



For Immediate Release

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**MADIGAN ANNOUNCES SETTLEMENT WITH PENNSYLVANIA
COMPANY OVER CONFUSING DIRECT MAIL SOLICITATIONS**

***CONSUMERS WHO PURCHASED PRESCRIPTION DISCOUNT CARDS
FROM PEOPLES BENEFIT MAY BE ELIGIBLE FOR REFUND***

Chicago – Attorney General Lisa Madigan today announced that her office has reached a settlement agreement with a Pennsylvania company over allegations the company deceptively marketed its prescription drug discount card so as to confuse consumers into believing their card was a federally-approved Medicare prescription drug discount card when, in fact, it was not approved.

Madigan said consumers who purchased a card from Peoples Benefit Services, Inc., have until September 16, 2006, to file complaints with her Consumer Protection Division to be eligible for a refund. Madigan's office will use the settlement funds to distribute refunds of the purchase price of the card to all consumers found to have filed a valid complaint.

"I urge consumers who believe they were victims of Peoples Benefit's deceptive marketing tactics to contact my office before September 16 to take advantage of the refund offer," Madigan said. "This settlement agreement will ensure that Peoples Benefit doesn't continue to use consumer confusion as a marketing tactic."

Madigan's lawsuit alleged Peoples Benefit took advantage of the confusion surrounding the federal government's initial two-year prescription drug discount card plan that transitioned Medicare recipients into the new Medicare Part D drug coverage. The federal Medicare discount card program is no longer in effect.

As part of the consent decree, filed May 19 in Sangamon County Circuit Court, Peoples Benefit has agreed to reform its business practices by (1) not using solicitations that imply that a product has a government affiliation or is an insurance product when it is not; (2) not using "Senior Security" in its product names; (3) not suggesting that there is an urgency to an offer when there is not; (4) not using solicitations that feature fictitious news media statements without clearly and conspicuously disclosing that the news media is not genuine; and (5) not making a savings claim without being able to substantiate that claim.

In addition, Peoples Benefit has agreed to pay \$70,000 to the state, as well as additional payments that will be used to reimburse consumers.

Madigan's November 2005 lawsuit alleged Peoples Benefit's direct mail solicitations confused Illinois consumers by using official-sounding names, such as "Senior Security Supplement Initiative" and "Senior Security Prescription Plan," and logos similar to the logo used by the federal government's Social Security Administration. The company's January 2003 promotional campaign coincided with the passage of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Madigan's lawsuit alleged. Peoples Benefit's discount prescription drug card was not, in fact, a Medicare-approved card.

In addition, the direct mailings allegedly falsely offered higher savings than were available and falsely represented that the company was selling an insurance product, which the discount cards are not. The mailings also used words and phrases to falsely imply that consumers needed to act fast because this was a limited time offer, Madigan's lawsuit alleged.

The defendant's agreement to the provisions of the consent order does not constitute an admission of guilt. Assistant Attorney General Cassandra Karimi handled the case for Madigan's Consumer Protection Division.

To file a complaint and be eligible for a refund, consumers should call one of the Office of the Attorney General's Consumer Fraud Hotlines:

Chicago: 1-800-386-5438 and 1-800-964-3013 (TTY)
Springfield: 1-800-243-0618 and 1-877-844-5461 (TTY)
Carbondale: 1-800-243-0607 and 1-877-675-9339 (TTY)
Spanish-language hotline: 1-866-310-8398

Currently, several options and programs are available to Illinois Medicare beneficiaries who would like to save money on their prescription drugs. Through the Medicare Modernization Act of 2003, federal programs were put in place to assist people with Medicare with prescription drug costs. The first of those programs, the Medicare discount prescription card program, expired at the end of 2005. Beginning January 1, 2006, people who enrolled with a Medicare Part D prescription drug plan could begin receiving prescription drug insurance coverage. Medicare Part D plans vary in price, drugs covered, and pharmacies which accept the plans. Some Medicare beneficiaries may be eligible for extra help with paying for a Medicare Part D prescription drug plan. In addition, people formerly eligible for prescription drug assistance through Illinois' Senior Care and Circuit Breaker programs may now be eligible for help from Illinois Cares Rx.

To learn more about each of these programs and determine the least expensive way to obtain prescription drugs, Illinois residents should seek out detailed advice. Illinois residents can obtain free, competent, personalized advice by contacting the Senior Helpline of the Illinois Department on Aging at 1-800-252-8966 or the Senior Health Insurance Program (SHIP) Hotline at 1-800-548-9034. In addition, Madigan's office has partnered with the Suburban Area Agency on Aging in Oak Park to expand statewide the Senior Medicare Patrol Program, which trains senior volunteers to spot and report Medicare fraud. Questions about the Medicare drug benefit or suspicions of fraud can be directed to the Suburban Area Agency on Aging at 1-800-699-9043.

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