

Complaint

43 F. T. C.

IN THE MATTER OF
GERALD A. RICE DOING BUSINESS AS OFFICE OF
CIVIL PREPARATION

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

Docket 5321. Complaint, May 19, 1945—Decision, Oct. 10, 1946

Where an individual engaged in the interstate sale and distribution of correspondence courses of study for examinations for United States civil service positions—

- (a) Falsely represented through use of the trade-name "Office of Civil Preparation" and the designations "Chief Special Agent," "Director," and "Assistant Director" "in correspondence with prospective purchasers, and through the use of a spread eagle design which simulated the Great Seal of the United States, and other emblems of the United States Government, on his letter-heads, advertising material and application blanks, that his so-called Office of Civil Preparation was a branch of or connected with the United States Civil Service Commission or some agency of the United States Government;
- (b) Represented inaccurately and misleadingly in advertisements distributed to prospective students throughout the northwestern states that thousands of positions were then available in hundreds of branches of the United States Civil Service and that vacancies existed in the specific positions he listed; that a common school education was usually sufficient to fill positions in the civil service, including such listed positions; and that said positions were available because of vacancies due to death, retirements and normal Government expansion and might be obtained through his "Office of Civil Preparation";

The facts being that most of the positions listed by him require special training and qualifications; the number of vacancies does not run into thousands, and many conditions other than death, age, and retirement govern the placement of new employees in civil service; no examinations were contemplated in the near future for a number of the positions listed for the reason that the registers therefor contained sufficient names to fill all vacancies; and announcements for many examinations are made for which only persons having veteran preference are eligible;

With tendency and capacity to confuse, mislead, and deceive members of the public into the erroneous belief that such representations were true, and of inducing them to purchase his courses of study and instruction on account thereof:

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.

Before *Mr. Clyde M. Hadley*, trial examiner.

Mr. William M. Pencke for the Commission.

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 Gerald A. Rice, an individual, doing business under the Name of Office of Civil Preparation, 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, Gerald A. Rice, is an individual, trading and doing business under the name and style of Office of Civil Preparation, with his office and principal place of business in the city of Spokane and State of Washington; his mailing address being Room 418, Spokane Hotel, Spokane, Wash.

PAR. 2. For more than 4 years last past, respondent had been 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 examination for certain civil-service positions under the United States Government, which said courses were 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 his said courses of study and instruction to be transported from his said place of business in the State of Washington to, into and through States of the United States other than Washington to the purchasers thereof in such other States. There has been at all times mentioned herein a course of trade in said courses of instruction so sold and distributed by respondent in commerce between and among the various States of the United States.

PAR. 3. In the sale of said courses of study and instruction respondent made use of printed advertising matter and letters mailed or distributed to prospective students throughout the northwestern States of the United States in and by which various false, misleading, and deceptive representations were made in regard to said courses of study and matters and things connected therewith. Typical of such representations were the following:

CIVIL SERVICE

MEN—WOMEN—18 to 45 YEARS OF AGE

MANY OPPORTUNITIES

COMMON SCHOOL EDUCATION USUALLY SUFFICIENT

Railway Mail Clerk	Storekeeper-Gauger	Immigrant Inspector
Postal Laborer	Customs Positions	Telephone Operator Jr.
Post Office Clerk	File Clerk	Meat Inspector
City Mail Carrier	Social Security Positions	Forest and Field Clerk
Rural Mail Carrier	Internal Revenue	Income Tax Auditor
Stenographer	Immigration Clerk	Junior Graduate Nurse.
Typist	Customs Inspector	
Postmaster	Customs Patrol Inspector	

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If you want to be ready to fill one of the next thousands of jobs with the Government that must be filled from time to time due to death, retirements, and normal Government expansion, fill in the attached card and mail at once.

Above are a few of the 900 different
kinds of Gov't jobs

Office of Civil Preparation
Box 1000
Spokane, Washington

A Few of the Many Desirable Positions in Federal Civil Service

Border Patrol
Customs Inspector
Park Ranger
Forest & Field Clerk
Revenue Agent
Distillery Inspector
Meat Inspector
Prison Guard

Chauffeur Mechanic
Fingerprint Classifier
Railway Mail Clerk
Post Office Clerk
R. F. D. Carrier
Civil Service Examiner
Telephone Operator
Weather Bureau

GOVERNMENT POSITIONS
ATTENTION!!

Wanted at once: Men and Women, ages 18 to 45, who are interested in the Government Service as a career.

On his letterheads, advertising material, and application blanks, respondent used the spread-eagle design in imitation of the Great Seal of the United States and other emblems of the United States Government; and in conducting correspondence with prospective purchasers of said courses of study, respondent used, among others, such designations as "Chief Special Agent," "Director," and "Assistant Director."

PAR. 4. By means of the foregoing statements and representations and others to the same effect not herein set out, respondent represented and implied that the "Office of Civil Preparation" was a branch of, or was connected with, the United States Government or the Civil Service Commission of said Government; that at the time of the dissemination of respondent's advertisements thousands of positions were available in hundreds of branches of the United States civil service and that vacancies existed in the specific positions listed in respondent's advertising material; that a common-school education was usually sufficient to fill positions in the civil service, including the positions listed by respondent; that said positions were available because of vacancies due to death, retirements, and normal government expansion and may be obtained through respondent's Office of Civil Preparation.

Through the use of the simulation of the official United States Government insignia, the trade name, "Office of Civil Preparation," and the designations "Chief Special Agent," "Director," and "Assistant Director," the respondent represented and implied that respondent's

so-called Office of Civil Preparation was a branch of, or connected with, the United States Civil Service Commission or some agency of the Government of the United States.

When making personal calls upon prospective purchasers of his said course of study, respondent stated that he was a Government man or implied that he was connected with the United States Government; that civil-service positions were immediately available and that he could place said prospective students in such Government positions.

PAR. 5. In truth and in fact, all of said statements and representations were false, deceptive, exaggerated, and misleading. Said Office of Civil Preparation was not connected with nor a part of any branch or agency of the United States Government. Respondent Gerald A. Rice operated said business solely for the purpose of selling courses of study designed to prepare students thereof for civil-service examinations; he was not a Government man or employee of the United States Civil Service Commission or any other branch of the United States Government and had no power or authority whatever to promise, or place any person in, civil-service positions. The words "Office of Civil Preparation," as used in said trade name, the spread-eagle designs reproduced in the advertising material, and the use of official designations were all grossly misleading and created the impression and belief among members of the purchasing public that respondent was officially connected with or that his business constituted a part of the United States Government or the United States Civil Service Commission.

The representation that a common-school education was usually sufficient to obtain civil-service positions was inaccurate and misleading particularly with respect to the positions listed in respondent's advertising material. In truth and in fact, most of said positions require special training and qualifications.

The representation that thousands of positions were available, including those specifically listed by respondent, due to death, retirement, and normal government expansion was exaggerated and misleading. While some vacancies occur due to the circumstances described by respondent, their number does not run into thousands; there are, moreover, many conditions prevailing which govern the placement of new employees in civil service other than those of death, age, and retirement.

In truth and in fact, no examinations had been held for some time or were contemplated in the near future for a number of the positions listed by respondent in his advertisements for the reason that the registers for said respective positions contained sufficient names to fill all vacancies. Moreover, announcements for many examinations

are made for which only persons having veteran preference are eligible.

PAR. 6. The use by the respondent of the representations aforesaid, has had the tendency and capacity to confuse, mislead, and deceive members of the public into the erroneous and mistaken belief that such representations were true, and induced them to purchase respondent's courses of study and instruction in said commerce on account thereof.

PAR. 7. The aforesaid acts and practices of the respondent, as herein alleged, were all to the prejudice and injury of the public and constituted 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 May 19, 1945, issued and subsequently served its complaint in this proceeding upon respondent Gerald A. Rice, charging him with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said Act. On May 3, 1946, the Commission granted respondent's motion to file his answer out of time, in which answer he admitted all the material allegations of fact set forth in said complaint and waived all intervening procedure and further hearings 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 fully considered the matter and being 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, Gerald A. Rice, is an individual, trading and doing business under the name and style of Office of Civil Preparation, with his office and principal place of business in the city of Spokane and State of Washington; his mailing address being Room 418, Spokane Hotel, Spokane, Wash.

PAR. 2. For more than 4 years last past, respondent had been 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 examination for certain civil-service positions under the United States Government, which said courses were 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 his said courses of

study and instruction to be transported from his said place of business in the State of Washington to, into and through States of the United States other than Washington to the purchasers thereof in such other States. There has been at all times mentioned herein a course of trade in said courses of instruction so sold and distributed by respondent in commerce between and among the various States of the United States.

PAR. 3. In the sale of said courses of study and instruction respondent made use of printed advertising matter and letters mailed or distributed to prospective students throughout the northwestern States of the United States in and by which various false, misleading and deceptive representations were made in regard to said courses of study and matters and things connected therewith. Typical of such representations were the following:

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MEN—WOMEN—18 to 45 YEARS OF AGE
MANY OPPORTUNITIES
COMMON SCHOOL EDUCATION USUALLY SUFFICIENT

Railway Mail Clerk	Storekeeper-Gauger	Immigrant Inspector
Postal Laborer	Customs Positions	Telephone Operator Jr.
Post Office Clerk	File Clerk	Meat Inspector
City Mail Carrier	Social Security Positions	Forest and Field Clerk
Rural Mail Carrier	Internal Revenue	Income Tax Auditor
Stenographer	Immigration Clerk	Junior Graduate Nurse
Typist	Customs Inspector	
Postmaster	Customs Patrol Inspector	

If you want to be ready to fill one of the next thousands of jobs with the Government that must be filled from time to time due to death, retirements, and normal Government expansion, fill in the attached card and mail at once.

Above are a few of the 900 different
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Spokane, Washington

A Few of the Many Desirable Positions in Federal Civil Service

Border Patrol	Chauffeur Mechanic
Customs Inspector	Fingerprint Classifier
Park Ranger	Railway Mail Clerk
Forest & Field Clerk	Post Office Clerk
Revenue Agent	R. F. D. Carrier
Distillery Inspector	Civil Service Examiner
Meat Inspector	Telephone Operator
Prison Guard	Weather Bureau

GOVERNMENT POSITIONS
ATTENTION!!

Wanted at once: Men and Women, ages 18 to 45, who are interested in the Government Service as a career.

On his letterheads, advertising material, and application blanks, respondent used the spread-eagle design in imitation of the Great Seal of the United States and other emblems of the United States Government; and in conducting correspondence with prospective purchasers of said courses of study, respondent used, among others, such designations as "Chief Special Agent," "Director," and "Assistant Director."

PAR. 4. By means of the foregoing statements and representations and others to the same effect not herein set out, respondent represented and implied that the "Office of Civil Preparation" was a branch of, or was connected with, the United States Government or the Civil Service Commission of said Government; that at the time of the dissemination of respondent's advertisements thousands of positions were available in hundreds of branches of the United States civil service and that vacancies existed in the specific positions listed in respondent's advertising material; that a common school education was usually sufficient to fill positions in the civil service, including the positions listed by respondent; that said positions were available because of vacancies due to death, retirements, and normal government expansion and may be obtained through respondent's Office of Civil Preparation.

Through the use of the simulation of the official U. S. Government insignia, the trade name, "Office of Civil Preparation" and the designations "Chief Special Agent," "Director," and "Assistant Director," the respondent represented and implied that respondent's so-called Office of Civil Preparation was a branch of, or connected with, the United States Civil Service Commission or some agency of the Government of the United States.

When making personal calls upon prospective purchasers of his said courses of study, respondent stated that he was a Government man or implied that he was connected with the United States Government; that civil-service positions were immediately available and that he could place said prospective students in such Government positions.

PAR. 5. In truth and in fact, all of said statements and representations were false, deceptive, exaggerated and misleading. Said Office of Civil Preparation was not connected with nor a part of any branch or agency of the United States Government. Respondent Gerald A. Rice operated said business solely for the purpose of selling courses of study designed to prepare students thereof for civil-service examinations; he was not a Government man or employee of the United States Civil Service Commission or any other branch of the United States Government and had no power or authority whatever to promise, or place any person in, civil-service positions. The words "Office of Civil Preparation," as used in said trade name, the spread-eagle designs reproduced in the advertising material, and the use of official

designations were all grossly misleading and created the impression and belief among members of the purchasing public that respondent was officially connected with or that his business constituted a part of the United States Government or the United States Civil Service Commission.

The representation that a common-school education was usually sufficient to obtain civil-service positions was inaccurate and misleading particularly with respect to the positions listed in respondent's advertising material. In truth and in fact, most of said positions require special training and qualifications.

The representation that thousands of positions were available, including those specifically listed by respondent, due to death, retirement, and normal government expansion was exaggerated and misleading. While some vacancies occur due to the circumstances described by respondent, their number does not run into thousands; there are, moreover, many conditions prevailing which govern the placement of new employees in civil service other than those of death, age and retirement.

In truth and in fact, no examinations had been held for some time or were contemplated in the near future for a number of the positions listed by respondent in his advertisements for the reason that the registers for said respective positions contained sufficient names to fill all vacancies. Moreover, announcements for many examinations are made for which only persons having veteran preference are eligible.

PAR. 6. The use by the respondent of the representations aforesaid, has had the tendency and capacity to confuse, mislead and deceive members of the public into the erroneous and mistaken belief that such representations were true, and induced them to purchase respondent's courses of study and instruction in said commerce on account thereof.

CONCLUSION

The acts and practices of the respondent as herein found were all to the prejudice and injury of the public and constituted 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 said facts, and the Commission having made its findings as to the facts and con-

clusion that said respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That respondent, Gerald A. Rice, his representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act of courses of study and instruction intended for preparing students thereof for examinations for Civil Service positions under the United States Government, or any similar courses of study, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondent has any connection with the United States Government or any branch or agency thereof, through the use of the term "Office of Civil Preparation," or any other term of similar import or meaning, as a trade name or as a part thereof.

2. Representing, directly or by implication, that respondent has any connection with the United States Government or any branch or agency thereof, through the use of the terms "Chief Special Agent," "Director," "Assistant Director," or any other term of similar import or meaning, to designate or describe respondent or any of his representatives or salesmen.

3. Representing, through the use of emblems or other picturizations resembling or simulating official United States Government insignia, that respondent is connected with the United States Government or any branch thereof.

4. Representing in any manner, either directly or by implication, that respondent has any connection with the Government of the United States, or any branch thereof, including the Civil Service Commission.

5. Representing, directly or by implication, that the number of positions available in the United States Civil Service or any branch thereof is greater than is actually the fact.

6. Representing, directly or by implication, that respondent is authorized by the Civil Service Commission to qualify applicants for government positions or that jobs in the United States Civil Service can be obtained through respondent or by completing respondent's courses of study.

7. Representing, directly or by implication, that certain specified civil-service positions are open and available to students of respondent's courses of study when in fact such positions are not open and available or when positions are such that students of respondent's courses are not properly qualified.

8. Representing, directly or by implication, that examinations for positions in United States civil service are held at more frequent intervals than is actually the fact or that the positions listed by respondent are immediately available or that respondent can place applicants in such positions.

9. Representing, directly or by implication, that a common school education is sufficient to qualify applicants for all positions listed by respondent.

10. Misrepresenting in any manner the positions or opportunities for employment in civil-service positions of students of respondent's courses of study.

It is further ordered, That the 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.

IN THE MATTER OF

CENTURY TRAVEL SERVICE, INC., AND HARRY CRAIG
COOPER AND JOSEPH C. COOPER, JR., TRADING UNDER
THE NAMES OF CENTURY TRAVEL SERVICE, ETC.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5299. Complaint, Mar. 27, 1945—Decision, Oct. 11, 1946*

Where a corporation, and two individuals, officers thereof, engaged as travel and tour agents in competitive solicitation and sale of transportation, hotel accommodations, and various services to tourists in other States, and in soliciting particularly and as their principal business, as a result of recent wartime restrictions on travel, "packaged tours" to Miami Beach, Florida, i. e., travel trips, the price of which included transportation, hotel reservations, baggage and passenger transfers between terminals and hotels, sight-seeing trips, visits to night clubs, and similar things; through advertising circulars disseminated by mail and displayed in railroad terminals and other transportation centers—

- (a) Falsely represented that their tours were sanctioned or approved by some governmental agency through use of the word "APPROVED", in connection with the words "Century Travel Service—De Luxe Tours";

With the effect of causing a substantial number of people, in view of the Government's policy of restricting unnecessary travel in the interest of the war effort, to believe that such tours had approval or sanction of the Office of Defense Transportation or some authorized governmental transportation agency, and with the capacity and tendency so to do;

- (b) Represented through statement in their said circular "8 DAYS Inclusive Rate \$79.95 up" and "14 DAYS Inclusive Rate \$89.95" that said prices were actually "inclusive" and represented the total cost;

The facts being that their rates for 8 days ran from \$79.95 up, and for 14 days from \$89.95 up, and the "inclusive rate" was not in fact inclusive, inasmuch as a tax of \$8.03 per person was added, the statement as to which, in much smaller type near the bottom of the circular, if not observed, was called to the attention of the prospective purchaser only when arrangements for tour were being negotiated;

- (c) Represented through said circular that "Century Travel Service was established in 1921"; the facts being the corporation in question was organized in 1940; and the travel business carried on by the aforesaid two individuals, trading as "Century Travel Service," etc., was organized in 1942;

- (d) Falsely represented through a headline in heavy type, in their said circular, reading "15 SPECIAL FEATURES INCLUDED IN RATES LISTED ABOVE" followed by a list of purported special features numbered from 1 to 15, inclusive, that there were 15 distinct special features available to all purchasers of their tours;

The facts being that certain features, such as "continental breakfast included," were, as disclosed by the circular, "available only at some hotels"; other features listed separately in a different form referred to the same thing; and the feature "Travel on Credit, No Money Down, Pay Later," was not