

Complaint

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sixty (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

HEAVY CONSTRUCTION SCHOOLS OF ILLINOIS, INC., ET
AL.

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

Docket C-1064. Complaint, May 5, 1966—Decision, May 5, 1966

Consent order requiring the operators of a Chicago, Ill., correspondence school, to cease making false employment, earnings and other claims for its course for heavy construction equipment operators.

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 Heavy Construction Schools of Illinois, Inc., a corporation, and Mary A. Neiman, 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 Heavy Construction Schools of Illinois, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 6135 North Elston Avenue, in the city of Chicago, State of Illinois.

Respondent Mary A. Neiman is an officer of the corporate respondent. She formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Her address is the same as that of the corporate respondent.

Corporate respondent received its charter from the State of

Illinois on or about June 9, 1962. For some time prior thereto, respondent Mary A. Neiman traded and did business at National Schools of Construction.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction purporting to train students thereof for employment as operators of heavy construction equipment such as bulldozers, graders, etc., said courses being pursued in part by correspondence through the United States mails and in part through resident training at various training sites located in Indiana and other States of the United States.

PAR. 3. In the course and conduct of their business, respondents cause the home study portions of their said courses to be sent from their place of business in the State of Illinois to, into and through various other States of the United States. Also in the course and conduct of their business, respondents cause their sales representatives to visit prospective purchasers of their courses in various States other than the State of Illinois for the purpose of soliciting enrollments in respondents' courses. In the course of their enrollment of purchasers of said courses, respondents' sales representatives transmit enrollment contracts, checks and other commercial instruments through the United States mails and by other means to respondents' place of business in the State of Illinois from various other States. 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. Respondents obtain leads to prospective purchasers of their courses in various ways including advertisements published in various newspapers, magazines and other periodicals and commercials broadcast over radio stations. These advertisements and radio commercials invite inquiries regarding respondents' courses, and to persons responding to such advertisements and commercials respondents send advertising and promotional material pertaining to their said courses and cause such persons to be visited by respondents' sales representatives. In their sales presentation, said representatives make many representations concerning the caliber of the training afforded by respondents' courses, the opportunities for employment available to persons completing the courses, the earnings of persons who obtain employment after completing the courses and the efforts made by respondents to obtain employment for persons completing said

courses. Some of these representations are made orally by respondents' sales representatives and some are contained in advertising and promotional material displayed by respondents' sales representatives to prospective purchasers. Said advertising and promotional material is furnished to said sales representatives by respondents.

Representations concerning the caliber of the training afforded by respondents' courses, the opportunities for employment available to persons completing said courses, the earnings of persons who obtain employment after completing said courses and the efforts made by respondents to obtain employment for persons completing said courses are also contained in the advertising and promotional material published in various newspapers, magazines and other periodicals, in the radio commercials and in the advertising and promotional material mailed to prospective purchasers.

PAR. 5. In and through the foregoing manner and means, respondents now represent, and have represented, directly or by implication, that:

(1) Upon completion of respondents' courses, persons will be competent, fully-trained operators of the types of heavy equipment they have selected to be trained on.

(2) Persons completing respondents' courses will have immediate and unlimited opportunities for employment as a heavy equipment operator.

(3) Persons completing respondents' courses will thus be able to earn \$7,000 to \$15,000 per year.

(4) Respondents have an effective placement service and maintain contact with employers of heavy equipment operators, receive requests for heavy equipment operators and will actively assist persons completing respondents' courses in obtaining employment as a heavy equipment operator.

(5) Persons completing respondents' courses who obtain employment will not be required to undergo the apprenticeship training which is the usual and customary prerequisite to qualification for and employment as a heavy equipment operator.

PAR. 6. In truth and in fact:

(1) Upon completion of respondents' courses, persons will not be competent or fully-trained operators of the types of heavy equipment they have selected to be trained on.

(2) Persons completing respondents' courses do not have im-

mediate or unlimited opportunities for employment as heavy equipment operators.

(3) Persons completing respondents' courses will not thus be able to earn \$7,000 to \$15,000 per year. Not only do respondents' courses fail to qualify persons for employment as heavy equipment operators, such earnings are greatly in excess of the earnings generally achieved by heavy equipment operators.

(4) Respondents do not have an effective placement service and do not maintain contact with employers of heavy equipment operators, receive requests for heavy equipment operators, or actively assist persons completing respondents' courses in obtaining employment as a heavy equipment operator.

(5) Persons completing respondents' courses who obtain employment are, with few exceptions, required to undergo the apprenticeship training usually and customarily required as a prerequisite to qualification for and employment as a heavy equipment operator.

Therefore, the aforesaid statements and representations as set forth in Paragraph Five hereof were, and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals engaged in the sale of courses of study and instruction covering the same or similar subjects.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial numbers of respondents' courses of study and instruction by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

Order

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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 Heavy Construction Schools of Illinois, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 6135 North Elston Avenue, in the city of Chicago, State of Illinois.

Respondent Mary A. Neiman is an officer of said corporation and her 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 respondents Heavy Construction Schools of Illinois, Inc., a corporation, and its officers, and Mary A. Neiman, 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 offering for sale, sale or distribution of courses of study and instruction in heavy equipment operation or any other subject, trade or vocation, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

(1) Upon completion of respondents' courses, persons will be

competent or fully-trained operators of the types of heavy equipment they have selected to be trained on; or misrepresenting in any other manner the training afforded by respondents' courses.

(2) Persons completing respondents' courses in heavy equipment operation will have immediate or unlimited opportunities for employment as a heavy equipment operator; or misrepresenting in any other manner the opportunities for employment available to persons completing respondents' courses.

(3) Persons completing respondents' courses in heavy equipment operation and obtaining employment as a heavy equipment operator will thus be able to earn \$7,000 to \$15,000 a year; or misrepresenting in any manner the earnings of persons completing respondents' courses.

(4) Respondents have an effective placement service, maintain contact with employers of heavy equipment operators, receive requests for heavy equipment operators or will actively assist persons completing respondents' courses in obtaining employment as heavy equipment operators; or misrepresenting in any other manner the assistance furnished to persons completing their courses in obtaining employment.

(5) Persons completing respondents' courses in heavy equipment operation will not be required to undergo apprenticeship training before becoming qualified for employment as a heavy equipment operator.

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.
