



Governor Jerry Brown
State Capitol, Suite 1173
Sacramento, CA 95814

Attorney General Kamala Harris
California Department of Justice
Attn: Public Inquiry Unit
P.O. Box 944255
Sacramento, CA 94244-2550

Thursday, April 24, 2014

Dear Governor Brown and Attorney General Harris:

Wednesday the *Los Angeles Times* reported a \$10 million settlement by UCLA to a whistleblower surgeon over conflict of interest allegations.

The case calls out for an independent investigation by your offices.

Dr. Robert Pedowitz, former chair of the UCLA orthopedics department, reported widespread financial conflicts of interest that may have compromised patient care. UCLA made no changes in response to Dr. Pedowitz's reports, and continues to contend that there were no problems with the university's policies or oversight of financial relationships between physicians, the hospital and outside medical device and drug manufacturers. Today's settlement gives us 10 million reasons to believe otherwise.

The Attorney General should open an investigation into conflict of interest policies and enforcement at California's public university hospitals to confirm that their doctors report all income from third-party sources, including medical companies.

Dr. Pedowitz alleged that his fellow doctors had deep financial ties to medical-device makers while using – and testing – their products on patients. He argued that UCLA ignored these potential conflicts because the school stood to benefit financially from the commercialization of products and/or drugs developed by its own doctors. After airing his complaints, Dr. Pedowitz was demoted.

In one case, a spine surgeon failed to report nearly \$460,000 in payments from the device manufacturer Medtronic, while at the same time testing the use of the company's products in patients. At least five patients have since sued that physician and other UCLA physicians, alleging failed surgeries and horrific injuries because unapproved or contraindicated Medtronic biologics and devices were used without informing the patients. In each case the physician had taken payments from Medtronic, also without the patient's knowledge.

Patients in UC hospitals deserve the most reliable surgical devices and medication – and they shouldn't be treated as subjects in expensive experiments that make money for public facilities while the costs fall on patients and the taxpayer.

California's public university hospitals are allowed to set their own conflict of interest policies. For instance, UCSF, which has the strongest transparency requirements in the UC system, prohibits faculty members conducting research on behalf of a company from having a personal financial relationship with that company. Other institutions within the UC system, including UCLA, have policies that are far less protective. Shouldn't all public university hospitals have the same protections against conflicts of interest? The findings of your investigation can help determine this.

It is apparent that UCLA's policies governing financial conflicts are either inadequate or unenforced.

Are the same failures happening at other hospitals in the UC system? Your independent investigation is needed to ensure that patients are not harmed when UC financial interests conflict with transparency in patient care. Your investigation should determine:

- (1) If the taxpayers were bilked because UC hospitals lost funding that was destined to them, but instead payouts from medical companies was diverted to doctors personal accounts;
- (2) Whether it is appropriate for a public institution to ever take private funds and conduct research based upon financial gain, or if the practice should be prohibited;
- (3) When patients should be told that a doctor or the hospital receives funding from a device or drug manufacturer; and
- (4) Whether oversight of UC financial relationships with drug and medical device manufacturers should be taken out of the hands of hospital administrators and given to an independent monitor with no financial interest.

We look forward to your response.

Sincerely,



Jamie Court



Michael Kapp