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Edward “Ted” Siedle has been referred to by media as "the Sam Spade of Money Management," "the Pension Detective" and "the Equalizer" for his groundbreaking work investigating money management abuses.

Ted is the nation’s leading expert in forensic investigations of retirement plans, focusing upon concealed and bogus investment fees and risks, fiduciary breaches, conflicts of interest and wrongdoing. A former U.S. Securities and Exchange Commission lawyer and industry executive with over 40 years of experience, he has investigated well over $1 trillion in retirement plans.

In 2016, Siedle won the first whistleblower award from the State of Indiana; in 2018, the largest CFTC whistleblower award in history—$30 million—and in 2019, the largest SEC whistleblower award of $48 million. Siedle was named as one of the 40 most influential people in the U.S. pension debate by Institutional Investor magazine for 2014 and 2015.

In 2020, he and *Rich Dad, Poor Dad* bestselling author Robert Kiyosaki, co-authored *Who Stole My Pension? How You Can Stop the Looting.* Most recently, he authored *How to Steal a Lot of Money—Legally*, which offers an engaging novel approach to teaching financial literacy. Millions have read of his investigations in articles contributed to Forbes. In addition to television interviews on CNBC, Wall Street Week, and Bloomberg News, he recently appeared in two full-length documentary films, *The Baby Boomer Dilemma* and *The Paradigm of Money.* Siedle is currently representing Screen Actors Guild members in a class action lawsuit regarding changes to the healthcare plan during Covid pandemic.

He has testified as an expert before the Senate Banking Committee regarding the mutual fund scandals and the Louisiana State Legislature regarding pension consultant conflicts of interest. Siedle was a testifying expert in various Madoff litigations.

Prior investigations include the state pensions of Ohio, Rhode Island, Kentucky, North Carolina and Alabama; leading corporate 401k plans such as Wal-Mart, Caterpillar, Boeing, Northup Grumman, John Deere, Bechtel, ABB, and Edison; pensions of cities such as Nashville and Chattanooga; Shelby County, Tennessee; investment managers such as Fidelity, Putnam, JP Morgan, and Sanford Bernstein; and the US Air Pilots Pension trustee by the Pension Benefit Guaranty Corporation.

Articles about him have appeared in publications including Time, BusinessWeek, Wall Street Journal, The New York Times, Barron’s, Forbes, USA Today, Boston Globe, and Institutional Investor.

FORBES > MONEY > RETIREMENT

Alaska State Workers Hoodwinked Into Believing 401(k)-Style Retirement Plan Was As Good As A Pension

Edward Siedle Former Contributor
Pension forensics expert and record-setting whistleblower award winner

0 Mar 1, 2023, 04:24pm EST

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In Alaska, a new analysis concluded that the state's 401(k)-style retirement system for new ... [+] GETTY

From Alaska to Florida, America's state and local governments have long been pushing their workers out of pensions into 401(k)-type retirement plans in response to looming budget deficits—misleadingly claiming the retirement benefits are comparable. Nearly two decades later, state workers have awakened to discover they were hoodwinked by their employers and retained financial advisors. Warnings that 401(k)-style plans provide significantly smaller benefits than pensions should have been heeded.

In April 2011, I stood with over 200 City of Atlanta, Georgia police officers jammed into a crowded Committee Room at City Hall for a workshop held by the Finance Committee of the City Council. By the end of the tense four-and-a-half-hour marathon session, hundreds of other city employees had lined the corridors watching the closed-circuit broadcast on television monitors throughout the building.

The workshop was an opportunity for the police to present their response to a proposal by the Mayor to "freeze" pension benefits and force city workers into a 401(k)-type retirement plan. In other words, city officials had come up with a scheme to reduce the pension benefits promised to workers in response to looming budget cuts.

The police had passed around a hat and collected donations to pay for me to fly to Atlanta and speak on their behalf at the Committee meeting—as their expert specifically about the 401(k) aspect of the proposal. The Atlanta police knew that since 2001, I had written a series of increasingly stern warnings regarding the nation's failed 401k system. For example: 401ks: Far More Dangerous Than IRAs (March 2001); An End To 401ks (February 2002); 401k Abuses: The Mutual Fund Industry's Next Nightmare (July 2004); Explaining Poorly Designed 401ks (January 2005); An Extreme

Makeover Due for Defined Contribution Plans (June 2007); and Challenges to 401ks Continue (February 2008).

I explained to the City Council that America was facing a retirement crisis and that corporations closing their pensions and forcing workers into flawed 401(k) defined contribution plans was largely to blame.

“401(k)s cannot and will not provide meaningful retirement security for the overwhelming number of America’s workers and certainly not the employees of the City of Atlanta. So if you do vote to force your city’s employees into a 401(k)-type system, at least be honest about it and admit from the get-go that this is no retirement plan.”

Last week, in Alaska, a new analysis from the state Division of Retirement and Benefits concluded that the state’s 401(k)-style retirement system for new employees is providing significantly smaller benefits than the pension-style system discontinued in 2006.

“There is a gap between defined benefit and defined contributions,” said Ajay Desai, director of the Division of Retirement and Benefits.

According to the study, for a typical employee, there's a 40% loss from the old pension system to the new 401(k) system, but Desai said the eventual gap should be smaller than that because of a variety of factors, including the way investments compound over time.

The estimates presented showed the gap shrinks over time, as long as markets perform as predicted.

That assumption caused Sen. Jesse Kiehl, D-Juneau to say, "This is put together by Miss Rose E. Scenario," Kiehl said after the presentation, "and it still fails over and over."

It should come as no surprise today—approximately 50 years after the introduction of 401(k)s—to hear that shifting responsibility for retirement planning onto workers has been disastrous for workers but great for the bottom lines of retirement plan sponsors, both public and corporate, as well as Wall Street.

The 401(k) defined contribution plans which employers and Wall Street sold to workers have failed dismally I wrote in my bestselling 2020 book, Who Stole My Pension? "With median account balances for 65-year-olds at $70,000 or less, it's no secret that the great 401(k) "experiment" has failed in the United States."

The failure of 401(k) innovation was foreseen decades ago by experts—including me—and was avoidable had legislators and regulators acted in the best interest of investors and had the financial services industry curbed its greed.

Instead, Wall Street firms made money—and were the big winners. Retirement savers who paid higher fees to Wall Street for poor performing mutual funds—were big-time losers.

I was involved, as an expert, in leading class action lawsuits alleging mismanagement of the investments in many of America's largest 401(k) plans, including Walmart WMT 0.0%, Boeing BA -1.5%, Northrop Grumman NOC +0.6%, Kraft, Edison, Caterpillar, Deere, United Technologies UTX 0.0%, General Dynamics GD +0.6%, Bechtel, ABB ABB +0.2% and International Paper IP -3.1%. Sadly, these cases, challenging 401(k) structures and practices were not brought until 2006—too late for at least two generations of workers.

Coincidentally, 2006 was the very year Alaska recklessly abandoned its pension system in favor of a flawed 401(k)-style plan.

If I were an Alaskan government employee or retiree, I'd sure want to know who was responsible for undermining my retirement security, as well as hold them accountable for this foreseen and avoidable disaster.

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Edward Siedle

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Time To Recall America's Structurally Flawed 401ks

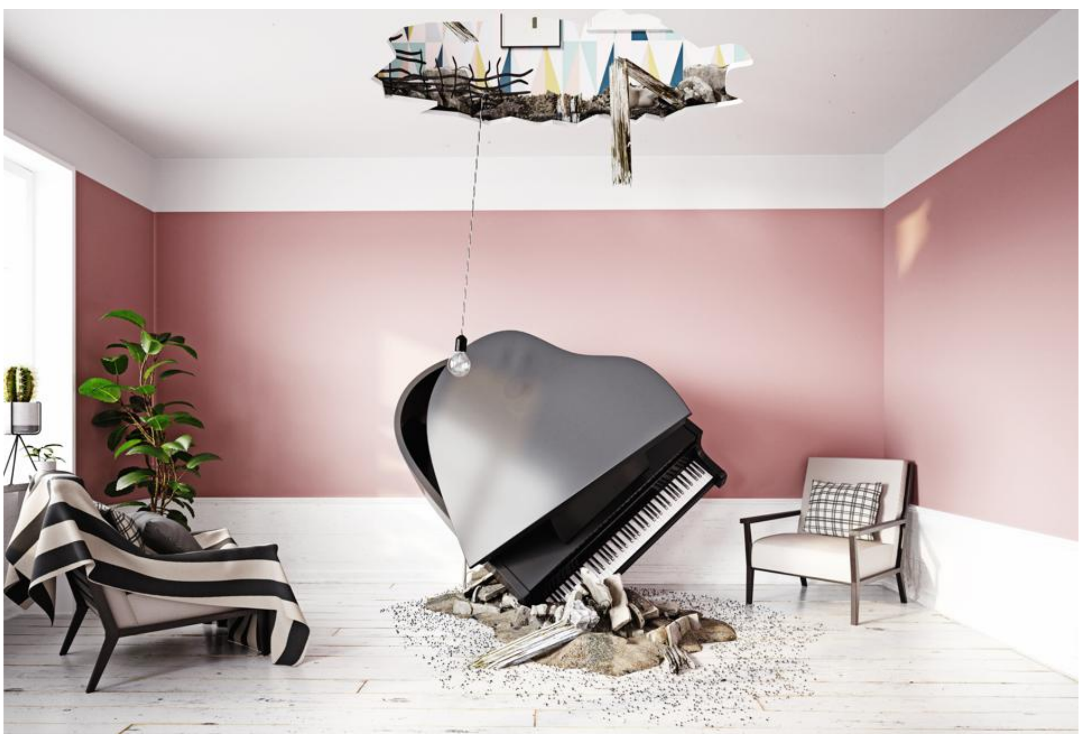
Edward Siedle Former Contributor

Pension forensics expert and record-setting whistleblower award winner

Sep 9, 2020, 12:44pm EDT

Listen to article 6 minutes

This article is more than 2 years old.



The great 401k experiment of the past 50 years has failed generations of America's workers. 401ks ... [+] GETTY

The great 401k experiment of the past 50 years has failed generations of America's workers. As controversial as that statement may sound, today there is broad consensus 401ks have not, and cannot, provide meaningful retirement security.

Not too long ago, it was heresy to suggest 401ks were fundamentally flawed.

What if financial products, like harmful consumer products, were subject to safety recalls? To stimulate national debate, in 2008 I drafted the "recall notice" below using a children's toy recall issued by the Consumer Product Safety Commission as my template and sent it out as a press release.

No recall by any agency of government ensued following the market meltdown twelve years ago but at least now it is widely acknowledged these savings plans are flawed and have undermined the retirement security of American workers. Since 2008, the industry has been quietly addressing some of the most grievous abuses, without drawing attention to the defects inherent in the mass-marketed 401(k) "product." (Most recently, however, Trump's DOL and SEC have been busy ramping up the fees and risks related to 401ks by permitting private equity in plans.)

I published the recall again in Forbes in September 2010 and also published an extensive research paper, Secrets of the 401k industry: How Employers and Mutual fund Advisers Prospered as Workers' Dreams of Retirement Security Evaporated, which documented the unsavory industry practices that played a significant role in creating the defined contribution retirement crisis the nation faces today. The demise of 401ks was no accident and, indeed, was predictable, I wrote.

My research found that 80% of employers believed 401ks were effective in recruiting employees to come work for them but only 13% of employers believed that the 401k plans they offered would provide retirement security for their workers. In other words, employers understood that offering plans that purported to provide for workers' retirement security, without obligating employers to pay retirement benefits, was helpful in building their businesses. However, employers privately acknowledged that these plans were not sufficient to provide for workers' retirement. On the other hand, employers believed that guaranteed retirement income, such as a traditional pension plan, would be far more costly to provide.

So, I asked, "Do employers tell their workers there really is no retirement security provided if they stay in their jobs and thereby risk losing employees to competitors? Or do employers maintain the charade that they offer retirement security? Has your employer told you it is virtually inconceivable that the defined contribution plan he offers will provide sufficient retirement income?"

It's time to stop calling 401ks "retirement" plans and offer workers meaningful alternatives thoughtfully crafted. It's really not hard to improve retirement plans—provided it's not left up to Wall Street to propose solutions.

For more on fixing retirement plans, see *Who Stole My Pension?*

NEWS from Benchmark Financial Services: 401k Recall

FOR IMMEDIATE RELEASE October 9, 2008 Release #01-008

Recall of Most of Nation's 401k Plans

Benchmark Financial Services, Inc, with anticipated cooperation of the firms referenced below, today announced a voluntary recall of the following consumer products. Consumers should stop using recalled products immediately unless otherwise instructed.

Name of Products: 401k plans; So-called "Retirement" Plans

Units: Trillions in assets

Manufacturers: Financial services firms globally, assisted by employers

Hazard: Consumer will likely incur excessive fees and poor performance resulting in injury to their financial well-being.

Incidents/Injuries: We have received reports from tens of millions of consumers of injury to adults (especially older adults approaching retirement), resulting in anxiety, loss of sleep, housing foreclosures and postponement of retirement plans. Hazardous effects of these plans are generally irreversible in older adults.

Description: This recall involves a financial product marketed to America's workers (of all ages) which claimed to provide for their "retirement security." While the product may have some value as a savings vehicle, it will almost certainly not provide for financial security in retirement. Statements that the product will provide retirement security are gross misrepresentations which consumers should disregard. Generally the investment options within the product were sold unaccompanied by the delivery of an owner's manual (a "prospectus") that would have disclosed the risks related to these products. Furthermore, even the prospectuses that related to the investment options falsely represented that they were subject to comprehensive federal regulation that would protect the interests of consumers. In fact, the federal agencies that regulate these products (Securities and Exchange Commission and Department of Labor) have been found to be compromised by conflicts of interest. Employers offering the products (401k plans) to their workers generally failed to educate themselves regarding its properties and failed to offer more viable alternatives for their retirement planning.

Sold at: Financial services firms globally; however, predominantly in the United States to American workers.

Manufactured in: Globally by many of the leading financial services firms. Remedy: Consumers should immediately take the recalled 401k plan products to their employers or the manufacturers of these products for refund.

For more information on how to protect your pension, see Who Stole My Pension?____________

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Edward Siedle

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The Greatest Retirement Crisis In American History

Edward Siedle Former Contributor

Pension forensics expert and record-setting whistleblower award winner

Mar 20, 2013, 05:49pm EDT

This article is more than 9 years old.

That dire prediction, which I wrote two years ago, is already coming true. Our national demographics, coupled with indisputable glaringly insufficient retirement savings and human physiology, suggest that a catastrophic outcome for at least a significant percentage of our elderly population is inevitable. With the average 401(k) balance for 65 year olds estimated at $25,000 by independent experts - $100,000 if you believe the retirement planning industry - the decades many elders will spend in forced or elected “retirement” will be grim.

Corporate America and the financial wizards behind the past three decades of so-called retirement innovations, most notably titans of the pension benefits consulting and mutual fund 401(k) industries, are down-playing just how bad things are already and how much worse they are going to get.

Americans today are aware that corporate pensions have been virtually eliminated and that the few remaining private, as well as the nation’s public pensions, are in jeopardy. Even if you are among the lucky few that have a pension, you cannot rest assured that it will be there for all the years you’ll need it. Whether you know it or not, someone is busy trying to figure how to screw you out of your pension.

Americans also know the great 401k experiment of the past 30 years has been a disaster. It is now apparent that 401ks will not provide the retirement security promised to workers. As a former mutual fund legal counsel, when I recall some of the outrageous sales materials the industry came up with to peddle funds to workers, particularly in the 1980s, it’s almost laughable—if the results weren’t so tragic.

There was the “Dial Your Own Return” cardboard wheel of fortune that showed investors which mutual funds they should select for any given level of return. Looking for 12%? Load up on our government plus or option income funds! It was that easy to get the level of income needed in retirement, investors were told.

The signs of the coming retirement crisis are all around you. Who’s bagging your groceries: a young high school kid or an older “retiree” who had to go back to work to supplement his income or qualify for health insurance?

The impending crisis will come in what I call “waves,” as opposed to a tsunami hitting all at once. With each successive wave, more elderly will be drowned. The older you are, the harder it is to recover from a set-back.

Wave 1: Retirees Come Back To Work

Workers who retired post-2000 realize they cannot possibly live on their meager retirement savings, virtually no interest and limited health benefits and conclude they must go back to work full-time. For example, one of my clients, a sheriff’s office, has already seen retirees coming back to work largely for health insurance coverage. While these retirees do have pensions, the cost of health insurance, when not subsidized by an employer, is far greater than they had anticipated. For those who are physically and mentally capable of going back to work and are welcomed by their former employers or other employers, this is a plausible survival strategy.

Wave 2: Workers Delay Full Retirement

Many current workers realize they have not saved enough to retire and postpone retirement for a certain number of years. They still believe, however, that someday they will be able to retire and live off their savings. This strategy makes sense for workers who can hang onto their jobs at the same (or better) pay and are healthy enough to keep working. On the other hand, older workers who are forced by employers to agree to demotions, pay cuts or part-time status to stay on, may feel demoralized.

Wave 3: Full Retirement Is Unachievable

Many current workers and retirees at some point realize that they can never fully retire, i.e., stop working altogether, and commit to working part-time for as many of their golden years as possible.

The problem is, of course, that each year more elderly people become too frail to work and fewer employers are interested in hiring them, even on a part-time basis. Remember those ads that said, “It’s hell to be forty and out of work?” Try looking for work at 70 or 80.

Wave 4: Drowning

At some point, lack of savings, lack of employment possibilities and failing health will catch up with the overwhelming majority of the nation’s elders. Let me emphasize that we’re talking about the overwhelming majority, not a small percentage who arguably made bad decisions throughout their working lives.

Given the certainty that a retirement crisis is headed toward our shores, you’d think that our elected officials would be hard at work preparing a response. Of course, that’s not happening. To the contrary, conservatives are trying to pare back so-called entitlements that will mushroom in the near future and liberals have failed to acknowledge the crisis or propose any solutions.

Eventually the pain will be so widespread that the crisis will be impossible to ignore. For many, the challenge is to hang in there until help arrives.

Also From Forbes:

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