



March 6, 2013

Governor Jerry Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814
Fax: (916) 558-3160

Dear Governor Brown:

We are writing to ask that you dismiss two top managers at the California EPA's Department of Toxic Substances Control (DTSC)—Chief Deputy Director Odette Madriago and Deputy Director Stewart Black—for conflicts of interest. These two public officials may have violated the California Code of Regulations of the Fair Political Practices Commission, Title 2, Division 6, §18705.1 Materiality Standard: Economic Interests in Business Entities by in some instances holding six and seven figure interests in companies regulated and/or licensed by the department while making decisions that could have affected those companies. Regardless of whether this is a legal violation, or only an unseemly conflict, we call upon you to remove them immediately. Their inaction and meddling in enforcing environmental laws has been well documented in our recently issued report *Golden Wasteland*.

According to government 700 forms covering the years 2006-2012, Ms. Madriago invested as much as \$100,000 each in Chevron and in BP Amoco and up to one million dollars in General Electric. Mr. Black holds stock in Royal Dutch Shell, and has invested up to \$100,000 in chemical company McKesson. He has also invested in GE.

All these companies have been subject to corrective actions and these refineries and GE hold permits before the department, according to the DTSC website. In an August 2012 meeting between myself, and Consumer Watchdog President Jamie Court, Ms. Madriago insisted that the DTSC has no power to regulate refineries broadly, when the DTSC does in fact have broad statutory authority—including the removal of permits for breaking laws covering hazardous waste, materials and substances. We do not know if she blocked an initial DTSC effort to regulate refineries at the behest of industry roughly a decade ago. We do know that that effort was shut down.

In December, 2012, I received a letter from DTSC Director Debbie Raphael stating that the DTSC has formed a task force with your office to look at how refineries like Chevron may be regulated. It is a conflict of interest for either Ms. Madriago or Mr. Black to participate in that effort. Naturally, decisions on regulating refineries as a group in California could have an impact on their market value.

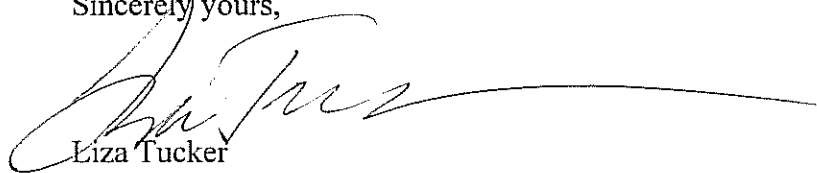
Ms. Madriago is also invested in Abbott Laboratories. The DTSC took enforcement action against a division of Abbott—Abbott Vascular—in 2010 for breaking hazardous

waste laws. But at the request of then-Governor Arnold Schwarzenegger's chief of staff, the DTSC lowered an original fine of some \$125,000 to \$90,000 so that Abbott would not have to publicly report the fine to the Securities and Exchange Commission. As Acting Chief Deputy Director at the time, Ms. Madriago may have participated or sanctioned this unethical decision, which had to be approved at the highest levels of the DTSC.

We were also troubled to see that in a recent NBC news report, DTSC Director Debbie Raphael declined to answer questions about the department's problems, but was taped on Valentine's Day walking away with Peter Weiner, a well-known hazardous waste industry lobbyist and lawyer who has represented such companies as serial toxic violator Phibro-Tech—itself the subject of a recent NBC investigation. We have filed a Public Records Act request to obtain information about their lunch that day and other dealings. The DTSC has acknowledged this request and says that the documentation is “voluminous.”

We leave it to you to decide Ms. Raphael's fate. But we also believe that you should conduct your own investigation as to conflicts of interest at the DTSC and how excessively the department caters to the wants of industry, turning a blind eye to communities poisoned by polluters who routinely hire high-priced attorneys to protect them.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Liza Tucker', with a long horizontal flourish extending to the right.

Liza Tucker
Consumer Advocate
Consumer Watchdog

cc: Debbie Raphael