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[EXEMPT FROM FILING FEES
UNDER GOVT. CODE SEC. 6103]

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THE PEOPLE OF THE STATE OF CALIFORNIA
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10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF LOS ANGELES**
12

13 THE PEOPLE OF THE STATE OF
14 CALIFORNIA,

15 Plaintiff,

16 v.

17 BLUE CROSS OF CALIFORNIA, a
California corporation doing business as
18 ANTHEM BLUE CROSS,

19 Defendant.
20

Case No.

COMPLAINT FOR INJUNCTION, CIVIL
PENALTIES AND OTHER EQUITABLE
RELIEF FOR VIOLATIONS OF BUSINESS
AND PROFESSIONS CODE SECTION
17200 (UNFAIR COMPETITION LAW)

21
22 Plaintiff, the People of the State of California, by and through Kamala D. Harris, Attorney
23 General of the State of California, alleges the following on information and belief:

24 **DEFENDANT AND VENUE**

25 1. Defendant Blue Cross of California doing business as Anthem Blue Cross
26 ("Anthem") is a California corporation with its principal place of business at 1 WellPoint Way,
27 Westlake Village, California 91362.
28

1 2. Anthem is engaged in the business of providing health insurance and related
2 services to the public. Anthem offers Health Maintenance Organization (HMO), Preferred
3 Provider Organization (PPO), and point-of-service health plans for individuals, employer groups,
4 and public entities. It also sells Medicare supplemental and Medicare Advantage health plans to
5 seniors.

6 3. Anthem at all times mentioned herein has transacted business in the County of Los
7 Angeles and elsewhere within the State of California. The violations of law described herein
8 occurred in the County of Los Angeles and elsewhere in the State of California.

9 **DEFENDANTS' BUSINESS ACTS AND PRACTICES**

10 4. On or about April 27, 2011, Anthem caused a marketing mailer to be sent via
11 United States mail service to its Medicare Supplement members in California ("Marketing Mailer
12 Recipients").

13 5. Above the Marketing Mailer Recipient's address and visible through the envelope
14 window were the words "Priority Code" followed by a multi-digit number. For 31,125 of the
15 Marketing Mailer Recipients, that Priority Code consisted of the Marketing Mailer Recipient's
16 Social Security number with additional digits added to create the full Priority Code. Thus, for
17 each of these 31,125 Marketing Mailer Recipients, the Priority Code viewable through the
18 envelope window included the individual's Social Security number.

19 6. Between about December 2011 to March 2012, Anthem caused payment collection
20 letters to be sent via United States Mail Service to its Medicare Part D members in California
21 ("Collection Letter Recipients"). For 2,631 Collection Letter Recipients, their Social Security
22 number was printed on the letter as their "Member Identification Number."

23 **FIRST CAUSE OF ACTION**

24 **VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

25 **(UNFAIR COMPETITION)**

26 7. Plaintiff realleges Paragraphs 1 through 6 and incorporates these Paragraphs by
27 reference as though they were fully set forth in this cause of action.
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1 8. On or about April 27, 2011, and between about December 2011 to March 2012,
2 Anthem engaged in unfair competition as defined in California Business and Professions Code
3 section 17200.

4 9. Anthem's acts and practices of unfair competition include the following:

5 (a) Anthem violated California Civil Code section 1798.85, subdivision (a)(1)
6 by publicly displaying the Social Security numbers of 31,125 of its members in an area visible
7 through the window of envelopes sent via United States mail service to the Marketing Mailing
8 Recipients.

9 (b) Anthem violated California Civil Code section 1798.85, subdivision (a)(5)
10 by printing the Social Security numbers of 31,125 of its members on documents that were
11 subsequently mailed to the Marketing Mailing Recipients, and by printing the Social Security
12 numbers of 2,631 of its members on documents that were subsequently mailed to the Collection
13 Letter Recipients, when neither state nor federal law required the Social Security numbers to be
14 on the documents.

15 PRAYER FOR RELIEF

16 WHEREFORE, Plaintiff prays for judgment as follows:

17 1. That under California Business and Professions Code section 17203, Anthem, its
18 successors, agents, representatives, employees, and all persons who act in concert with Anthem
19 be permanently enjoined from committing any acts of unfair competition, including the violations
20 alleged in the First Cause of Action.

21 2. That under California Business and Professions Code section 17206, Anthem be
22 ordered to pay Two Thousand Five Hundred Dollars (\$2,500) for each violation of California
23 Business and Professions Code section 17200 by Anthem, as proved at trial.

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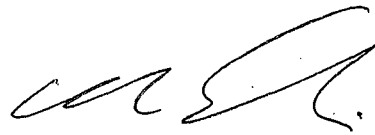
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3. That Plaintiff recover its costs of suit herein, including costs of investigation.
4. For such other and further relief as the Court may deem just and proper.

Dated: September 27, 2012

Respectfully Submitted,

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FRANCES T. GRUNDER
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MICHELE VAN GELDEREN
Supervising Deputy Attorney General



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