

Ralph Nader Radio Hour Episode 469 Transcript

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

David Feldman: Hello, Steve.

Steve Skrovan: And we have the man of the hour, Ralph Nader. Hello, Ralph. First of all, happy birthday. That happened a few days ago.

Ralph Nader: Thank you.

Steve Skrovan: And as kind of a birthday present, you had a little dust up with Elon Musk. You called him a corporate welfare king and he called you a liar on Twitter. Tell us about what the fallout from that has been.

Ralph Nader: Well, I've been listening to Elon Musk speak out against government subsidies to corporations over the months and talking about himself as a great capitalist entrepreneur when in reality, he takes all kinds of corporate welfare for his Tesla plants, for example, in Nevada, for his solar plant in Buffalo. Anytime he opens up a plant or starts a company like Starlink, he demands all kinds of subsidies, handouts, giveaways, grants, and especially a tax deferral or tax holidays or tax breaks. In Nevada. It was worth over a billion dollars over 20 years.

So I did a tweet on that, and he reacted the way you described. He challenged me on the facts. So I just issued another tweet pointing out some of these facts and he has not answered. Now Elon Musk spends a lot of time tweeting every day. I called him the grand master of tweet-itis. I don't know how he has time to manage all his companies, but he tweets and he tweets and he likes to have the last word. Well, he didn't answer my second tweet outlining all the corporate welfare he's been receiving for his companies.

Steve Skrovan: Well, I like the way you coined the word “tweet-itis”. Let's put that in the dictionary. Let's lobby for that. Tweet-itis. Now let's get on with the show.

The divide between red and blue states doesn't just play out in the halls of Congress. If we zoom in on any state in the nation, we'll see fierce partisan battles for control over the state Senate, assembly/legislature, governor, and other state offices. So what does the party alignment of our state government mean in practical terms? Does it make any difference in our daily lives, whether we live in a red, blue, or purple state? The short answer is yes.

Our first guest today will be journalist William [Bill] Kleinknecht, author of *States of Neglect: How Red-State Leaders Have Failed Their Citizens and Undermined America*. In his book, Mr. Kleinknecht demonstrates the widening gap between red and blue states in economic growth, poverty, school performance, infant mortality, teen pregnancy, effectiveness of healthcare systems, air and water quality, and life expectancy—just to name a few. He'll join us to discuss how we got into our current partisan hellscape and how we can get out.

That's the first half of the program. Joining us in the second half will be Oliver Hall, the founder of the Center for Competitive Democracy, which works to identify and eliminate barriers to political participation and secure free, open, and competitive elections by fostering active civic engagement in the political process. But we're talking to him today about one of Ralph's favorite American legal institutions and our most accessible form of law: small claims court. Small claims courts were established to allow ordinary people to resolve small disputes without huge costs or complications. But they've largely been taken over by debt collectors and business interests. That hasn't always been the case and it doesn't have to be. Mr. Hall will talk to us about what he calls the large potential of a small claims court.

As always, somewhere in the middle, we'll check in with our corporate crime reporter, Russell Mokhiber. But first, state governors like Ron DeSantis and Greg Abbott spend a lot of time raising money in cultural war issues. Meanwhile, they starve education and healthcare, empower polluters, engage in voter suppression, and neglect their citizens' wellbeing in the interest of cutting taxes for their wealthy donors. David?

David Feldman: William Kleinknecht is a longtime newspaper reporter who covered politics, government, and criminal justice for the *Detroit Free Press*, *New York Daily News* and *Newark Star Ledger*. He is the author of *The Man Who Sold the World: Ronald Reagan and the Betrayal of Main Street America*, and *States of Neglect: How Red-State Leaders Have Failed Their Citizens and Undermined America*. Welcome to the *Ralph Nader Radio Hour*, William Kleinknecht.

William Kleinknecht: Thank you for having me.

Ralph Nader: Welcome indeed. Listeners, this is a book I've been waiting for. In fact, I started a preliminary project to show what the red states are like for ordinary people compared to the blue states. This book is about that very subject. And I think anybody who's part of the Democratic Party (local, state, and national) should get this book immediately. Had they had it earlier, they would've won the elections in a much better way.

And to illustrate what I mean, you have a good summary, Bill, but it doesn't do justice to the whole book. On page 99, I'm going to read what essentially is the basic message, listeners. "Republican elected officials measure success by the number of corporate headquarters sprouting in their newly fashionable cities not on the quality of life enjoyed by ordinary citizens who often live well outside those cities, viewing the media gushing over low taxes and slim budgets in the Sun Belt, ask what price is paid for that fiscal austerity and who pays it? All five of the states often celebrated for their growth—Texas, Florida, Arizona, North Carolina, and Georgia—ranked toward the bottom in their per capita outlays for healthcare, education, infrastructure, job training, environmental protection, and just about any other public program that makes a difference in people's lives. They tend to have lower quality education shoddier healthcare, unchecked pollution, meager unemployment benefits, low medium wages, and a poorly trained workforce. None of this is of concern if you're a banking executive in Charlotte or a tech worker in Phoenix and you live in an exclusive suburb, have good health benefits from your employer, and send your children to private school. But it matters to millions of people who are poor or lower-middle class that is a huge slice of the population."

Actually, I think you're understating how bad the situation is in the so-called red states. Just to give you an example, in Florida and Georgia, they were building nuclear power plants and couldn't get financing from Wall Street because it's a very risky thing, even though the government ensures these plants. So they developed something called construction work in progress and they charged the ratepayers in Florida and Georgia billions of dollars before they even got one kilowatt hour from these nuclear power plants, which were under construction. It was such a boondoggle that the plant construction sites were shut down in Florida. They never built the nuclear plants. In Georgia, they're still sucking up billions of dollars from federal taxpayers in Washington and from construction work in progress.

No Northern state would ever do that. They would never say in New York or Connecticut or California or Oregon: Well, we're going to build an electric plant, but we're going to charge you for electricity you didn't even get because it isn't producing any electricity. So that's just one example in addition to far weaker consumer protection laws not that they're great in the Northern states, but they're really almost a nullity (legally void) in the Southern states. What made you write the book, Bill?

William Kleinknecht: I wrote the book because when national news organizations talk about the red states, the focus is always on hot-button issues like abortion, immigration, election, subversion, and even critical race theory. And that's by the design of the Republicans who run those states; that's what they want people to be talking about because that fires up their base. What has gotten very little attention is just how damaging Republican leadership in those states has been for a longer period of time across a much broader range of issues. And I wanted to drill down in those issues and show just how they have failed their citizens, and as the title of the book says, how it undermines the country as a whole, because this is half of the country. In half of the states working people are not getting the education in healthcare and exposure to broadband, and things like that are building blocks of successful societies.

Ralph Nader: You mentioned Senator Rick Scott, the scandal-scarred businessman, in your introduction. He was running a hospital corporation that was defrauding its customers. It was heavily fined by the federal government. And he decided, well, I think I'll run for governor of Florida. And he gets elected. Then he says, I think I'll run for U.S. Senate. And he gets elected. But you notice that his "environmental deregulation in Florida exposed the Gulf Coast to ruinous algae blooms while Republican Rick Snyder, the governor of Michigan, architected a four-state takeover of democratic controlled cities that resulted in the Flint, Michigan water crisis. And Scott Walker, governor of Wisconsin, who crippled collective bargaining rights in Wisconsin, a state that was once a labor stronghold."

When you were doing the research and you were talking to people in the South or in the red states, did they get their backup when you told them what you were doing? You know, there's nothing more powerful than a comparison. Again, listeners, we're not talking about an ideal situation in Northern states, but quite a gap in one area after another—Medicaid, unemployment, compensation, and so on. Did they get their back up at all when you told them what you were doing?

William Kleinknecht: Well, the reason they didn't is because in the states I went to, I always went to where the poor or the working class who were getting the short end of these policies

were. And I found that most of them were aware that. Every state, even in the red states, still 25% to 30% of their voters vote for Democrats. And I found that when I went to where the poorest people were and the people who were suffering from environmental degradation or poor healthcare, they got it, and they knew it. I think it's a different segment of their population that is the MAGA (Make America Great Again) Republicans and I didn't spend as much time around them because I was looking for where the damage was.

Ralph Nader: Well, the overall situation is hardly ever discussed. When you hear the mass media, you hear Governor DeSantis brag about Florida — come to Florida, the land of freedom, land of low taxes. And you point out that they have low taxes on corporations and rich people, but their property taxes and sales taxes, which tend to be regressive, are pretty high. I want to emphasize again just how deep this difference is. And you quote Gordon Lafer, a University Oregon professor who studies labor issues, “But legislation regarding minimum wage, child labor, wage theft, tipped employees, construction wages, occupational safety, job discrimination, employee misclassification, overtime pay, unemployment insurance, budgetary retrenchment, and privatization of public services.” That's his comment on what these red states are up to. But nothing's more devastating in your book than your description of West Virginia, which used to be a democratic stronghold under Presidents John Kennedy and Lyndon Johnson. It's now a completely Republican dominated state and it's a very, very poor state that comes in 48th, 49th on various indices as has been pointed out repeatedly by the blog *Morgan County USA*. Tell us about American Water company and the Elk River disaster spill and what the governor and the senator have in terms of conflicts of interest with the coal industry. Give us a panorama of West Virginia in that respect.

William Kleinknecht: Well, the governor is a coal baron. He has a coal company, and he engages in blatant conflicts of interest by pushing policies and legislation that reduce taxes and regulations on coal companies.-

Ralph Nader: Bu the way, his name is Jim Justice.

William Kleinknecht: Jim Justice, yes. The Elk River disaster was partly the responsibility of American Water, a private water company that runs privatized water systems around the country, has a terrible track record of lawsuits and unnecessary rate increases. There's a lot of communities that have actually taken back their water system. And in West Virginia, this company failed to invest in the kind of technology that would've prevented the Elk River disaster, which is one of the worst cases of contamination of a public water system — a water system for 300,000 people and a company that stores chemicals that are used to clean dirt and rock from coal. West Virginia had not showed up to inspect their holding tanks for more than a decade, and a leak happened, and it went into the Kanawha River. And it gone into the American Water intakes to monitor that river (a round trip to collect water takes 30 minutes or less). They could have had a second intake in case something like that happened. But they have invested very little in the infrastructure and they get a rate increase year after year after year. And no one knows how many people were sickened and maybe have had long-term issues because of drinking that water. Studies have shown that even after the State of Mississippi and the company warned not to drink the water, people kept on drinking. Because if you're poor and you live in a rural area in West Virginia, you can't go down to a convenience store to buy water. You might not even have a car. So they kept drinking it and bathing in it, and it was an atrocity.

Ralph Nader: Nothing is clearer in your book than the difference between how the Southern state Republican legislative and executive regimes turned down available federal money to expand Medicaid beneficiaries (eligible for but not enrolled in) for poor people. The government had appropriated in Washington, D.C., 90% of the cost; the states had to put in 10%. And these governors declined and said, they didn't want anything. So, they're leaving low-income people in their states without the protection of Medicaid. Can you expand on that?

William Kleinknecht: Yeah. This is one of the greatest acts of political spite in the history of the United States. There are 12 states that have refused to expand Medicaid under the Affordable Care Act, but expanding it would bring billions of dollars to their healthcare systems, which I also would've spun-off and created economic growth in other ways. And a national study, between 2014 and 2018, found that 16,000 low-income people died because they lacked medical coverage, and that these people would not have died if they had had access to Medicaid; the total is undoubtedly much higher when years are added since then. And we're not even talking about people who will die later because they didn't have access to preventive care now. The states that are blocking it and refusing to expand are the states that need it the most. For instance, Mississippi had an infant mortality rate in 2018 of eight deaths per one thousand births. That exceeded Bahrain, Kuwait, Chile, and Bulgaria. Mississippi's life expectancy in 2018 was the second lowest in the United States. The 15 worst were all red states and most of those states have refused to expand. So this is malfeasance of the highest order and there is no rhyme or reason for it. It is just spite against Democrats because this is a successful, popular program. Everybody in these states wants the Medicaid program; polls have shown that where it has expanded it's extremely popular. And again, ~~where it has been expanded~~ there's just no rhyme or reason for these Republican Southern states not to do this.

Ralph Nader: Well, the red states do get a lot of publicity for suppressing the vote, especially last year, for all the different ways they're obstructing the vote — not counting it accurately, making it hard to have absentee voting, and a whole variety of other ways. You could write a small book just listing/summarizing them all the ways they suppress the vote. These obstructions get through the legislatures; the governors sign them. The red states are really ahead of the Northern states in gerrymandering. It goes on all over the country, but the red states have really perfected it to make sure that the Black vote does not leverage state legislators into office. And they're not getting any publicity for other things they're doing. For example, you write about Mississippi Governor Tate Reeves who is beyond cruel and vicious and he brags about it. Describe how blatant he is.

William Kleinknecht: This is one of these states that cuts taxes over and over again, for instance, 40% of Mississippi's population is obese and it has the second highest diabetes and cancer rate in America. So to counter that problem, in 2016, Governor Phil Bryant, who was Tate Reeve's predecessor, cut the state health department budget by \$40 million, which included an \$8 million reduction for the University of Mississippi Medical Center. At the same time, they pushed through between 2012 and 2017, former and current governors Phil Bryant and Tate Reeves, pushed through 51 tax cuts or tax breaks that cost the state \$577 million in revenue. In fiscal year 2017 alone, the cuts cost \$324 million. So they're jeopardizing the lives and the wellbeing of their citizens to pour money into the coffers of big corporations, claiming that by doing that, they bring more companies to Mississippi. But study after study has shown that companies don't make decisions on where to base facilities on the basis of tax cuts. They look

into how educated the population is and how good the infrastructure is. So this is just a giveaway to corporations, the same corporations who showered people like Tate Reeves and Phil Bryant with election donations.

Ralph Nader: Well, also you point out these outside secret money lobbyists like the Koch Brothers, the Dick and Betsy Devos Family [Foundation], the Richard Mellon Scaife interests and their front groups have really had great success in getting bills through Southern legislatures. It's astounding how specific their success was. As you point out in your book, beginning in 2015, they actually blocked the creation of public transit systems in Nashville, Little Rock, Phoenix, and more than a dozen other communities around the country. And they paid people to knock on doors and put ads on TV and defeated them. These are oil interests. They don't want public transit. It's is pretty granular the way they've entered these Southern states.

I'll bet you some of our listeners are now saying, how do these lawmakers and governors get away with it? Because all the ordinary people, not just African Americans or Hispanics, all the poor whites, all the low-income, Hispanic and African Americans are being harmed, deprived, excluded, and treated badly. So even with the gerrymandering, how do these legislatures keep finding themselves with cruel and vicious lawmakers that keep getting reelected?

William Kleinknecht: Well, part of it is a lot of the red states have large areas that are news deserts where if there are newspapers, they've been decimated by cuts and layoffs. They're owned by private equity firms that just strip everything they can out of them. So there's not a lot of media coverage of these things. CNN and even the *New York Times* and *Washington Post* don't go into great detail about what's happening in individual states, especially if they're smaller states. So the public doesn't even realize that these things are happening. One of the things that's a big part of the legislative success of Republicans in these states is a group called the American Legislative Exchange Council [ALEC], which according to Gordon Lafer, ALEC drafts uniform legislation that is proposed in state house after state house in Republican states across the country. And according to Gordon Lafer, each year between 2000 and 2010, one hundred ALEC bills became law. And as of 2017, ALEC members included 2,000 state legislators, a quarter of the nation's total. And ALEC has gotten money from the Koch Brothers, the same dark money billionaires that you talked about, and they're just flooding money in. A lot of this money goes into TV advertisements that distort reality, but fires up the base. And they're funding mass ignorance; that's how these people are able to get away with it.

Ralph Nader: I'm curious. There are some newspapers in the South who are among the better newspapers in the country — The *Miami Herald*, the *St. Petersburg* paper, and the *Atlanta Journal-Constitution*. Aren't they pointing this out? In other words, are they avoiding the comparison between red states and blue states, and just pointing out certain things like Governor so-and-so refused to take Medicaid money from the federal government to provide health insurance for poor people?

William Kleinknecht: In my research, I didn't see as much in which they're comparing red states to blue states, but I have seen some very good reporting on corruption and malfeasance in those states. The *Miami Herald* is one, and the *Louisville Courier Journal* wrote a lot of great articles about former Governor Matt Bevin. Even the *Charleston Gazette* in West Virginia has done a lot of investigative reporting about the conflicts of interest on the part of the governor and leaders of

the legislature. But I think they're doing a little less now because every year there's more cuts to these newspapers. The *Charleston Gazette* was bought out. *Louisville Courier Journal* is owned by Gannett, which has really just gutted a lot of their operations. Some of the reporters who have done those stories are retiring. But you're right, they do cover it; they just cover it less than they should because they're not able to give it more coverage. But *Miami Herald* does a good job; the *Houston Chronicle* does a very good job about what's going on in Texas. But a lot of people don't read those newspapers. They get their news from Fox News. So I don't think a lot of the information filters down.

Ralph Nader: Regular people in those states seem to be so dispossessed and discouraged that they have lower rates of civic engagement. They don't have the initiative referendum recall the way some of the Western states have. They have often great difficulty in using their franchise as voters, as was pointed out. And the Southern governors and lawmakers have become very demagogic in distracting attention from the ordinary people's livelihood issues into things like critical race theory supposedly being taught in some schools, transgender issues and so forth. They've been very clever; DeSantis in Florida has been very clever doing that. And they're good at propaganda. They keep saying, hey, if things are so bad in the South, why is the migration pattern in the United States overwhelmingly from North to South?" Can you answer that?

William Kleinknecht: It is for two reasons — warmer weather and cheaper real estate. But the appeal of cheaper real estate is not going to last much longer because in Texas and Florida, real estate is increasing rapidly. But in the book, I quote a state official in Florida who is candid, "People are coming here because they can sell their houses in the Northeast and Midwest, and they can buy much more of a house here. And it's warm." That's the reason people have been going to the states forever; And that hasn't changed. It does help that there's no income tax, so wealthy people may gravitate there because of that reason. But families, if they're going there, they're finding that the schools are inferior, the healthcare is inferior. And I think we're going to see a slowing of that migration as property values increase. Property values in Austin are through the roof and in parts of Florida, and I think we're going to see the slowing of that.

Ralph Nader: Well, Governor DeSantis brags about Florida being a low tax state. But as you say, the truth is that Florida has one of the most upside-down tax systems in the nation due to its overdependence on sales taxes. In Florida, a worker making minimum wage spends a greater share of their hard-earned cash paying state and local sales taxes than a millionaire in Florida. And yet, whenever there is a referendum in Florida to raise the minimum wage, it wins overwhelmingly against all kinds of opposition by the fast-food retail chains— McDonald's and others — plastering the television. It doesn't matter. When the people are given a voice direct democracy without having to go through Tallahassee, they vote progressive. How do you explain that?

William Kleinknecht: Because when they have something specific in front of them, their thinking isn't clouded by the issues of abortion, guns, and critical race theory when they're asked, do you want better healthcare? Do you want higher wages? Of course they're going to vote yes for those things. Republican leaders do everything they can to prevent these referendums from getting on the ballot. But now and then, they are unsuccessful, and they get on the ballot and the people vote.

One of the most startling things that I came across in Florida was Remember of course, as you said, the state has no income tax. It has a very low corporate income tax. And the *Orlando Sentinel* reported that 99% of the state's corporations pay no taxes no matter how high their profits because they have all sorts of tax avoidance schemes, and the state doesn't spend any time trying to close those loopholes. That means that all of the money comes out of sales taxes and excise taxes, which as you said, fall heavily on the poor. And now Governor DeSantis is talking about reducing those taxes. That means they're going to have fewer and fewer services. He was able to give teachers a raise this year, but he did that by using the Biden administration's federal bailout funds that he criticized. Yet he was happy to take the money and get the benefit in his run for president by saying he raised teachers' salaries. Even with the raise, Florida teachers remain among the lowest paid in the country and they have among the highest turnover in teachers; I believe they have the highest teacher turnover.

Ralph Nader: And they also paid about the lowest salary to public defenders. They were paying public defenders, lawyers representing poor people, somewhere around \$40,000, \$42,000. These are people who've been practicing defending poor people for years. Let's go to Texas. You say, "In 2017, property taxes accounted for 45% of what Texans paid in state and local taxes, third highest in the nation. So when Governor Abbott talks about Texas not having an income tax, the property taxes are pretty high and that's how they get around it, in addition to spending less on public services. What's really was stunning here, is the study by Christopher Berry, author and University of Chicago distinguished professor at the Harris School of Public Policy found that of 26 million properties sold between 2006 and 2016, listen to this, listeners, "the owners in low-income neighborhoods effectively paid property taxes double those of wealthy neighborhoods because of skewed assessments of property values. In a state like Texas, where government services are funded disproportionately through local property tax, the people of the most modest means take the biggest hit."

Well, this book, *States of Neglect: How Red-State Leaders Have Failed Their Citizens and Undermined America*, by William Kleinknecht is a must read also in blue states. We shouldn't get a big ego living in blue states, but it's very important, as my sister anthropology professor Laura Nader has pointed out, to do comparisons. Comparisons have a different kind of impact on people, different kind of dynamic, different kind of humility that's induced from these pompous Republican, mostly legislators and governors, in the red states. They're totally shameless the way they brag about this superiority over the blue states. Is there anything else in the book that you think I should have mentioned?

William Kleinknecht: They claim superiority over the blue states. But across the board, if you look at red states — they have lower per capita economic growth, higher poverty, inferior school performance, higher rates of suicide, greater prevalence of diabetes, higher rates of infant mortality and teen pregnancy, less effective healthcare systems, and lower healthcare spending — across the board, they are inferior to blue states. And that that's not because blue states are paragons of progress and are looking out for working class people the way they should. In fact, in places like New York and California, it's only fairly recently that, prodded by the Donald Trump presidency, which moved a larger population to the left, only now are they beginning to invest in their human capital. But they're doing it across the board now. But yes, no matter how you measure it, the blue states, at least from a socioeconomic standpoint, are superior to the red states.

Ralph Nader: Here's a paradox for you. Where do the biggest verdicts generally come from in wrongful injury suits? You would think they would come from the North. Wrong. They come from states like Texas, Florida, South Carolina, Georgia. You know why? Because the jurors, finally being given a position of power applying the facts, are basically saying they're not going to stop us from giving this wrongfully injured family an adequate award because we're the jury under the Seventh Amendment. So you do have a strong populous strain in Southern people still. And yet what you say in your book is only possible, not just by corporate power, but by political repression of the best instincts of these people and blocking them from reflecting these instincts, except when they're in the jury box or when they have a direct referendum. Like in Arkansas, they passed a minimum wage overwhelmingly, but Arkansas is a red state, but it was a direct democracy referendum on that subject. And we should not forget that the worker compensation laws in the Southern states for worker injury are often very much lower than they are in some of the Northern states.

I think your book has got to be read and used, not just read. It is a tremendous body of information about what's happened to our country, what's happened to the treatment of ordinary people, what's happened to union busting, which you also talk about. A lot of the auto plants that are starting, including foreign companies, are being placed in the South because they can escape the United Auto Workers and pay non-unionized. Boeing took one of its plants from Seattle to North Carolina and used very unskilled labor, but it was cheap to build their planes. And their planes out of that factory have been having very serious quality control issues.

So there are penalties and prices to pay, and you point that out in your book. And I would think that your publisher, the New Press, should send a copy to every member of Congress and to political organizations all over the country that can use this, whether they're a red state or a blue state. This is a long overdue book and I want to congratulate you, William.

We've been talking with William Kleinknecht, author of *States of Neglect: How Red-State Leaders Have Failed Their Citizens and Undermined America*. This is a book that Governor DeSantis, if he runs for president, is going to trip on as he goes around the country. That is, if the Democrats have the brains and the strategic sense to buy this book in big volume and spread it all over. It could have saved the Democrats in the House of Representatives last year. Thank you very much for writing this, Bill.

William Kleinknecht: Well thank you for the kind words and thank you for having me on the podcast.

Ralph Nader: You're welcome.

Steve Skrovan: We've been speaking with William Kleinknecht. We will link to new book, *States of Neglect: How Red-State Leaders Have Failed Their Citizens and Undermined America*, at ralphnaderradiohour.com. Up next, Oliver Hall joins us to discuss the large potential of small claims court. But first, let's take a quick break to check in with our corporate crime reporter, Russell Mokhiber.

Russell Mokhiber: From the National Press Building in Washington, DC, this is your *Corporate Crime Reporter* "Morning Minute" for Friday, March 3rd, 2023, I'm Russell

Mokhiber. Popular kitchen appliances brand Cosori is recalling two million air-fryers after receiving 205 reports of the air fryers catching fire, burning, melting, overheating and smoking. Resulting injuries included superficial burn injuries as well as property damage. The Consumer Product Safety Commission announced the recall last week, urging consumers to immediately stop using the products, which have a wire connection that is prone to overheating, raising concerns the fryers could catch fire and burn or otherwise injure consumers. "After a thorough investigation, we determined that in extremely rare circumstances, the closed-end crimp connectors within the recalled air fryers can overheat, posing fire and burn hazards," Cosori said in a statement on its website. For the *Corporate Crime Reporter*, I'm Russell Mokhiber.

Steve Skrovan: Thank you, Russel. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan along with David Feldman and Ralph. How can we revive our forgotten court? David?

David Feldman: Oliver Hall is a public interest attorney in Washington, DC. He is founder and legal counsel to the Center for Competitive Democracy, which aims to strengthen American democracy by increasing electoral competition. Welcome to the *Ralph Nader Radio Hour*, Oliver Hall.

Oliver Hall: Thank you. Great to be here.

Ralph Nader: Welcome. Well, Oliver, you're a champion of ballot access for independent and third-party candidates, but this time we're going to talk about another one of your interests, which is small claims court and people who are ripped off, whether as tenants or indebted consumers, or they buy shoddy merchandise, they think it's just too expensive and too dilatory a process to try to sue these companies. Well, many years ago people had that same attitude, and they heard some good news that the reformers established small claims courts. So we're going to go step by step, listeners, to show how you can use them and how they now are being used more, not by consumers, but by landlords and creditors. Oliver, give the original inspiration briefly for small claims court and tell people where they are located. Are they conveniently located?

Oliver Hall: Sure. Small claims courts are a division of every state court's civil side. And so, yes, they are convenient. They tend to be right in the downtown courthouse of every town or municipality. They were established in the early 20th century following an article by the legal scholar, Roscoe Pound, who had argued that consumers should have an easy mechanism for pursuing claims over relatively small amounts of money. And that's what small claims courts do. You can file a claim for a relatively small amount of money. They have low filing fees, very simple procedures. You don't need a lawyer. And essentially all you need to do is fill out a statement of claim form that the court itself provides. So people are familiar with the TV show, *Judge Judy*, or before *Judge Judy*, there was Judge [Joseph] Wapner with *The People's Court*. Those are actually fairly accurate representations of what small claims courts are and how they function.

Ralph Nader: And tell us how simple a process it is. Can you fill out the form online from your home? Do you have to go down to the court? What are the fees like and how much can you sue for before you hit the cap that defines the jurisdictional small claims court?

Oliver Hall: Sure. The jurisdictional limit varies depending on the state that you're in. But the low end is \$2,500 and the high end is \$25,000. Filing fees also depend on the amount you're seeking typically, but not always. But they're very low. They can be as low as \$15 to up to as much as \$150.

Ralph Nader: Well, unfortunately, in Connecticut, which calls itself the constitution state, it's about \$90, \$95, which is pretty high if you've got a \$200, \$300 claim. But is it really easy to use? If it is so easy to use, Oliver, why do so few people use it compared to creditors, landlords, auto dealers, et cetera, who do use it against consumers?

Oliver Hall: That's true. It is very easy to use. And you are correct that the caseload... the corporations and the debt collectors, have sort of dominated the docket of small claims courts, although not entirely. People do use them and use them successfully to obtain redress for grievances against businesses and corporations. But I think it's probably a function of the fact that people simply are not well enough aware of the fact that this is a forum that they can easily access and that it is very easy to pursue a claim.

There's also maybe a cultural aversion among some people who are reluctant to sue. They think maybe this isn't worth it. But the fact is, as you well know Ralph, in our increasingly corporatized world where transactions are automated, contracts are one-sided documents that corporations create with so much fine print you couldn't possibly read at all. ostensibly require you to sign away your rights, I think people get intimidated or they assume that they don't have the right to pursue a claim in small claims court. And the fact is they do have that right. It can be done and there's no reason more people shouldn't do it, especially given the level and pervasiveness of corporate abuses just in everyday normal transactions that we all engage in, whether it's with internet providers, cable TV providers, the phone company or ExxonMobil. If you have a grievance against ExxonMobil, you can haul them into small claims court and they must answer or you will win a default judgment against them. So it can be done.

Ralph Nader: Well. When you sue these big companies, say for \$1,500 or \$2,000 or \$3,000, they've got to hire a lawyer and show up. Otherwise they lose by what you called a default judgment and the consumer wins. Shows up in court, the other side isn't there. They don't think it's worth the cost. And the judge said, "Verdict for you." And then you have to collect. Is there a problem collecting judgments in small claims court?

Oliver Hall: There is, and I don't have the data on that, but certainly collection can be problematic, but there is a mechanism for it. And essentially, what you do is obtain a judgment against the defendant, whether it's a business or a large corporation or whomever it might be, and then you serve the judgment on the defendant with a demand for payment.

If it is one of these large sort of faceless corporations where it seems impossible to reach a real person on the phone, listeners should be aware that every one of those corporations is required to have a registered agent in any place where they do business. And you can find that corporation's registered agent, usually through the office of the secretary of state and you can serve the registered agent simply by mailing the judgment by certified mail. And then they're obligated to pay the judgment. If they don't, they can be held in contempt of court. But even before you get to that step, you can also subpoena the defendant, make them disclose where they hold their bank

accounts, and then you can obtain a writ of attachment against those bank accounts and the bank will be required to pay the judgment that the defendant is refusing or unwilling to pay.

Now, if that starts to sound more complicated than the average layperson could do, and maybe you do need to hire a lawyer for this sort of thing, it really isn't. And the courts typically offer guidance on how to pursue these specific legal steps. Many courts post manuals for small claims litigants on their websites, and you can simply refer to the manual, perhaps download the form for a subpoena or a writ of attachment, fill it out, and follow the instructions for getting it served on the defendant. So it is possible for any lay person to do this, no matter who the defendant is.

Ralph Nader: But short of that, even if a person doesn't want to use a small claims court, if the person knows about how to use a small claims court and is on the phone with a company that's hassling them, or that's overcharging them, I've found where people would say, listen, this has gone far enough. I think I'm going to take you to small claims court. And then you get a pause, they put you on hold, they talk with their superior, they come back and say, well, we can get an accommodation for you on this. So just the challenge of taking them to small claims court will get the attention of these press one, press two, press three automatons that are controlling you with algorithms. Oliver, you won a small claims court case. Why don't you tell us about that?

Oliver Hall: Sure. It was when I was in law school in Boston, and I had purchased a laptop computer. It was a Toshiba, a very reputable brand. And I bought it at one of the local computer, mega stores. And, it wasn't cheap. It was \$1,500 and I used it for a while and the fans started whirring and the pretty soon the thing was overheating and just started crashing. And eventually, the computer totally crashed. A major system error was the screen message. I called the store where I bought it and they said they wouldn't even take a look at it unless I paid them \$95 to do what they call a diagnostic test. And I'm thinking to myself, I know the computer has had major system failure, I don't need to pay this store another \$100 dollars to tell me that. But they just wouldn't budge. They told me to go to the manufacturer. I contacted Toshiba, which was very illuminating because Toshiba revealed to me that the computer had been purchased two months before I bought it and was registered in the name of another customer who had then returned it. And the store sold the computer to me as new. And so at that point, I sued them in small claims court.

Now, a very important part of this process is that every state has enacted a Consumer Protection Act. They all have different names, but you can google and find out what the statute is in your state and how it functions. In Massachusetts, the statute allows for triple damages against a corporation that violates any of the provisions of the statute. Essentially what these statutes do is define prohibited business practices. And if any corporation or business engages in one of those prohibited practices, you can sue them. And each time they violate the statute, it's a separate violation.

So I sued in small claims court and very quickly, had my day in court. The computer store representative showed up and helpfully admitted that not only did they sell me a refurbished computer as new, but that it was an ongoing practice at that store, something they typically did — selling as new, floor models and other machines that had been returned to the store. And it wasn't long before the judge who heard the case, essentially through the book at this store, awarded me triple damages for the computer, which was \$4,500. So in the space of a few weeks,

having pursued this, I now had a judgment against the store for \$4,500, which is three times what I paid for the computer, and they did pay up.

Ralph Nader: Well, it's a successful story. I think the small claims court just needs to be publicized more. The state certainly can see it as a legitimate goal to publicize it more than the states do, even the municipalities. I remember many years ago, the student group called the New York Public Interest Research Group (PIRG) made a study of small claims court and was astounded at how underutilized it was by all the fleeced consumers in New York City and bought ads on radio shows. And voila, the number of filings went up because people heard about it, learned about it, and did it. So is there any clearinghouse or anything, Oliver, that people can go to? Or is it just simple enough to go to the website for the small claims court in their area and look at the instructions, which are pretty clear and pretty simple?

Oliver Hall: That's right. I'm not aware of any national organization that provides data or guidance on how to use small claims courts, but I think that's largely because of what you said. They are very simple to use and the whole purpose is that you don't need guidance or a lawyer. You just tell the court what happened in a very simple statement and assert that you have a legal right to a remedy and then the court can figure it out, and you'll have your day in court.

Even though there is no national organization that I'm aware of that's working on this, there do tend to be organizations in each state that provide guidance for people who might pursue a claim in small claims court. So for example, here in the District of Columbia where I live, there's a website called wahelp.org. And they have a full section of their website dedicated just to small claims court, and they also have a clinic where people can walk in and get free guidance once a week on any of the claims they might want to pursue. So there are resources like that in other states. In Maryland, for example, there's a website called peoples-law.org, and they've also dedicated a section of their website to small claims courts. Again, the courts themselves can be very helpful too. They publish their own materials telling you how to pursue the small claims process and then the clerk's office can provide further guidance.

Ralph Nader: There are two hurdles we should mention, of course. One is arbitration clause. It's in a lot of agreements with consumers. And the other is that the defendant company, if it loses, it can appeal to the superior court, which is more complex. Isn't that true?

Oliver Hall: That is true. They can appeal to the superior court. But again, this is a claim that arises out of small claims court, and it's understood that most litigants, if not almost all, do not have representation as attorneys. And so the arguments over these kind of relatively minor civil disputes shouldn't require a lawyer even at that level. But it is true that corporations can do that. In my experience in the one case I told you about, it's not the only one I've pursued, there has been no appeal. The corporation realizes it did something wrong; we've got a judgment against us, and we should make this thing go away. So that's what they do.

Ralph Nader: Are there any companies you can't sue in small claims court because the federal government has preempted such suits like in aviation against airline companies?

Oliver Hall: Not to my knowledge. The airline industry, the various airlines, I believe are not subject to lawsuits in state courts. That all has to be done at the federal court level. However,

small claims [court] is an exception. So people can and do sue the airlines in small claims courts for lost baggage, damaged goods, canceled flights, and that sort of thing. Now, one important thing to remember is small claims courts can only award money judgments. They cannot require the airline to buy you a new suitcase or provide any other kind of action, which is what we call injunctive relief. But they can award money damages against airlines, and they do so.

In my own experience, I had a colleague who was trying to fly back here to Washington, DC and American Airlines simply canceled her flight without notice and without providing any kind of remedy to all of the stranded passengers. And we sent a demand letter to American Airlines and, at first AA was unwilling to do anything more than offer a \$100 voucher. But then we sent a demand letter, and as you noted, suddenly their ears perked up and they offered a \$500 voucher, which is getting closer toward a full remedy for the harm they caused. And so my colleague accepted that as a settlement and moved on.

Ralph Nader: Well, we're interested, listeners, in people who you may know who want to participate in a project to publicize small claims court. So let's hear from you. And the more publicity, the more people will use it and it won't be twisted into just being used by creditors, landlords, auto dealers, and other vendors. They have a right to use it, of course, but the original design was to reduce the complexity and barriers to using the courts by creating small claims courts for consumer use.

Oliver Hall: If we have time, I would like to provide one more example that might peak listeners' interest about the great potential that small claims courts have to hold corporations accountable and change corporate behavior.

Ralph Nader: Yes, go ahead.

Oliver Hall: Okay. So in the 1980s, the San Francisco Airport was apparently rerouting its traffic over a residential community and causing a tremendous amount of noise pollution. The residents of that community essentially felt they had no redress until clearly, they all got together in a kind of coordinated campaign and began filing lawsuits against the San Francisco Airport in small claims courts bringing claims for nuisance. And there were over a 100 of these lawsuits. Every one of the plaintiffs won their lawsuit and they won the jurisdictional limit. I'm not sure what that was at the time, but they won the most amount of money they could win in small claims court. And the airport then argued and did take this case on appeal and argued that these claims were too complex for small claims courts, and they never should have been brought there in the first place. However, the case was upheld, each of the judgements were upheld and the plaintiffs were able to collect their judgements.

So you begin to see that kind of action and how it could spur a powerful business interest or a corporation to change its conduct going forward. I think of it as kind of a disaggregated class action lawsuit. A class action lawsuit is one where a large group of plaintiffs all suffer the same kind of injury arising out of the same incident and they all litigate a case with a named plaintiff as their lead plaintiff. And then they all win the same remedy that the lead plaintiff wins. Well, this is somewhat the inverse of that, where a large number of people can bring their claims in small claims court. And if you file enough of those and the judgements are successful, that can have a real impact on the corporate behavior going forward.

Ralph Nader: Well, another way to really publicize small claims courts is to have small claims court clinics at our 210 law schools all over the country so that the law students can stimulate use of small claims court and educate the public. That would be another great diffusion of the small claims court availability. So, listeners, if you know any law schools who you think should do that, let us know. Well, we're out of time. Thank you very much, Oliver. Among your many portfolios, you're a director of the Center for Competitive Democracy (CCE). Just a minute describing that and we'll have to conclude.

Oliver Hall: Great, thank you. We founded CCD in 2005. Our goal is to strengthen American democracy by eliminating barriers to participation. What we focus on is the problem of collusion among the elected officials almost all of who happen to be members of one or the other of the two major parties in this country, Republicans or Democrats. Naturally, they have an incentive to rig the rules of the electoral process to benefit themselves and to exclude competition.

So we work on constitutional litigation challenging those rules. And in the last several years, we've had a number of pretty significant successes, which led to the rewriting of ballot access rules for competing candidates and parties in Michigan, in Pennsylvania, in Maine. And we also have cases pending in Texas and Indiana. We pursued a lot of claims during the COVID[-19] pandemic to get emergency relief for candidates who were having a hard time complying with these rules that the major parties were not revising, notwithstanding the fact that you essentially couldn't leave your house for some of this time. So we've won a lot of judgements that have improved American democracy and I encourage everyone to check out our website, competitivedemocracy.org for all the news and our recent updates.

Ralph Nader: All about giving the voters more voices and choices. More voices and choices on the ballot when they go to vote. Thank you very much, Oliver Hall.

Oliver Hall: Thank you so much. It was a pleasure.

Steve Skrovan: I want to thank our guests again, William Kleinknecht and Oliver Hall. 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", which now includes our new segment by Francesco DeSantis called "In Case You Haven't Heard." A transcript of this program will appear on the *Ralph Nader Radio Hour* Substack site 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: The American Museum of Tort Law has gone virtual. Go to tortmuseum.org to explore the exhibits, take a virtual tour, and learn about iconic tort cases from history.

David Feldman: We have a new issue of the *Capitol Hill Citizen*. It's out now. To order your copy of the *Capitol Hill Citizen* "Democracy Dies in Broad Daylight," go to capitolhillcitizen.com.

Steve Skrovan: And remember to continue the conversation after each show. Go to the comments section of ralphnaderradiohour.com and post a comment or question on this week's

episode. We'll pick some standout comments. So be sure to tune in next week. You may hear Ralph's response.

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. Our associate producer is Hannah Feldman. Our social media manager is Steven Wendt.

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

Ralph Nader: Thank you, everybody.