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- PRESS RELEASE -

## **BYSIEWICZ AND LEMBO URGE BUSINESSES NOT TO FALL VICTIM TO PHONY COMPLIANCE SCHEME**

### SECRETARY OF THE STATE AND ATTORNEY GENERAL INVESTIGATE PROGRESSIVE BUSINESS PUBLICATIONS

**HARTFORD:** Secretary of the State Susan Bysiewicz and Connecticut Healthcare Advocate Kevin Lembo are warning Connecticut's business community about a deceptive marketing campaign that falsely claims that there is a "new" requirement that employers purchase compliance posters or face fines up to \$7,500. In addition, Bysiewicz and Attorney General Richard Blumenthal have launched an investigation to determine if Progressive Business Publications (PBC) of Malvern Pennsylvania, the company responsible for the unauthorized solicitations is operating legally in Connecticut.

"Today we are warning Connecticut business owners – do not be duped by the scare tactics of this unauthorized campaign and these phony "new" requirements," said Bysiewicz. "My office has launched an investigation to determine if Progressive Business Publications is operating legally in Connecticut and I applaud Attorney General Blumenthal for his investigation of PBP for potential fraud. We urge anyone who has fallen prey to this scam to contact our offices."

The marketing campaign, consisting of blast-faxes and emails from PBC, is entitled: "CONNECTICUT HEALTHCARE ADVOCATE, OFFICIAL NOTICE". This campaign is NOT authorized by the Office of the Healthcare Advocate, State of

Connecticut. The promotion falsely states that this is a "NEW" requirement, and encourages the reader to purchase the poster under threat of "fines of up to \$7,500." The solicitation gives potential buyers an option of purchasing a single compliance poster for \$12.99 or a "Complete Connecticut State Kit" consisting of 11 posters for \$89.99.

"As soon as we were notified of this scheme we took action," said Lembo. This marketing campaign and solicitation are in no way authorized by the Office of the Healthcare Advocate. This scheme targets business owners trying to play by the rules. Business owners who are required to post health insurance information may contact my office and receive this poster free of charge."

The Connecticut General Statutes (CGA 38a-1046) require that employers who offer a fully-insured health insurance product to their employees, "shall obtain from the Healthcare Advocate and post, in a conspicuous location, a notice concerning the services that the Healthcare Advocate provides." The notice/poster that fulfills this requirement is available, free of charge, by contacting the Office of the Healthcare Advocate at 1-866-466-4446 or [healthcare.advocate@ct.gov](mailto:healthcare.advocate@ct.gov).

Under state law, corporations, limited liability partnerships, non-stock corporations, stock corporations, and statutory trusts doing business in Connecticut are required to register with the Secretary of the State's Office and pay the statutorily established fee before they can transact business here.

There are approximately 45,000 of these foreign entities which have filed with the Secretary of the State's Office. The requirement to obtain authority to do business exists to protect domestic organizations from unfair competition and place domestic and foreign organizations on an equal footing. The law also protects consumers with a grievance against an out-of-state business, by specifying where and what manner the company can be served with legal papers.