

## Syllabus

IN THE MATTER OF  
NATHAN I. GOLDBERG, TRADING AS COMMONWEALTH  
TRAINING INSTITUTE

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION  
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 4880. Complaint, Dec. 30, 1942—Decision, May 31, 1944*

Where an individual engaged in the interstate sale and distribution of correspondence courses to prepare students for examinations for certain Civil Service positions in the United States Government,—

- (a) Represented through statements in advertising material distributed to prospective students and through agents, designated as "registrars," who called upon them, that he could offer positions in the government which were under his control and which could be secured by taking his courses;
- (b) Represented through said "registrars" that he and his school were connected with the Government and were authorized by the Civil Service Commission to qualify applicants for government positions; and that applicants for his courses of training were specially selected; and
- (c) Represented, as aforesaid, that vacancies existed in certain branches of the Government which could be filled immediately after an applicant had passed the examination with respect thereto;

The facts being he had no positions to offer and could not qualify any one for a Government job, had no connection with the Government or any branch thereof, and could not guarantee positions or appointments of persons who passed examination; applicants were not specially selected, but all who applied were generally accepted; his list of positions contained many in which no open competitive examinations had been announced for a number of years; in many instances where his agents represented that vacancies existed, the positions had either been abolished or the vacancies supplied; and in many other cases, even though a student might successfully pass the examination and be placed on the eligible list, he might not be given appointment for a considerable period of time; and

- (d) Represented or implied to prospective students, through his trade name "Commonwealth Training Institute," that he conducted an institution of learning with a staff of experienced and qualified educators, and that his school was an extensive institution offering training in philosophy, art, science, and other learned subjects; employing such terms, to further said impressions, as "Department of Education," "Department of Administration," "Muniment of Matriculation," and other terms implying the existence of a substantial resident institution;

The facts being he offered only one course of study which was substantially the same regardless of the examination for which his students wished to prepare; all the material used by him in connection with his course was purchased from various publishers; no specific or thorough instruction was given in any subject of learning; and his said school was not an institution of learning in the accepted sense of the term;

With tendency and capacity to confuse, mislead, and deceive members of the public into the erroneous belief that such representations were true and thereby induce a substantial number thereof to purchase his courses of study and instruction and pursue the same:

## Complaint

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*Held*, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

*Mr. William L. Pencke* for the Commission.

*Mr. Joseph A. Aspero*, of Worcester, Mass., for respondent.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Nathan I. Goldberg, trading as Commonwealth Training Institute, hereinafter referred to as respondent, has violated the provisions of the said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Nathan I. Goldberg, is an individual, trading and doing business under the firm name and style of Commonwealth Training Institute, with his principal office and place of business at 120 Front Street in the city of Worcester, State of Massachusetts.

PAR. 2. Respondent is now, and has been for more than two years last past, engaged in the sale and distribution in commerce between and among the various States of the United States of courses of study and instruction intended for preparing students thereof for examinations for certain Civil Service positions under the United States Government, which said courses are pursued by correspondence through the medium of the United States mail. Respondent, in the course and conduct of said business during the time aforesaid, caused and does now cause his said courses of studying and instruction to be transported from his said place of business in the State of Massachusetts to, into and through States of the United States other than Massachusetts to the purchasers thereof in such other States.

PAR. 3. In the sale of said courses of study and instruction respondent makes use of printed advertising matter mailed or distributed to prospective students in many States of the United States in and by which various misleading representations are made in regard to said courses or matters and things connected therewith. Among such misleading representations are those which represent or imply that respondent has positions under the United States Government to offer which are under his control and which can be secured by taking respondent's courses. Typical of such representations are the following:

Subject: Government Jobs  
Federal—State—Municipal

We will advise you free of charge how to qualify for a Government job.  
Over 1700 Different Classifications of U. S. Civil Service Jobs.

## Partial List Illustrating Various Positions

Railway Postal Clerk  
City-Mail Carrier  
Post Office Clerk

Immigration Patrol Inspector  
Bookkeeper  
Customs Inspector

|                          |                                |
|--------------------------|--------------------------------|
| Rural (motor) carrier    | Forest & Field clerk           |
| Clerical-filing          | Typist                         |
| Statistical Clerk        | Stenographer                   |
| Watchman—Guard Laborer   | Storekeeper—Gauger             |
| Customs Patrol Inspector | Student fingerprint classifier |

Positions either in Washington, D. C. or in most cases throughout the United States.

PAR. 4. By means of statements and representations made by agents and representatives of the respondent who are designated "Registrars" and who call upon prospective students, the respondent represents to such prospective students that he has positions in the United States Government to offer which are under his control or which he can secure for students taking his courses; that he and his school are connected with the United States Government and authorized by the United States Civil Service Commission to qualify applicants for government jobs; that the applicants for respondent's courses of training are specially selected; that vacancies exist in certain branches of the United States Government which can be filled immediately after an applicant has passed the examination with respect to such positions.

PAR. 5. All of such statements and representations are false, misleading and deceptive. In truth and in fact, respondent has no positions to offer and cannot qualify anyone for a government job; said partial list of various positions enumerated by respondent contains many positions in which no open competitive examinations have been announced for a number of years; respondent has no connection whatever with the government of the United States or any branch thereof, and cannot guarantee positions or appointments of persons who have passed examinations. Applicants for courses of study are not specially selected, but generally all who apply for the courses of instruction are accepted by the respondent. In many instances where respondent's agents have represented that vacancies exist, such positions have either been abolished by the Civil Service Commission or the vacancies have in fact been supplied. In many other instances even though the student may successfully pass a civil service examination and be placed on the eligible list he may not be given employment for a considerable period of time. Respondent's representatives are merely salesmen and the designation of such salesmen as "Registrars" further tends to mislead prospective students into the belief that they are officials of the Civil Service Commission.

PAR. 6. In his enrollment contract the respondent has embodied a provision for refund of tuition fees wherein it is stated that:

After completing the training and payment of fees as agreed, should the rating I earn on the first Civil Service Examination I take fail to make me eligible for appointment, I shall receive a refund in full under the following conditions:

1. That I make written request for refund within thirty days after receiving official notice of my failure;
2. That I return all text material and my Certificate of Completion, together with my request for refund;
3. That within 15 days after sitting for examination, I have informed you of its title and date.

It is distinctly understood that refund will be made under no other conditions.

PAR. 7. In truth and in fact, by concealing or failing to reveal pertinent facts, said refund provision has the tendency or capacity to mislead and deceive prospective students into the belief that the probabilities for obtaining appointments to Civil Service positions are greater than they are in fact. It is not disclosed to said prospective students that examinations for certain positions may not be called for several years; or that even if a student takes and passes an examination, his name may not be reached upon the eligible list for a number of years; nor is there any assurance that an appointment will be made although such student may have received an eligible rating.

PAR. 8. The name "Commonwealth Training Institute" under which respondent conducts his said business is misleading in that it represents or implies to prospective students that respondent conducts an institution of learning with a staff of competent, experienced and qualified educators, and that his school is an extensive institution offering training and instruction in philosophy, art, science and other learned subjects; and to further such impression, respondent employs such terms as "Department of Education," "Department of Administration," "Muniment of Matriculation" and other terms implying the existence of a substantial resident institution.

In truth and in fact respondent offers only one course of study and instruction in the lower level types of examinations, which is substantially the same regardless of the Civil Service examination for which his said students wish to prepare. Respondent, in the conduct of his said business, does not offer training or instruction in philosophy, art, science or other learned subjects. No basic or thorough or complete instruction is given in any subject of learning and said school is not an institution of learning in the accepted sense of that term. There is no faculty of learned persons engaged in teaching resident students the method of instruction consisting in the mailing of previously prepared sheets and the grading of papers by the employees of respondent. All of the material used in connection with said courses of study and instruction is purchased by respondent from various publishers.

PAR. 9. The representations of respondent, as aforesaid, have had and now have the tendency and capacity to confuse, mislead and deceive members of the public into the erroneous and mistaken belief that such representations are true and to induce a substantial number thereof to purchase respondent's courses of study and instruction and pursue the same on account thereof.

PAR. 10. The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

#### REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on December 30, 1942, issued and subsequently served its complaint in this proceeding upon the respondent, Nathan I. Goldberg, an individual, trading as Commonwealth Training Institute, charging him with the use of unfair and deceptive acts and

practices in commerce in violation of the provisions of said act. On February 8, 1943, the respondent filed his answer, in which he admitted all the material allegations of fact set forth in said complaint and waived all intervening procedure and further hearing as to said facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint and the answer thereto; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

## FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Nathan I. Goldberg, is an individual, trading and doing business under the firm name and style of Commonwealth Training Institute, with his principal office and place of business at 120 Front Street, Worcester, Mass.

PAR. 2. Respondent is now, and has been for more than two years last past, engaged in the sale and distribution in commerce between and among the various States of the United States of courses of study and instruction intended for preparing students thereof for examinations for certain Civil Service positions in the United States Government, which said courses are pursued by correspondence through the medium of the United States mails. Respondent, in the course and conduct of said business during the time aforesaid, caused and does now cause his said courses of study and instruction to be transported from his said place of business in the State of Massachusetts to, into, and through States of the United States other than Massachusetts to the purchasers thereof in such other States.

PAR. 3. In the sale of said courses of study and instruction respondent makes use of printed advertising matter mailed or distributed to prospective students in many States of the United States in and by which various misleading representations are made in regard to said courses or matters and things connected therewith. Among such misleading representations are those which represent or imply that respondent can offer positions in the United States Government which are under his control and which can be secured by taking respondent's courses. Typical of such representations are the following:

Subject: Government Jobs  
Federal—State—Municipal

\* \* \* \* \*

We will advise you free of charge how to  
qualify for a Government job.

\* \* \* \* \*

Over 1700 Different Classifications of U. S.  
Civil Service Jobs.

\* \* \* \* \*

## Partial List Illustrating Various Positions

|                          |                                |
|--------------------------|--------------------------------|
| Railway Postal Clerk     | Immigration Patrol Inspector   |
| City-Mail Carrier        | Bookkeeper                     |
| Post Office Clerk        | Customs Inspector              |
| Rural (motor) carrier    | Forest & Field Clerk           |
| Clerical-filing          | Typist                         |
| Statistical Clerk        | Stenographer                   |
| Watchman—Guard Laborer   | Storekeeper—Gauger             |
| Customs Patrol Inspector | Student fingerprint classifier |

Positions either in Washington, D. C., or in most cases throughout the United States.

PAR. 4. By means of statements and representations made by agents and representatives of the respondent who are designated "Registrars" and who call upon prospective students, the respondent represents to such prospective students that he can offer positions in the United States Government which are under his control or which he can secure for students taking his courses; that he and his school are connected with the United States Government and authorized by the United States Civil Service Commission to qualify applicants for Government jobs; that the applicants for respondent's courses of training are specially selected; that vacancies exist in certain branches of the United States Government which can be filled immediately after an applicant has passed the examination with respect to such positions.

PAR. 5. All of such statements and representations are false, misleading, and deceptive. In truth and in fact, respondent has no positions to offer and cannot qualify any one for a Government job; said partial list of various positions enumerated by respondent contains many positions in which no open competitive examinations have been announced for a number of years; respondent has no connection whatever with the Government of the United States or any branch thereof, and cannot guarantee positions or appointments of persons who have passed examinations. Applicants for courses of study are not specially selected, but generally all who apply for the courses of instruction are accepted by the respondent. In many instances where respondent's agents have represented that vacancies exist, such positions have either been abolished or the vacancies have in fact been supplied. In many other instances even though the student may successfully pass a Civil Service examination and be placed on the eligible list he may not be given employment for a considerable period of time. Respondent's representatives are merely salesmen and the designation of such salesmen as "Registrars" further tends to mislead prospective students into the belief that they are officials of the Civil Service Commission.

PAR. 6. The name "Commonwealth Training Institute," under which respondent conducts his said business, is misleading in that it represents or implies to prospective students that respondent conducts an institution of learning with a staff of competent, experienced, and qualified educators, and that his school is an extensive institution offering training and instructions in philosophy, art, science, and other learned subjects; and to further such impression respondent employs such terms as "Department of Education," "Department of Administration," "Muniment of Matriculation," and other terms implying the existence of a substantial resident institution.

In truth and in fact, respondent offers only one course of study and instruction in the lower level types of examinations, which is substantially the same regardless of the Civil Service examination for which his said students wish to prepare. Respondent, in the conduct of his said business, does not offer training or instruction in philosophy, art, science, or other learned subjects. No basic or thorough or complete instruction is given in any subject of learning and said school is not an institution of learning in the accepted sense of that term. There is no faculty of learned persons engaged in teaching resident students, the method of instruction consisting of the mailing of previously prepared sheets and the grading of papers by the employees of respondent. All of the material used in connection with said course of study and instruction is purchased by respondent from various publishers.

PAR. 7. The representations of respondent, as aforesaid, have had, and now have, the tendency and capacity to confuse, mislead, and deceive members of the public into the erroneous and mistaken belief that such representations are true and to induce a substantial number thereof to purchase respondent's courses of study and instruction and pursue the same on account thereof.

#### CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

#### ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that he waives all intervening procedure and further hearing as to the said facts, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act.

*It is ordered*, That respondent, Nathan I. Goldberg, an individual, trading as Commonwealth Training Institute, or under any other name or designation, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of correspondence courses of study and instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from, directly or by implication:

1. Representing that respondent controls or will offer or procure the offer of Government jobs to his students.
2. Representing that positions are open in all the branches of the United States Civil Service for which instruction is offered.
3. Representing that respondent has any connection with the Government of the United States or any branch thereof.
4. Representing that appointments to positions in the Civil Service may or can be secured through respondent.

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5. Representing that applicants or prospective purchasers of said courses of study are especially selected.

6. Representing that vacancies exist for Civil Service positions which have in fact been abolished or which have been filled.

7. Representing that respondent's representatives and salesmen are registrars.

8. Using the term "Institute" as part of the name under which respondent's business of selling courses of instruction is conducted, or using the term "Institute" in any manner to designate, describe, or refer to respondent's business.

*It is further ordered,* That respondent shall, within 60 days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

## Syllabus

## IN THE MATTER OF

EDWARD D. MILLER TRADING AS NATIONAL  
TECHNICAL INSTITUTE

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION  
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 4789. Complaint, July 29, 1942—Decision, June 1, 1944*

Where an individual engaged in the interstate sale and distribution of correspondence courses of instruction in diesel engineering, air conditioning, aeronautical engineering, electrical engineering and commercial training—

- (a) Represented through calls upon prospective students and their parents at their homes by him and his representatives, that the particular prospect had been especially recommended as a ranking high school graduate and was therefore being offered a scholarship as an "advertising student," under his policy of requiring such advertising student to recommend other students in lieu of other forms of advertising, and that such scholarship constituted a substantial reduction from the regular charge; the facts being that such representations were false, there was no special selection of students, nor any recommendations by high school principals or others for the so-called scholarship, which was the regular enrollment and did not carry any reduction in the tuition fee;
- (b) Represented that a substantial number of graduates had been employed in the respective industries at high salaries and that prospective students would have no difficulty in obtaining a lucrative position in any of them; the facts being that generally his graduates had not found such employment, and there had been no graduates of the aeronautical engineering course;
- (c) Represented that his plan of instruction differed from those of other similar schools in that, in addition to the lesson material mailed, a teacher who was thoroughly trained and qualified in the respective technical subjects would call upon the student at 30 day intervals, review the work done and generally explain and test the subjects being studied; the facts being the so-called instructors had no technical qualifications enabling them to render such service, but in fact acted as bill collectors to collect the required monthly installments;
- (d) Represented that the school maintained several buildings, substantial equipment and a large faculty of competent instructors, and that at the conclusion of the diesel engineering and air conditioning courses a student would receive five weeks shop training at one of the best schools in Chicago, and that students of the aeronautical engineering course would receive such training at an aeronautical school which would also give instruction in actual flying; the facts being there had been no graduates, as aforesaid noted, of said last course, and said individual was the sole operator of the business concerned; and
- (e) Represented through use of the words "National Diesel Institute" and "National Technical Institute," that the business consisted of a group of engineers in the diesel or other technical industries, instituted to consider their problems from a scientific and technical standpoint, to further the industries concerned and their welfare generally, and to conduct research and experiments therein; the fact being his business was a correspondence school organized and operated solely for his financial profit, he maintained no resident school, laboratory, library or any equipment whatever to conduct a school, and representations made as above set out were otherwise false;