



FTC Obtains Summary Judgment Decision Against Medical Discount Card Scammers

Court Bans Defendants from Selling Healthcare-Related Products

FOR RELEASE

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A health care scammer and his company, who tricked Spanish-speaking and other consumers seeking health insurance into buying phony medical discount cards, are banned from selling healthcare-related products, and from telemarketing, under court orders obtained by the Federal Trade Commission.

The orders resolve FTC charges brought in August 2014 against Gary L. Kieper and Partners In Health Care Association, Inc. (PIHC), who falsely claimed that they and their marketers sold health insurance.

The scam targeted people who needed health insurance, were paying high premiums for coverage because they had lost their jobs, or had pre-existing medical conditions. The discount card marketers claimed the “insurance” would pay for doctor and emergency room visits and other services, and at times claimed the “insurance” qualified for “Obamacare.” Instead, PIHC delivered customers a medical discount card that left them uninsured, even though they had paid a fixed enrollment fee and monthly “premiums” ranging from \$99 to several hundred dollars.

The court’s summary judgment order found the facts of the case against Kieper indisputable – he controlled the operation, was aware of the false representations, and assisted and facilitated his telemarketers’ violations. The court also entered a default judgment against PIHC. The final order against Kieper and PIHC prohibits them from selling healthcare products and telemarketing, misrepresenting any good or service, and selling or otherwise benefitting from consumers’ personal information, among other provisions. It imposes a monetary judgment of \$8,746,094 against defendants.

In November 2015, co-defendants Constanza Gomez Vargas, Walter S. Vargas and United Solutions Group Inc. agreed to a stipulated order that banned them from selling healthcare products and imposed a \$2,114,882 judgment, which was suspended upon their payment of \$17,616 and surrender of various assets.

The U.S. District Court for the Southern District of Florida entered the summary judgment order against Kieper on May 31, 2016, and entered the default judgment against PIHC and the final order for permanent injunction against both defendants on June 27, 2016.

To learn more, read [*Discount Plan or Health Insurance?*](#)

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#) and [subscribe to press releases](#) for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

[FTC Stops Marketers of Phony Health Care ‘Discount’ Schemes Directed at Older Americans and Spanish-Speaking Consumers](#)

[FTC Action: Medical ‘Discount’ Card Scammers Banned from Selling Healthcare-Related Products](#)

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