

2. Misrepresenting in any manner the savings realized by the purchasers of a freezer food plan, freezer, or food.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF
NATIONAL BUSINESS SERVICE, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket C-246. Complaint, Sept. 28, 1962—Decision, Sept 28, 1962

Consent order requiring a collection agency in Elizabeth, N.J., to cease, in efforts to obtain information as to the current addresses, etc., of delinquent debtors, using such misleading questionnaire forms as those stating falsely that "money will be sent you if you will complete this questionnaire . . . within 10 days", or which bore the words "Official Questionnaire". "Please send me 'Free Post Paid' GIFT Reg. No. ----", or simulated a card used in an IBM key punch machine and purported to be "Current Employment Records" forms.

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 National Business Service, Inc., a corporation, and Eli Levine, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of 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, National Business Services, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 208 Broad Street, Elizabeth, N.J.

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Respondent, Eli Levine, is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been engaged in the operation of a collection agency and in collecting debts owed to others, upon a commission basis, contingent upon collection.

PAR. 3. In the course and conduct of their business, respondents are now, and for some time last past have been, receiving accounts for collection from persons, firms and corporations located outside the State of New Jersey and have been referring accounts which they have received for collection to persons, firms and corporations in other states than New Jersey and have been collecting accounts owed by persons, firms and corporations who are located outside the State of New Jersey. In addition thereto respondents have caused certain forms, hereinafter referred to, to be transported from their place of business in the State of New Jersey to other states in the United States and have sent and received, by means of the United States mail, letters, checks and documents to and from states other than the State of New Jersey and maintained, and at all times herein mentioned have maintained, a substantial course of trade in said business in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents frequently desire to obtain information as to the current addresses, places of employment and other pertinent information as to persons whose delinquent accounts the respondents are seeking to collect. For this purpose they use, and have used, certain printed forms. These are principally of four types or kinds. Typical but not all inclusive of said forms are the following:

1. "American Information Service" form. This form consists of a single sheet of paper with printing thereon, by which the recipient is told that money will be sent if the questionnaire is completed and returned within ten days. The form is as follows:

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American Information Service
21 BROADWAY
HAMMONTON, N.J.

Money will be sent to you if you will complete this questionnaire and return to this office within 10 days. Enclosed is a self addressed envelope for your convenience.

PLEASE TYPE OR PRINT ALL INFORMATION

Name -----
Address -----
City ----- State -----
Occupation ----- Date of Birth -----
Employed by -----
Employer's Address -----
Bank -----
Husband's or Wife's name -----
Employed by -----
Address -----
Nearest Phone ----- Business Phone -----
No -----

Said form is mailed in a white window envelope, the return address being "American Information Service, 21 Broadway, Hammonton, N.J." Also enclosed is a return envelope with the same address.

2. "Official Questionnaire" form. This form consists of a yellow, official appearing card, which is as follows:

(Side One)

OFFICIAL QUESTIONNAIRE

1536 ATLANTIC AVE., ATLANTIC CITY, N.J.

AMOUNT OF CLAIM TO BE DETERMINED

Fill in the Reverse Side of this form for identification of this claim.

DO NOT PIN, RETURN
FOLD OR
MUTILATE

FINAL NOTICE

AT
ONCE

ANSWER ALL QUESTIONS ON REVERSE SIDE OF THIS FORM

(Side Two)

OFFICIAL QUESTIONNAIRE

Name _____ Spouse's Name _____
 Address _____
 City _____
 Date of Birth _____ Nearest Phone _____
 IMPORTANT All questions are accurate as of 195 IMPORTANT

Whom do you Bank with _____
 Bank's Address or Branch Name _____
 City _____ State _____
 What Kind of Banking Do You Do—Checking ☐ Savings ☐ Loan ☐
 Current Employer's Name _____
 Current Employer's Address _____
 City _____ State _____

Said form is mailed in a white window envelope with a return address of "Official Questionnaire, 1536 Atlantic Avenue, Atlantic City, N.J." Also enclosed is a brown envelope with the above address printed thereon.

3. "Mr. Q" form. This form used by the respondents consists of a card which is printed as follows:

Please mail me "Free Post Paid"
 GIFT Reg. No. _____
 Name _____
 Address _____
 City or Post Office _____
 And State _____
 Nearest Phone _____
 Employed by _____
 Address _____
 City and State _____
 Husband's or Wife's First Name _____
 Bank _____
 Address _____
 Checking ☐ Savings ☐ Loan ☐
 Own Home? _____ Rent? _____

Said form is mailed in a white envelope with a return address of "Mr. Q, 1267 N. Vermont Ave., Los Angeles 28, California." Printed on the reverse side of this form is the same address as on the envelope.

4. "Current Employment Records" form. This form consists of a card with small numbers printed on one side to simulate a card used

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in an IBM key punch machine. The appearance of the other side is as follows:

Return This Form Within Five (5) Days

748 WASHINGTON BLDG.
WASHINGTON, D.C.

FILE NO. AX249

Report your new employer, Employers address, city and state on lines A, B, and C.

SOCIAL SECURITY
NUMBER

1961-62

A. _____

B. _____

C. _____

OCCUPATION

STATE OF NEW JERSEY
STATUTES

Section 43-21-16 of Chap. 21
(Unemployment Compensation)
provides—That whoever makes
a false statement or representation,
knowing it to be false, or
knowingly fails to disclose a
material fact, to obtain or increase
any benefit or other payment under
the Unemployment Compensation Law,
either for himself or for any other
person, shall be liable to a fine of
not less than \$20.00 nor more than
\$50.00

The purpose of this card is to
obtain information concerning a
delinquent debtor, and to further
advise that this is not connected
in any way with any state or the
United States Government.

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Said form is mailed in a brown, official appearing envelope with a return address of "748 Washington Building, Washington 25, D.C." Also enclosed is a return business reply envelope addressed to "Current Employment Records, 748 Washington Building, Washington 25, D.C."

Each of these forms, stamped and addressed, is mailed in bulk to the respective return address, from where they are mailed to the addressees.

If any of the above forms are returned by the respective addressees they are mailed in bulk to the respondents without being opened.

Through the use of the name "American Information Service" and the statement "Money will be sent to you if you will complete this questionnaire and return to this office within ten days" and by other words on the first form, respondents represent, directly or by implication, to those to whom the form is mailed that a substantial sum of money is being held for that person by the respondents. In truth

and in fact, no substantial sum of money is being held by the respondents but instead respondents send to each person who returns the form the sum of 10¢.

From the use of the designation "Official Questionnaire" and by other words and by the general format of the second form, respondents represent, directly or by implication, to those to whom the form is mailed that the respondents are communicating with the addressee in some official capacity and that the information is required for official purposes. In truth and in fact, respondents are not acting in any official capacity but desire the information solely for the purpose of locating the person to whom it is addressed.

By the form and wording on the third form, which promises a free gift, respondents represent, directly or by implication, that the return of the postal card will result in the receipt by the addressee of a valuable gift. In truth and in fact, the respondents have no valuable gift for the addressee but to everyone who returns the card the respondents send an inexpensive key chain.

By the use of the name "Current Employment Records" and the words on the fourth form and the general format thereof, respondents represent that they desire the information requested for some official purpose. In truth and in fact, the respondents have no official or governmental capacity and desire the information solely for the purpose of locating the person to whom the form is addressed.

The sole purpose of each of said forms is to locate delinquent debtors by subterfuge. This practice constitutes a scheme to mislead and conceal the purpose for which the information is sought.

Therefore, the aforesaid statements and representations were, and are, false, misleading and deceptive.

PAR. 5. The use, as hereinbefore set forth, of said forms has had, and now has, the tendency and capacity to mislead and deceive persons to whom said forms are sent into the erroneous and mistaken belief that said representations and implications are true and induce the recipients thereof to supply information which they otherwise would not have supplied.

PAR. 6. The aforesaid acts and practices of the respondent as herein alleged, were, and are, all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with

violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, National Business Service, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 208 Broad Street, in the city of Elizabeth, State of New Jersey.

Respondent Eli Levine is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That National Business Service, Inc., a corporation, and its officers, and respondent Eli Levine, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the collection of, or attempting to collect, delinquent accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, or placing in the hands of others for use, any form, questionnaire or other material, printed or written, which does not clearly reveal that the purpose for which the information is requested is that of obtaining information concerning alleged delinquent debtors.

2. Representing, or placing in the hands of others, any means by which they may represent, directly or by implication, that money or a free gift or any other thing of value, is being held

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for the person from whom information is sought, unless respondents have in their possession a substantial sum of money or a gift of substantial value which will be sent to such person and then only when the exact sum of money or the exact nature of the gift or other thing of value is clearly and expressly disclosed and described.

3. Representing, or placing in hands of others any means by which they may represent, directly or by implication, that they have any official capacity or that any information requested is to be used for official purposes.

4. Using post cards, form letters or other material which represent, directly or by implication, that respondents' business is other than that of collecting delinquent accounts for themselves and for others.

5. Using the name or appellation "American Information Service", "Official Questionnaire", "Mr. Q", "Current Employment Records", or any other name or names of similar import to describe or refer to respondents' business or otherwise misrepresenting the purpose for which information is sought by respondents.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

STANDARD STORES, INC., ET AL.