

**Dina Padilla**  
**California Insurance Commissioner Candidate**  
**7564 Watson Way**  
**Citrus Heights, Ca. 95610-2111**  
**tele: (916) 725-2673 fax: dinajpadilla@gmail.com**

August 16, 2010

Edmund G. Brown, Jr.  
Attorney General  
California Department of Justice  
1300 I Street  
Sacramento, CA 95814

Honorable Attorney General Brown,

Congratulations on being a frontrunner in the upcoming election for Governor of California and future President of the Regents of the University of California. As a candidate for Insurance Commissioner, I can attest to the fact that we have our work cut out for us to bring the golden state and her universities back to their former glory. The past few years have not been kind to the people of California. A key problem area has been industry's undue influence in California's medical universities adversely impacting the true understanding of current accepted science, which plays a key part in determining insurance costs and payouts.

According to Governor Schwarzenegger in May of this year, \$50 billion dollars have been given or saved by industry under the 2004, "Workers Comp Insurance Reform" Senate Bill 899. This bill has been held out as a success of fixing our workers' compensation insurance system while basing claims' acceptance or denials on purportedly evidence based medicine, much of which is established by physicians affiliated with the UC.

While the Chamber affiliates may view SB899 as a success; the citizens of California should not. Fifty billion to private sector industries and workers comp insurers, translates into a \$20 billion state deficit for the citizens of California, with our state disability programs stretched to the limits and in shambles.

The misapplication of scientific and medical information by the American College of Occupational and Environmental Medicine (ACOEM) and some of their UC physicians affiliates, who write much of the workers' comp treatment guidelines for the state under SB899; has caused much wrongful denial of workers compensation insurer and employer responsibility when employees are injured on the job. This then shifts the burden for the sick and injured onto state and federal disability programs.

When scientific and medical misinformation is systematically used in our courts and in state policies to give insurers and employers unfair advantage to avoid their financial responsibility for sick and injured workers, the term for this is “insurance fraud”.

As such, I urge you along with Commissioner Poizner, to implement an investigation of systemic insurance fraud in the state guidelines set forth by ACOEM, under SB899; along with other health policies permitted to be established by ACOEM in California with the Governor’s endorsement.

Foremost, is the needed investigation and halting in policy that ACOEM’s purportedly scientific understanding of illnesses from mold be adhered to under the directive of Governor & President of the UC Regents, Schwarzenegger; and the California Department of Health and Human Services.<sup>1</sup>

This purported environmental science of ACOEM is identical to that of the US Chamber of Commerce with their purported proof of lack of causation of illness from mold. This is because the two organizations’ white papers on subject of health hazards from mold are both penned by the same authors, who are professional insurer defense witnesses in mold litigation. Both white papers profess to have scientifically proven the toxic components of mold do not harm in the work place. Both, carry the University of California name in validation of their purported science. And both are aiding workers’ comp insurers to game the system to the detriment of California taxpayers, workers and citizens.

As such, I urge you, along with Commissioner Poizner; to implement an investigation of systematic insurance fraud caused by the ACOEM and US Chamber mold white papers. The matter is well documented. It was even the subject of a front page Wall Street Journal article in 2007.<sup>2</sup> Yet the systematic insurance fraud that mold does not harm and therefore insurers are not responsible for injury, continues in our courts to the detriment of injured workers and California citizens, to this very day.

As an example, five such workers compensation cases for injury from mold are occurring at Toyota of Poway located in Poway, California.. While the city of Poway will be assisting the owners to build a new building as I understand it; the injured workers are being left to fend for themselves and their families. Much of the information and legal documents regarding the fraud in workers comp denial and delays at Toyota of Poway may be found on the website, <http://moldtruth.wordpress.com/> Through their legal counsel, they have also attempted to intimidate no less than one employee into silence of the health hazards at the dealership. A threat of libel was sent to one of the injured on

---

<sup>1</sup> “Physicians can refer to the American College of Occupational and Environmental Medicine (ACOEM) statement, *Adverse Human Health Effects Associated with Molds in the Indoor Environment*. [www.acoem.org/guidelines/article.asp?ID=52](http://www.acoem.org/guidelines/article.asp?ID=52).” Arnold Schwarzenegger, Governor State of California; Kimberly Belshé, Secretary Health and Human Services Agency; Sandra Shewry, Director Department of Health Services; John Rea, Acting Director Department of Industrial Relations November 2005 <http://www.cdph.ca.gov/programs/IAQ/Documents/moldInMyWorkPlace.pdf>

<sup>2</sup> “Court of Opinion Amid Suits Over Mold, Experts Wear Two Hats Authors of Science Paper Often Cited by Defense Also Help in Litigation” January 2007 [http://www.drcraner.com/images/suits\\_over\\_mold\\_WSJ.pdf](http://www.drcraner.com/images/suits_over_mold_WSJ.pdf)

August 5, 2010; should he continue to speak out to other employees of the health hazard at the dealership. San Diego District Attorney, Bonnie Dumanis, has also been sent a request to investigate the matter. I urge you, along with Commissioner Poizner and San Diego DA Dumanis; to implement an investigation of insurance fraud by the owners and management of Toyota of Poway. This is for their role in using the state sanctioned concept and purported science of the ACOEM guidelines of mold induced illnesses to wrongfully deny their responsibility for their workers' injuries from the moldy dealership and attempted coercion to silence an injured worker.

Please let me know your intent of addressing the gravely serious evidence of systematic and systemic insurance fraud adverse to the health, safety and welfare of the citizens and taxpayers of California; and involving the University of California. The UC has been made aware of the role they are playing in the deception, both in California and interstate. Please let me know of your intent to work with Commissioner Poizner and District Attorney Dumanis regarding the mistreatment of injured workers at Toyota of Poway.

If I may be of assistance in your investigations, please do not hesitate to ask. The matter of systematic insurance fraud and intimidation tactics through legal proceedings to wrongfully deny insurer responsibility is well documented when mold illnesses are involved in the State of California. It has happened numerous times in numerous cases. This needs to stop.

Congratulations again as being a forerunning for Governor of our great state.

Sincerely,

Dina Padilla  
Insurance Commissioner Candidate

Enclosures: (3)