recycling safety. So, that's a very important part of what you wrote about.

One thing about this book, listeners, it's very personal. He talks about CEOs and rising engineers and advisors and lawyers like [Albert] Ludwig, CEOs like [Harry] Stonecipher and Muilenburg in very personal terms. And I admire the range here [chuckle] and I want to give you an idea of the range. When Boeing moved to Chicago, they said it was an efficiency move. And on page 47, Peter describes the offices in Chicago “19th century rugs, an antique French barometer topped with a curved Eagle, a glass scepter, an English Regency gilt mirror among the objects of art dotting its leather and wood executive suites. The white column hallway and wooden floors inlaid with oak and mahogany and the office of chairman evoked the colonial gentleman's estate.”

The move from Seattle of its headquarters shocked a lot of Boeing employees. But as you point out, it foreshadowed a move of some productive facilities to low-wage labor, not very skilled in South Carolina. Tell us the significance of this whole strategy by Boeing. What's it driving for in the coming years in terms of where it's gonna produce and how it's gonna break the union.

Peter Robison: Right. Those are all fascinating points just to the idea of buybacks relating directly to the product lines. Dennis Muilenburg's predecessor as CEO directly addressed this point in 2013, when he laid out this plan that it had to return a larger portion of cash to shareholders. And he said that Boeing had the flexibility to do that because it had the best products, which was a recognition that he was taking money from products. But to his mind, it

didn't need to invest in them. And we saw what happened with the Max. And I should add in that I'm very sorry for your loss of [your niece] Samya [Stumo]. I know in researching the book what a special person she was as were all of the victims.

So, what I found [was] that over time, Boeing moved from a company that was an association of engineers to a company that was ultimately financially oriented; that was the same orientation that that GE had. And part of that strategy involved moving to lower cost labor sources. And so, Boeing moved a huge – at first about half the production of the 787 and eventually all of the production of the 787 to South Carolina. It has since had multiple problems with costs. It's taken billions of dollars in charges. It's had manufacturing defects that arose in part because of problems with the South Carolina workforce, but also because of problems with the vastly outsourced engineering and manufacturing on that plane. And it directly relates to this decision to change the way Boeing had always done it.

I was fascinated to learn that on the 747, in the 60s, Boeing faced almost exactly the same choice. There were executives who were pushing for Boeing to build this new factory for the plane in Walnut Creek, California because they thought that would help it be in a larger state, maybe win more military contracts in the long run. But Joe Stutter, who was the chief of engineering on that plane, said no, that he thought it would add costs and it would add complexity, and you needed to have people closely located for a product as complicated as a commercial airplane with hundreds of thousands of parts.

Ralph Nader: Well, one of the examples you give in your book is that when they moved to South Carolina, I guess for its [Boeing 787] Dreamliner production, they sent one of their top quality control inspectors there, actually who got a prize for moral courage by my sister's Callaway Award [for Civic Courage] a couple years ago. He found terrible conditions. I mean, all kinds of implements left inside parts of the plane after it was completed and he didn't blame the workers. The workers just were not adequately trained and supervised. And in your book, you say they were being paid \$14 an hour. And the same workers in Seattle who lost their jobs were being paid \$28 an hour. That's the main incentive?

Peter Robison: It's a large incentive but also for control of the workforce that the unions in the Seattle area had developed a power base of their own. And the company, they said in their own documents, which were later revealed in an NLRB [National Labor Relations Board] case, the company felt that it would reset the relationship if they had another workforce in South Carolina, which also happened to be a lower paid workforce, to leverage against the union workforce in Seattle.

Ralph Nader: Another point you make is quite compelling. We're talking with Peter Robison, author of *Flying Blind: The 737 MAX Tragedy and the Fall of Boeing*, is the outsourcing. Now, outsourcing has run amok. The US government outsources hundreds of billions of dollars of governmental functions. We read about obviously outsourcing of the military to contractors in Iraq, Afghanistan and elsewhere. I mean, they're doing almost everything but piloting the helicopter gunships. And corporations – large ones – have begun doing this under the argument that it's gonna save money. And so I wanna read, with your indulgence, Peter, on page 85, a report that a Boeing person produced in February 2001. His name was John Hart-Smith and he

called the paper “Our Out-sourced Profits – The Cornerstone of Successful Subcontracting”. And he laid out his own experience at Douglas Aircraft, how parceling the construction of the [McDonnell Douglas] DC-10 had impoverished the company while enriching its suppliers.

And here's the quote from your book. “The basic point was that outsourcing is never simple. Design specifications actually had to be more precise because any omissions would lead to costly disputes involving lawyers. Making sure the work got done right led to additional overhead costs that no one had counted on. Finally, all those extra costs had the perverse effect of making the company doing the outsourcing look less efficient than the ones it awarded business to--a vicious cycle that only encouraged more of the same destructive behavior.” Isn't it true that Boeing's giant planes have outsourcing contracts to literally hundreds of companies around the world?

Peter Robison: They do. And the number of them has accelerated in recent decades.

Ralph Nader: And the recent problem [that] the FAA uncovered, the lamination problem with the Boeing 787, traced to an Italian company that provided less than an adequate subcontracting performance. And now we have Boeing in trouble with this because this could lead in a couple years or three years and a plane is up on the air to rather serious safety problems. What did Boeing say to you when you raised these outsourcing issues in your reporting career? Not just in this book.

Peter Robison: They have, for the most part, said that it's necessary, that in some cases it may help win business. You know, an airline in another country may want some portion of the work in exchange for that. Boeing has acknowledged some problems with it too. In the early 2000s, Boeing took a plant in Wichita that makes the fuselage for the 737 and sold it. And so, that's now owned by another company and these precise issues that I described in that section you read cropped up. The supplier ended up taking more of the profits; there was more overhead involved in dealing with them. And Boeing finally did admit that it made a mistake in selling off that plant.

Ralph Nader: Is there something to suspicion that their contracts outsourcing to Japan and China have something to do with a quid pro quo, trying to get Japan and China to buy its finished plane in competition with Airbus?

Peter Robison: Yeah, I think that's something that happens both on the military and the civil side of the business. You know, Japan is a large supplier to Boeing and it's also been a large buyer of Boeing airplanes.

Ralph Nader: Now, just to go back to how they treat conscientious engineers and quality control inspectors, the gentleman I mentioned who was sent by Boeing to oversee quality control in the South Carolina new plant, where the workers were being paid \$14 an hour, his name is John M. Barnett. And he was the quality control manager for Boeing for 25 years in its Seattle facility. And in 2011, he was transferred to the Boeing new plant in South Carolina, right outside Charleston, to build the 787 Dreamliner. And he revealed shotty production. And that was reported on page 1 of the *New York Times* in April 2019.

Then he retired under pressure and assumed the challenge to inform the flying public. He went public. And he filed the formal whistleblowing complaint to OSHA [Occupational Safety and Health Administration], which is still pending. Describe the climate for these engineers in Boeing. They used to have great stature, great respect. Boeing was founded by an engineer. Describe the situation now – the morale, the stature, the extent to which they have access to top management, the board of directors, or lack of access.

Peter Robison: Repeatedly, there are cases where engineers either feel that they can't raise issues, that that would be negative for their careers, or when they do have the courage to raise an issue, it's shot down. There was a case where one young engineer named Curtis Ewbank asked repeatedly for a more sophisticated type of flight control on the Max. And ultimately, after the third time, he was told no. And one of his managers told him that people will have to die before Boeing will change things.

It's been a company that's had employees running scared because it's had layoffs even in years when its profits and revenue were relatively good. It had layoffs and forced buyouts through the engineering staff. So, I talked to many engineers who said they were told to lay low. In terms of whistleblowers, there's a case that I described in the book where an employee at a military plant in Texas points out to his bosses that Boeing has been overcharging for years and he had the time sheets and the documentation to prove it. And he was greeted with hostile questions from a Boeing lawyer and ultimately fired though he later joined a whistleblower suit and Boeing did pay a fine in that case. So, that's the climate.

Ralph Nader: And the union is getting weaker?

Peter Robison : As with all unions around the country. The moves that Boeing has done both in engineering and in manufacturing to other states has dramatically weakened the leverage of the unions.

Ralph Nader: Well, let's question your subtitle. You say “The 737 MAX Tragedy and the Fall of Boeing”. You don't really believe that Boeing is falling. They're too big to fail with NASA [National Aeronautics and Space Administration] contracts, defense contracts, huge tax breaks, quasi-monopoly with Airbus on big passenger aircraft. What did you mean the fall of Boeing? Was it just a trip? And now they're recovering with big subsidies and indirect subsidies to the airline customers after the pandemic started. How do you define the fall of Boeing?

Peter Robison: That's a really good question. Initially, the working title was “The Lost Soul of An American Icon”, which was meant to represent its lost engineering soul. The fall represents the fall in its reputation, the fall and public confidence, all those issues. But as you point out, it is a duopoly. Customers are returning to the Max. They don't have any other choices. The Airbus assembly lines are sold out. And in multiple ways, both private investors and the government have found ways to support Boeing.

Ralph Nader: Well, one thing about this book, listeners, is it actually puts you in the cockpit of the Indonesian and Ethiopian planes. I don't know where you got so many of your sources. Really quite impressive, Peter. But for those listeners who are asking, Well, what was wrong

with the 737 Max other than its aerodynamic instability issue and the race to counteract the competition from the Airbus 320neo? Tell us in as simple language as you can what was this software that took control of the plane from the pilot. And did the pilots know anything about it?

Peter Robison: That was the key problem. The pilots were not told about it. MCAS [Maneuvering Characteristics Augmentation System] was a piece of software that was designed to move the horizontal stabilizer at the back of the plane if the plane was pitching up and what were thought to be a rare situation that might have been caused by these bigger engines that you mentioned. The issue was that Boeing wanted to have the newest version of the 737 as exactly alike to the previous version as it could. And definitely what it wanted was to not have pilots need to have simulator training to fly this new plane. Because if they did, that would be costly for the airlines. They had promised Southwest [Airlines], for instance, \$1 million a plane if it did have to do simulator training.

So, Boeing feared that if it told pilots about this piece of software, that would jeopardize its need to minimize training. So, Boeing didn't tell pilots this software existed. It didn't put a button in the cockpit that would've said "this new software is moving the tail of the plane". It just trusted pilots to react. And that was the fundamental failure. And the other failure was that this piece of software was tied to a single sensor, the AoA [Angle of Attack] sensor, which in cases where it transmitted faulty data would activate the software and the software would repeatedly fire based on this faulty data, which was what happened in both crashes.

Ralph Nader: And the Airbus had three sensors, correct?

Peter Robison: Correct. The Airbus plane was developed in the 1980s. The Boeing 737 dates to the 60s.

Ralph Nader: And describe the horror in the cockpit. I mean, you had these pilots who were wondering what is going on here. The nose of the plane is being pushed down by some mysterious software. They were trying to look through the manuals. The software was not described in the manuals. They weren't trained with the MCAS. The FAA was hardly informed about the gravity of the software and so they didn't take any action. Put yourself in the pilots' position as you did in the book.

Peter Robison : Well, from the pilots' position, they're sitting next to each other and it's shortly after takeoff. This is almost routinely a smooth, unchanging part of the flight. Instead, what happens is they immediately get indicators showing faulty air speed, faulty altitude, hydraulic pressure problem. And so, they're looking at multiple problems and they don't know which it is. Boeing thought in its design assumptions that the pilots would also notice another thing, which is a wheel sitting between the two of them that moves when the stabilizer is moving. However, that wheel can also move in cases where the automatic trim is keeping the plane in tune with the airflow. So, in those cases, the pilots did not immediately recognize that the trim wheel is the thing they should have been focusing on.

And the many engineers and pilots I talked to said that the basic problem is really the flight deck. One longtime flight deck engineer described the flight deck as a clutch. It's a mix of philosophies

over the four generations of the 737. So, you have some modern software elements. You have mechanical elements--cables and pulleys tying the stabilizer wheel to the tail at the back of the plane. So, what resulted was confusion. And I think it stems from the confusion of Boeing's design philosophy.

Ralph Nader: Well, the Indonesian plane was over the Java Sea. The Ethiopian plane was 32 miles outside of Addis Ababa Airport. They both crashed at 500 miles per hour or more. 346 people died, all the passengers and the crew. In the cockpit, in those terrifying six and a half minutes for the Ethiopian and [it] was a little longer for the Indonesian pilots, they were overpowered physically, weren't they? They were trying to overpower the stealth software that kept pushing the nose down. And how many times did the Indonesian pilot try to do that before he was overpowered by the stealth software?

Peter Robison: The Indonesian pilot used a switch on the wheel 21 times to push the nose back up. And then ultimately, the co-pilot took over. The chief pilot was trying to troubleshoot. And finally, they lost control of the plane and it crashed into the sea.

Ralph Nader: Well, there are well over 250 of the 737 Maxes up now flying daily around the world. There have been at least 11 incidents filed by pilots regarding flight control problems. What do you know about that?

Peter Robison: And it continues to be a plane that does not have the modern safety elements that other planes do. The Airbus competitor, as you mentioned, has three sensors on the AoA. It was designed from the start as a fly-by-wire electronic aircraft, so it has more integrated technology. I liken it to a car that lacks some of the modern blind spot technology. It may be safe, but a newer model would perhaps be safer.

Ralph Nader: And do you think that the FAA is getting tougher finally?

Peter Robison: The FAA was told to get tougher by Congress in the bipartisan Aviation Reform Bill [Aircraft Certification Reform and Accountability Act] that passed last year and the FAA was told to retake the authority in appointing the deputies at Boeing who oversee the certification of aircraft designs on behalf of the government. I know that some engineers at the FAA are skeptical that that message has gotten through to their managers over the last two decades, that the managers have been rewarded – according to people I talked to – for handing over more work, because that makes the FAA cheaper to run and that's been a goal of Congress. So, there was at least one FAA engineer who said that he's heard his managers referring to televised hearings, say, “Don't worry about what you're hearing.” This is going back a couple years, but you know, “Don't worry about that. This is posing for the cameras. Nothing will change.”

Ralph Nader: Well, in the last few months, the FAA has sent two tough letters, accusing Boeing of harassing their own appointed deputy inspectors in the factories who raise questions. They're being pressured--speed up the assembly line; we got to get these planes out. The second letter criticized Boeing for hiring less than technically qualified people to do the inspection as deputies under the arrangement between the FAA and Boeing. And the third is this lamination problem I mentioned earlier. So, it looks like the FAA is a little concerned about internal whistleblowing

expanding. Some of the people in the FAA are getting bolder. They have a few better people in the FAA with the new [Joe] Biden administration although the administrator is still a [Donald] Trump holdover, Steve Dickson from Delta [Air Lines]. Do you see anything on the horizon to reassure air travelers that the pace of automation taking the controls increasingly away from pilots is going to be addressed?

Peter Robison: I think the FAA... as you mentioned, there are people within the FAA who are trying to take a tougher line, that perhaps the reason that Boeing 777X, the next new airplane, has been pushed at least two years past its initial deadlines is that the FAA is asking tough questions that it hadn't been asking before; the Aviation Reform Bill is also supposed to require that any new design looks carefully at human factors because the human factors were clearly not considered on the Max. So, we'll have to make sure that the human factors are truly getting a complete review, and also that they're funded. There was some additional funding provided to hire additional experts at the FAA. But many people I talked to said it's not nearly enough to reverse the decline in funding over the last few decades.

Ralph Nader: Well, people, including reporters you know, are coming to the conclusion that Boeing is getting away with everything. The criminal complaint was settled for \$2.5 billion by the Justice Department. They in effect cleared the top management [and] focused on two technical pilots. One of them, they're prosecuting is Mark Forkner whose lawyer is being paid by Boeing, even though Forkner is no longer working for Boeing. The shareholder suits have been settled. Boeing buys its way out. They spent \$225 million to get out of a serious shareholder suit in Delaware. And they're about to do the same in a suit in Texas. All that remains now is the civil tort litigation by the families. And they're moving to buy their way out of that with a so-called stipulation that is gonna minimize the number of cases that are ever gonna see trial in the District Court in Chicago.

Am I correct in saying that that's sort of the way you ended your book? Your last paragraph is "After seeing the Justice Department's settlement of 'the 737 Max Fraud Conspiracy,'" as the press release put it, a pilot who worked with Forkner and [Patrik] Gustavsson," those are the two Boeing technical pilots, "suggested a different headline." A different headline than the 737 Max Fraud Conspiracy, I interject. And your last sentence is "It would say that Boeing got away with murder." You wanna elaborate that?

Peter Robison: Yeah, I mean, that reflects the infuriation that many people I talked to felt--people who worked at Boeing, the family members, pilots at airlines--felt that the managers at Boeing were the ones who had heaped on the pressure; they had reaped the rewards. Dennis Muilenburg left with a \$60 million golden parachute and they were not being held to account. Dennis Muilenburg had to suffer through what I'm sure was a difficult day or two days of testimony, but he has started his own SPAC (special purpose acquisition company) and he is investing in electric tractor companies. And meanwhile, this relatively low ranking pilot is the sole person taking the heat. And as you say and as I reported in the book, he's being paid by Boeing. So, he's essentially the appointed fall guy. So, it is infuriating. And it gets back to the impunity that you raised at the beginning of the show.

Ralph Nader: Well, there's really a massive matrix of immunity. In Japan, if this happened, the board of directors and the executives would've met the press, bowed, and resigned. What happened in Boeing? Well, Muilenburg, as you say, was asked to resign, but he was given \$66 million to go back to Iowa. The new CEO, [Dave] Calhoun, was under board of directors and he knew what was going on. Or if he didn't, he was culpable. The board of directors has changed a little bit, but until recently didn't have anybody with aerospace engineering expertise. It had the former governor of South Carolina that gave a big tax break to Boeing, Nikki Haley and the daughter of President John F Kennedy, former ambassador of Japan, Calhoun was on. But the board of directors really hasn't been replaced and the new CEO is Calhoun! So, that's part of getting away with it. It seems like every decade, Peter, these giant corporations get away in new ways, easier ways, more comprehensive ways. They are indeed in many ways above the law like Donald Trump. And I've read a lot of exposés of corporations and good reporters who are the authors just throw their hands up at the end on the last page. They just end with, "You know, here's a story," and readers might have greater demands and ask, "What do we do for corporate reform here? What do we do about corporate crime, fraud, immunity, impunity, corporate welfare, too big to fail, too big to prosecute? Where is Congress here? Where is the Justice Department?"

So, I think if you're gonna continue your investigation of this, you might focus on the parameters of immunity, including the tort system. I always thought that's the one place they can't get away because trial by jury, court of law, press there, no secrecy. Well, they've managed to game that as well – Boeing and a lot of other companies like the Purdue Pharma and Sackler. No criminal prosecutions at the top. And it reveals, I think, a great frontier for reporters such as yourself to pursue. Obviously, you have to deal with inaction. Inaction isn't usually considered news. If the FAA over the years didn't act, it wasn't that newsworthy, even though it was lethal. What are your thoughts on that overall?

Peter Robison: Yeah. You raised a lot of interesting points. One thing that was pointed out to me about the Justice Department's deferred prosecution of Boeing was that the statement – explicitly made an exculpatory statement. There was an exculpatory statement about Boeing senior management in the deferred agreement, which surprised at least one source I talked to, who used to work with the DOJ [Department of Justice], and said that the Justice Department in the last days of the Trump administration had essentially granted Boeing a thing of value, that that was something that would help it in the litigation with shareholders you mentioned, and it closed off further avenues of investigation.

Ralph Nader: That's a very important point. Usually these things end with protective orders, gag orders. In other words, they put secrecy on the documents and the grand jury proceedings, et-cetera, and the civil litigation. They call it a protective order where the plaintiff lawyers and defense lawyers agree when they settle for a dollar figure, that all the depositions and all the documents are secret forever; press can't get ahold of it. It's not a pretty picture. Even Senator Richard Blumenthal, who is probably the most articulate senator trying to do something about corporate crime, did not introduce the bill he introduced under the Trump administration to require criminal penalties for all these regulatory agencies.

People are surprised that the FAA doesn't have a criminal penalty. If there's woeful violation by the aircraft manufacturer of the airlines and people die, no criminal penalty! The auto safety agency, GM [General Motors] and others carved out, no criminal penalty. Well, as more than a few retired corporate executives have told me, Peter, without a criminal penalty, these guys don't pay attention. The only thing they fear is jail. And they're far from ever going to jail.

We've been talking with Peter Robison, author of *Flying Blind: The 737 MAX Tragedy and the Fall of Boeing*, published by Doubleday. [It has] all kinds of wonderful praise on the back by other investigative reporters; it's very personal, very institutional. The whole range is covered in this book, historical, contemporary, the various personages, their personality quirks, their temperaments, their rage, their competence. Before we close, Peter, I want to have Steve and David pitch in here with whatever questions or comments. David?

David Feldman: Thank you, Peter. If the Justice Department broke up Boeing into three separate corporations, one division would be defense, space, and security. The other division would be commercial airlines and the third division would be Boeing capital. Which one of those three would have the biggest revenues? Would Boeing capital be the growth business? You know, Boeing lending out money the same way General Electric became more of a bank and GM became more of a bank. Are we finding that Boeing is getting more of its profits from lending money than making things?

Peter Robison: Well, the idea is that run well, they all benefit each other – that the military side provides stable revenues and government contracts; the commercial side requires deeper investments, longer term investments, but can be greater reward, and then the capital side, as you say, becoming a bank. The thing I would fear if Boeing were broken up would be that the military side would get, you know, that would be sort of like the clean co and it would get the stable revenues and commercial side would be saddled with the debts and the pension obligations.

David Feldman: The fact that they get defense space and security contracts from the government, is that what makes them so lazy on the commercial airline side?

Peter Robison: They're just different businesses. The military and space side is more predictable, can be, and they can have a cost plus contract, where you get paid even if there's an overrun. And one issue that people pointed out to me was that Dennis Muilenburg spent a lot of his career in that military and space side and wasn't exposed as much to the commercial side and didn't have the same management skills when things went wrong there.

Ralph Nader: Well, that's putting it mildly. In your book, you say he was in charge of the contract with the [U S] Army to elaborate new military motor vehicles and their weaponry. And Secretary of Defense Robert Gates was so disgusted with Boeing's performance under Muilenburg's supervision that he shut down the whole program. And it was a \$20 billion loss to the taxpayer. Isn't that right?

Peter Robison: Yeah. Dennis Muilenburg 's career is sort of – I traced it in the background through the book and one interpretation is that he failed up. He also ran an air traffic control unit that Boeing ended up closing before he ran that Army contract.

Ralph Nader: And for all this, he gets promoted to CEO when the 737 Max has crashed under his watch. That's not a healthy sign for rewarding performance like Muilenburg.

Steve Skrovan: Peter, you write that in 2018, there were 40 total accidents, some nonfatal, with airplanes, and that 18 of them involved the 737. Knowing what you know, would you fly on a 737 Max or otherwise?

Peter Robison: I have not been. And that's just based on my own analysis of it. And in 2020, there was one fatal crash in every 3.7 million flights. And the Max, since it returned to service, has flown about 200,000 times. For me, I would like to give it more time.

Steve Skrovan: So, if we're giving practical advice to our listeners, would you advise them to find out what plane you're flying on when you make a reservation? If it's 737, say, "Put me on another plane." Is that what you would do?

Peter Robison: I've talked to engineers at Boeing and the FAA--engineers who are making that choice as well for the time being.

Ralph Nader: I think there are two reasons, Steve. One is to punish Boeing by not giving it its business to fly on a 737 Max. That's one. Keep it alert. If there are a lot of boycotts of it, as we've been sponsoring, and people ask for another flight, they get feedback at Boeing from their airlines. And the second is Boeing doesn't get another free crash. So, it may fly a million, 2 million times, that 737, but if it crashes and kills its passengers and crew due to the same defect that led to the Indonesian/Ethiopian crashes, that's all people need to know. They don't get another free crash. They don't get another get-out-of-jail card. So, it's just a matter of consumers thinking this way and punishing Boeing to the extent that they can by their own rejection of flying on the plane.

Peter Robison: Right.

Ralph Nader: Anyhow, just one last question. You mentioned in your book that the state of Washington gave the biggest ever tax break, \$6 billion plus, to Boeing for staying in Seattle. And then they moved part of the production to South Carolina. Was there a claw back where they had to pay back the state of Washington's tax break?

Peter Robison: No. And the legislature greatly regretted not having gotten that claw back.

Ralph Nader: Well, it's another example. See, they do these tax breaks on the condition that companies will maintain a certain level of jobs in the state and they don't. And the contracts often are not written with the claw back saying, "Hey, you only had half the number of jobs but we want 50% of our tax break returned to the state treasury." Just another example of what corporations that size get away with.

Is there anything else you'd like to say to our listeners, Peter, before we close?

Peter Robison: Well, I really appreciate you having me, and, that's raised lots of new issues in my mind. So, I appreciate that. And I just wanna say that Boeing is – I wrote the book from the point of view of Boeing -- epitomizing what's happened across Corporate America. And you look at Purdue Pharma, you look at the performance of GE during this time period, and it's meant to be a cautionary tale that relates not just to Boeing, but to all of Corporate America.

Ralph Nader: Yeah. You point out how GE under Jack Welch had all these cost cutting, all the tough management, firing people who weren't in the top performance category, making huge money, increasing their stock, terrific dividends. And now, the result, GE has collapsed. It's not even on the New York Stock Exchange Dow [Jones Industrial Average]. It's broken up into three companies. Its stock has collapsed. So, that's the inheritance of Jack Welch and his chosen successor, Jeff Immelt. And I think you point out all of this very well, that these short-term tough guys who slash and burn and fire and outsource are laying the seeds for their own company's demise.

Peter Robison: And Dave Calhoun is running Boeing now. He was a protege of Jack Welch and Welch's former speechwriter called him "the guy most like Jack" in his mind.

Ralph Nader: Yep. Well, it's very good. Thank you very much, Peter. We'll be in touch very soon on these other stories. Listeners might wanna know that CBS in late January will have at least one-hour documentary on the 737 Max and Rory Kennedy is doing a historical documentary including the 737 Max that's coming out next year on Boeing. And I'm sure there are gonna be more books on Boeing, but yours was the first out of the box, an excellent body of reporting, Peter. Thank you very much.

Peter Robison: Thank you.

Steve Skrovan: We have been speaking with Peter Robison. We will link to his work at ralphnaradiohour.com. Let's take a quick break. When we come back, Ralph is gonna answer some of your questions. But first, let's check in with our corporate crime reporter, Russell Mokhiber.

Russell Mokhiber: From the National Press Building in Washington, D.C., this is your *Corporate Crime Reporter* "Morning Minute" for Friday, December 10, 2021; I'm Russell Mokhiber. If you want to spend a few minutes to understand how corporate power works to undermine justice in America, watch the *New York Times* online documentary, *A Secret [Opioid] Memo that Could Have Slowed an Epidemic*.

The memo in question is a more than 100-page prosecution memo written by federal prosecutors in Virginia in 2006. The epidemic was the opioid epidemic that has now killed hundreds of thousands of Americans. The company in the crosshairs of the prosecutors – Purdue Pharma. Had the prosecutors been allowed to move on their memo and bring felony charges against key Purdue Pharma executives and proceeded in a full out prosecution of the company and its high ranking executives, the epidemic could have been limited, saving tens of thousands of American

lives. But high-powered corporate criminal defense attorneys went over the heads of line prosecutors and limited the range and scope of the prosecution. For the *Corporate Crime Reporter*, I'm Russell Mokhiber.

Steve Skrovan: Thank you, Russell. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan and along with David Feldman and Ralph. Let's do some listener questions. David, why don't you do the honors?

David Feldman: This question comes to us from Adrian Enriquez. He writes, "Hello, Ralph. I'm a college graduate and I'm interested in finding employment with public interest groups or organizations in San Diego. Do you have any groups or organizations you recommend? Thank you for all that you have done and continue doing. Adrian."

Ralph Nader: Yes, Adrian. Contact the University of San Diego Law School. And when they answer the phone, say you want to talk to the Children's Advocacy [Institute] center and tell them that I suggested you call and they know what's going on in San Diego in terms of different public interest research groups and civic advocacy groups. So, maybe they'll be able to help you.

Steve Skrovan: So, this next question comes from a Judy Jensvold, and well, she wants to know "How do I report letters sent and responses via the Congress Club?" And I would say you send them to ralphnaderradiohour.com just the same way you sent this question and send that to us, because we're collecting all those. And she reports, Ralph, that she sent corporate crime letters to her two New York senators and has had no reply except for Senator [Kirsten] Gillibrand's standard form reply. What can we do for Judy?

Ralph Nader: Well, Judy, once I see what you sent and Senator Gillibrand's standard form reply, I will call Senator Gillibrand's office and the no-reply Senator Chuck Schumer and see what the story is--why they don't respond to a specific, detailed corporate crime letter about enforcing corporate crime at better levels than is now the case? Thank you. We need more Congress Club members to do what Judy has just done.

Steve Skrovan: Yes. Even if you're not getting feedback, we need to know that so we can document that and know who is and who is not talking. So, send that to ralphnaderradiohour.com on the same comment form that you send your questions.

David Feldman: Drew Pridgen writes, "Thank you for last week's episode regarding the Purdue Pharma settlement. One of the things mentioned during the conversation was the lack of no-cost treatment for those battling addiction. There is such a program in Durham, North Carolina called TROSA [Triangle Residential Options for Substance Abusers]. It is a residential program that provides housing, food, education, counseling, and more. This treatment center is not faith-based and utilizes evidence-based treatment. The nonprofit was established in 1994 by a man who struggled with addiction for years. The majority of staff are in active recovery. While I could go on, I would encourage you and others to visit their website at www.trosainc.org for more information. Please spread the word about this amazing organization. They're accepting new program participants."

Ralph Nader: Well, thank you, Drew. Your statement speaks for itself. All I can do is repeat the website slowly. www.TROSAINC.org, T as in teacher. Thank you very much, Drew.

Steve Skrovan: This next question comes from Everette Barcliff and says, “Good morning, Mr. Ralph Nader. I have listened to you on PRN, which is the Progressive Radio Network, FM for about two years now. I find the show to be very informative and educational. I was wondering whether or not you could recommend a constitutional rights attorney practicing in domestic violence and child abuse. I live in the state of Oregon. I am in desperate need of an attorney. Please help me.”

Ralph Nader: Well, thank you for your inquiry, Everette. All I can recommend is that you contact Jason Kafoury, who is a lawyer in Portland. K-A-F-O-U-R-Y, Jason Kafoury. That firm tries a lot of cases. They challenge a lot of police misbehavior. They're very progressive, and I think they would know whether there's a lawyer who fits your specifications in the Portland area. Just suggest that I asked you to call Jason.

David Feldman: The next question Ralph is from Demnitz. He writes, “Please send the website that Ralph says folks mistreated by Medicare Disadvantage programs should submit their experiences to. Thank you for your essential contributions.”

Ralph Nader: Two people you should send it to. Send it to Eric Lipton, LIPTON, *New York Times* in New York City, I believe. He is going to be looking into this and he is a very well regarded investigative reporter for many years and send it to singlepayeraction.org, [singlepayeraction](http://singlepayeraction.org), one word, [dot]org. Thank you.

Steve Skrovan: Thank you for your questions. That's our show. I want to thank our guest again, Peter Robison. For those of you listening in the radio, we're gonna cut out right now. For you, podcast listeners, stay tuned for some bonus material we call “The Wrap Up”. A transcript of this program will appear on the *Ralph Nader Radio Hour* soon after the episode is posted.

David Feldman: Subscribe to us on our *Ralph Nader Radio Hour* YouTube channel. And for Ralph's weekly column, it's free, go to nader.org. For more from Russell Mokhiber, go to corporatecrimereporter.com.

Steve Skrovan: Do good people want power or do they just wanna talk about it? That will be the theme of next week's program and we want you to be a part of it. Join us next week, Wednesday, December 15th, at 12:30 PM Eastern time for a live recording of the *Ralph Nader Radio Hour*. Our guest will be Richard Panichy, author of the new book, *Power to the People!* And there will be an opportunity to ask him and Ralph your questions about how we can fight for our rights as citizens and consumers against entrenched corporate power. Go to ralphnaderradiohour.com to sign up for our virtual studio audience.

David Feldman: And Ralph wants you to join the Congress Club. Go to the *Ralph Nader Radio Hour* website, and in the top right margin, click on the button labeled Congress Club to get more information. We've also added a button right below that with specific instructions about what to

include in your letters to Congress. Join us next week on the *Ralph Nader Radio Hour*. Thank you, Ralph.

Ralph Nader: Thank you, everybody. And if you choose not to join the active Congress Club, we have a Society of Apathetics for you to join. And all you have to do is repeat the oath of the apathetic, which I will narrate in a forthcoming program. [David and Steve laugh] Thank you all.

Steve Skrovan: Okay. All right. Very good. The oath of the apathetic...

Ralph Nader: You don't know about the oath.?

Steve Skrovan: I couldn't be bothered, Ralph. [all 3 laugh]

Ralph Nader: Anyway, it's on my votenader.org 2008 campaign, which I have kept online for these and other purposes like how to run for president as a progressive. And you'll see the oath and I'll repeat the oath. And it couldn't be funnier if we get far more members who join the Society of Apathetics than the Congress Club.

Steve Skrovan: Okay. All right. Some way we're gonna get people to sign up for something