



PRESS RELEASE

Colorado Department of Law
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FOR IMMEDIATE RELEASE

September 10, 2012

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Colorado Attorney General Settles Consumer Protection Lawsuit against Internet-Based Marketing Program

DENVER—[Colorado Attorney General John Suthers](#) announced today the settlement of a consumer protection lawsuit against Joseph Benedetto and his company, Consolidated Medical Services, LLC. The lawsuit alleged that Benedetto (39 years old) defrauded thousands of consumers through an internet-based affiliate marketing program.

According to the lawsuit, Consolidated Medical Services recruited individuals, many of whom are elderly, to market “medical benefits programs” that were advertised as valid substitutes for traditional health insurance. The company was accused of charging its recruits a startup fee of \$35 to \$345 as well as a monthly maintenance and hosting fee of \$29.95 to sell the medical benefits programs online. Recruits then paid thousands of dollars for additional marketing products and services Benedetto offered.

“People were enticed to invest in Benedetto’s scheme and he collected hundreds and often thousands of dollars per person, all the while knowing the individual had virtually zero chance of recouping their investment,” explained Suthers. “The health benefits plans themselves were fraudulent, frequently failing to pay patients’ claims as promised and for that and more, we went after him,” continued Suthers.

Consolidated Medical Services recruited 12,800 affiliates between 2008 – 2011. Of these victims, fewer than three percent made any money. The great majority of this three percent paid out more money than they earned.

Benedetto has shut down the CMS affiliate marketing program and returned more than \$100,000 to affiliates. Under the final judgment approved by Denver District Court, Benedetto is permanently barred from, among other things, operating affiliate marketing programs related to medical benefits programs, insurance, or any other health-care related product or service. He must honor certain written guarantees given to affiliates, and he must pay a judgment of \$250,000.

Consumers who believe they have been defrauded by a business may file a complaint with the Colorado Office of the Attorney General at www.coloradoattorneygeneral.gov/complaint or by calling 1-800-222-4444.

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