

IN THE MATTER OF

MARJORIE P. INGRAM DOING BUSINESS AS RETAIL CREDIT
BUREAU OF AMERICA ET AL.

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

Docket C-908. Complaint, June 14, 1965—Decision, June 14, 1965

Consent order requiring a Dallas, Texas, husband and wife engaged in collecting delinquent accounts to cease using any trade name implying they are in the credit rating business or that their business is an association, misrepresenting that they maintain a nationwide investigational staff, and falsely representing that they have an office in Washington, D. C.

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 Marjorie P. Ingram, an individual trading and doing business as Retail Credit Bureau of America, and formerly trading and doing business as American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association and American Credit Association, and James B. Ingram, Jr., an individual, 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 Marjorie P. Ingram is an individual trading and doing business as Retail Credit Bureau of America, and formerly trading and doing business as American Credit Institute,

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Van Cleef & Bryant Associates, American Credit Association and Retail Credit Association, with her office and principal place of business located at 1314 Wood Street, Dallas, Texas.

Respondent James B. Ingram, Jr., is the husband of respondent Marjorie P. Ingram and manager of the business conducted under the trade name of Retail Credit Bureau of America, and formerly conducted under the trade names of American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association, and American Credit Association. He has participated in and aided in carrying out the acts and practices hereinafter described. His business address is the same as that of respondent Marjorie P. Ingram.

PAR. 2. Respondents are now, and for some time last past have been engaged in the business of operating a collection agency.

PAR. 3. Respondents solicit and receive accounts for collection from business and professional people located in Texas and other States. In carrying out their aforesaid collection business, respondents have engaged, and are now engaged, in extensive commercial intercourse in commerce among and between the various States of the United States, including the transmission and receipt of monies, checks, collection letters and forms, contracts and other written instruments. In carrying out their aforesaid collection business, respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with other corporations, firms and individuals engaged in the business of collecting alleged delinquent accounts.

PAR. 5. In the course of conducting their collection business, respondents have transmitted and mailed, and have caused to be transmitted and mailed, to alleged delinquent debtors various form letters and other printed material.

Typical but not all inclusive, of such material are the following:

1. A printed form which bears the following caption:

CONFIDENTIAL CREDIT INFORMATION REPORT
RETAIL CREDIT BUREAU OF AMERICA
WASHINGTON, D. C.

and which includes these statements:

We are bringing your credit file up to date, and request that you furnish the information indicated below. Future CREDIT REPORTS will be based on this CONFIDENTIAL information.

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2. Form letters which are captioned and purport to be from :

AMERICAN CREDIT INSTITUTE

and on which the following language appears:

A national organization
 Claim Department
 Credits and Surveys
 Credit Reports
 Private Investigations
 Civil and criminal investigations.

The aforesaid form letters purporting to be from American Credit Institute, include some in which the following paragraph appears:

It is natural that we may be forced to contact various sources, including business and personal acquaintances, banks, and tax, mortgage, notes, real and personal property records, in an effort to complete our report. This report and our recommendations will be brought to the attention of the Retail Credit Bureau of America, Washington, D.C. for their action in making available this information to all credit agencies and taking steps to enforce settlement.

3. Form letters which are captioned and purport to be from :

VAN CLEEF & BRYANT ASSOCIATES

Such form letters include, among other things, the following language:

Dear Sir:

Your account in the amount of \$_____ owing to _____ Co., _____ Street, _____ State, has been noted as past due by our auditing staff.

Please forward your payment immediately so that your account may be cleared before the auditing procedure is completed.

Since we act only in an auditing capacity, please make payment directly to _____ Co., and not to us.

Very truly yours,

Auditor

Dear Sir:

We wrote you a week ago regarding your outstanding balance of \$_____ owing to _____ Co., _____ Street, _____ State.

As we stated in our letter, this account must be paid at once or your name will be automatically entered on a delinquent list of accounts which is turned over to American Credit Institute for proper credit procedure.

We do not wish to report your name for processing and feel that you will take care of this matter within seven (7) days now that you understand the policy which we must follow.

Very truly yours,

Auditor

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4. Form letters which are captioned and purport to be from:

RETAIL CREDIT BUREAU OF AMERICA,
1311 G Street, Northwest,
Washington, D.C.

Such letters, among other things, include the following language:

Unless we are notified within ten (10) days that you have paid or settled this account, we will have no alternative but to report the facts to all credit agencies, merchants, doctors, and others requesting credit information on you. Then, we will proceed with legal action to enforce payment of this claim. It is up to you.

Very truly yours,

Credit Reporting

5. Form letters are captioned:

OFFICE OF CREDIT INVESTIGATION AND
PROTECTION, AMERICAN CREDIT INSTITUTE,
DALLAS 1, TEXAS.

Such letters, among other things, include the following language:

The bureau of delinquent accounts is a private organization, founded nationally, to investigate individuals and corporations thoroughly and completely through special agents in their areas of the United States, covering all of their assets, employment and any and all sources of income. Thereby it preserves stability—arrests abuses and aids in the punishment of violations against organizations extending credit.

YOU ARE UNDER INVESTIGATION. Personal, Family and Commercial Investigations are in Progress. Court Records and Credit Bureau files will be Examined as well as Bank and Employment Records. Before sending this valuable information to Special Agent in your area for immediate special action you are strongly urged to make payment in full to us at once. Send amount past due by mail to this office.

6. Forms and other printed material which are captioned and purport to be from:

AMERICAN CREDIT ASSOCIATION, and
RETAIL CREDIT ASSOCIATION

PAR. 6. By and through the use of the names Retail Credit Bureau of America, American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association, American Credit Association and other names of similar import and meaning, and by and through the use of the aforesaid forms, statements and representations, and others of similar import and meaning but not specifically set forth herein, respondents have represented, directly or by implication:

1. That the information requested in the aforesaid form described in subparagraph 1 of Paragraph Five is desired solely for credit rating purposes.

2. That respondents' business is an association engaged in conducting a credit rating and credit reporting agency and operates as a credit bureau.

3. That respondents are engaged in the business of auditing the accounts and records of others.

4. That respondents operate an investigative agency and maintain a staff of special agents for investigating the assets, employment status, sources of income of debtors and other matters affecting the credit rating of alleged debtors.

5. That respondents' organization is nationwide in scope with offices located in Washington, D.C.

PAR. 7. In truth and in fact:

1. The information requested in the aforesaid form, described in subparagraph 1 of Paragraph Five is not being sought for credit reporting purposes but, on the contrary, such form is one of a series of letters utilized by respondents to locate and ascertain information concerning alleged debtors in attempting to collect allegedly overdue accounts.

2. Respondents' business is not an association conducting a credit rating and credit reporting agency and does not operate as a credit bureau, but, on the contrary, respondents' sole business is that of conducting a collection agency for the purpose of collecting allegedly past due accounts.

3. Respondents are not auditors and are not engaged in the business of auditing accounts and other records for clients, but, on the contrary, respondents' sole business is that of conducting a collection agency for the purpose of collecting allegedly past due accounts.

4. Respondents do not operate an investigative agency, and do not have an investigational staff, nor do they have special agents who investigate the assets, employment status, sources of income and other matters affecting the credit rating of alleged delinquent debtors.

5. Respondents' organization is not nationwide in scope and has no legitimate office in Washington, D.C., but, on the contrary, the so-called Washington, D.C. office has been only a mail address for the receipt of mail which is then forwarded to respondents' office in Dallas, Texas.

Therefore, the statements and representations set forth in Paragraphs Five and Six hereof were, and are, false, misleading and deceptive.

PAR. 8. By and through use of the words "Credit Bureau," "Credit Association," "Credit Institute," or words of similar import, the

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respondents have induced the public to believe and understand that respondents operate an organization, association, or institute engaged primarily in the gathering, recording and dissemination of information relative to the credit worth and financial responsibility, paying habits and character of individuals being considered for credit extension by members of said organization, a fact of which the Commission takes official notice.

In truth and in fact:

The respondents do not operate a "Credit Bureau," "Association," or "Institute" and are not engaged in gathering, recording or in the dissemination of information relative to the credit worth, financial responsibility, paying habits and character of individuals, for purposes of extending credit to them, but on the contrary, respondents are engaged solely in the operation of a collection agency.

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

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the tendency and capacity to mislead and deceive members of the public into the erroneous and mistaken belief that said statements and representations were, and are, true and to induce the recipients thereof to supply information which they otherwise would not have supplied and to the payment of accounts by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, 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 agree-

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ment 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 Marjorie P. Ingram is an individual trading and doing business under the name of Retail Credit Bureau of America, who formerly traded and did business as American Credit Institute, Van Cleef & Bryant Associates, American Credit Association, and Retail Credit Association, with her office and principal place of business located at 1314 Wood Street, Dallas, Texas.

Respondent James B. Ingram, Jr. is the husband of respondent Marjorie P. Ingram, and is manager of the business conducted under the trade name of Retail Credit Bureau of America and those formerly conducted under the trade names of American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association, and American Credit Association, and his address is the same as that of respondent Marjorie P. Ingram.

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 respondent Marjorie P. Ingram, an individual, trading and doing business as Retail Credit Bureau of America, and formerly trading and doing business as American Credit Institute, Van Cleef & Bryant Associates, Retail Credit Association, and American Credit Association, or under any other name or names, and respondent James B. Ingram, Jr., an individual, and said respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the solicitation of accounts for collection, or the collection of, or attempts to collect accounts, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any information requested directly from alleged debtors themselves is

is to be used for credit rating purposes, unless said information is to be used solely for credit rating purposes, or for any purpose other than that for which the information is actually desired.

2. Using the trade names "Retail Credit Bureau of America," "Retail Credit Association," "American Credit Institute" or "American Credit Association," or any other trade or corporate name of similar import or meaning to designate, describe or refer to respondents' business or otherwise representing, directly or by implication, that respondents' business is an association, institute or is that of a credit bureau or credit rating or credit reporting agency.

3. Representing, directly or by implication, that respondents are engaged in the business of auditing the accounts and records of others.

4. Representing, directly or by implication, that respondents operate an investigative agency or maintain an investigational staff, or have agents for investigating the assets, and other matters affecting the credit rating, employment status or sources of income of alleged delinquent debtors.

5. Representing, directly or by implication, that respondents' business is nationwide in scope.

6. Representing, directly or by implication, that respondents maintain business or credit information offices in Washington, D.C., or in any other city of the United States unless respondents do in fact maintain a bona fide office in such city.

7. Representing, through the use of any trade or corporate name, or in any manner, directly or by implication, that respondents' business is other than that of a collection agency engaged in collection of allegedly past due accounts.

Provided, That respondents may continue to use the trade name "Retail Credit Bureau of America" for a period of not more than six months from the date of service of this order: *And provided further*, That the use of the trade name "Retail Services Company" or the corporate name "Retail Services Company, Inc." shall not in and of themselves be construed to be prohibited by Paragraphs 2 and 7 of this order.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the

