

other material or by any manner or means unless such is the fact;

(b) Products contain or are made or composed in whole or in part of gold, natural stones, Mother-of-Pearl, Turquoise or any other material or substance not actually used or contained therein;

(c) Any of respondents' products not actually made or produced by Indians or any other race or group have been so made or produced;

(d) Imitation pearls are genuine pearls.

3. Furnishing or otherwise placing in the hands of retailers or dealers the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinbefore prohibited.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 4.19 of the Commission's Rules of Practice, effective June 1, 1962, the initial decision of the hearing examiner shall on the 19th day of February 1963, become the decision of the Commission; and accordingly:

*It is ordered*, That 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 the order to cease and desist.

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IN THE MATTER OF

JACK B. STEIN TRADING AS  
UNIVERSAL BUSINESS SYSTEMS OF NEW JERSEY

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

*Docket C-315. Complaint, Feb. 19, 1963—Decision, Feb. 19, 1963*

Consent order requiring a Newark, N.J., seller of skip-tracing forms to collection agencies, finance and loan companies, dealers selling on installment accounts, etc., to cease using such subterfuges to obtain information concerning the purchasers' delinquent debtors as simulating official and government forms and United States Government checks, arranging for mailing the forms from Washington, D.C., with official sounding names on the return envelopes, and representing falsely that debtors would collect a substantial sum of money by filling in the questionnaires.

Complaint

62 F.T.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 Jack B. Stein, an individual trading and doing business as Universal Business Systems of New Jersey, hereinafter referred to as respondent, has 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 Jack B. Stein is an individual trading and doing business under the name of Universal Business Systems of New Jersey, with his principal office and place of business at 20 Branford Place, Newark, New Jersey.

PAR. 2. Respondent is now, and for some time last past has been engaged in the business of preparing and selling printed forms and other material for use in locating delinquent debtors. Respondent causes said printed forms and other material, when sold, to be transported from his place of business in the State of New Jersey to purchasers thereof located in various other States of the United States and the District of Columbia, and has 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. Respondent maintains, and at all times hereinafter mentioned has maintained, a course of trade in his said forms and other material in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. The said printed forms and other material prepared by the respondent and transported as hereinbefore alleged, are intended to be, and are, sold to collection agencies, finance and loan companies, merchants who sell on installment accounts and others who have unpaid accounts in which the alleged debtor's present address is unknown. The forms and other material are designed and intended to be used and are used by said purchasers for the purpose of obtaining information concerning the purchasers' alleged debtors, with the aid and assistance of the respondent as hereinafter set forth.

The said material is prepared in form and content to simulate official or governmental forms and several of them are similar to checks issued by the United States Government and contain figures representing a substantial sum of money. In preparing these forms, the respondent has adopted a number of fictitious and official sounding names, among which, but not all inclusive, are the following:

663

Complaint

Director of Income Tax Assistance Service,  
Vendors Security Service,  
Employment Records Service,  
Employment Records Center,  
Audit Services,  
Vehicle Registration Service,  
Employment Registration Service,  
Housing Service Bureau,  
Housing Registration Service,  
Audits and Disbursement Bureau,

Typical, but not all inclusive, of the forms prepared and sold by the respondents are the following:

I

Employment Records Service

Transmittal Request

MONEY ORDER

The

Superintendent of Disbursements

WILL PAY AND TRANSMIT

By Money Order

The Amount Specifically Allocated in 1961 Series Query Form

The Sum of FIFTY DOLLARS

The Sum Actually Remitted to Applicant, issued as a  
REIMBURSEMENT PAYMENT OR REFUND  
For the Correct Completion of This Form

Payment will  
be made only  
to

[Empty rectangular box for recipient name]

Completion of  
this query does  
not constitute  
warrant of trans-  
mittal of the  
maximum amount  
noted hereon.

Transmittal Number  
106

A nationwide vendor's record control service with the primary function of maintaining, up-dating and correcting essential records of its vendor affiliates, none of whom are agencies of any government or bureaus, divisions or sub-divisions thereof.

Complaint

62 F.T.C.

(Reverse Side)

ALLOW NINETY DAYS  
FOR TRANSMITTAL OF  
MONEY ORDER

For Office Use Only—Do Not Write Here

Date Recv'd	Husb. Verified	Wife Verified	Changes Noted
	Records Noted	Checked by	Disposition
	Payment Approved		Validating Stamp

To Properly Complete This Form All Replies Must be Correct and Current and Subject to Verification by Our Validating Division

RETURN IN ENCLOSED ENVELOPE ONLY, WITHIN FIVE DAYS

To Be Completed By Husband

1. Name and Address of Present Employer  
-----  
City ----- State -----
2. Occupation or Type of Work -----
3. Social Security No. -----
4. If Employed by Name Other Than Shown in  
Address, Indicate Same -----
5. Business Telephone Number -----
6. Clock or Badge No. -----  
Signature -----

To Be Completed By Wife

1. Name and Address of Present Employer  
-----  
City ----- State -----
2. Occupation or Type of Work -----
3. Social Security No. -----
4. If Employed by Name Other Than Shown in  
Address, Indicate Same -----
5. Business Telephone Number -----
6. Clock or Badge No. -----  
Signature -----

This Money Order Transmittal Request is directed to you, by Employment Records Service a non-governmental facility acting for its principals in order to elicit current data which will enable its principal to correct, and up-date pertinent records and where necessary permit proper initiation of measures for recovery, or adjudication of claims, it has outstanding with addressee.

669

Complaint

II

DIRECTOR OF AUDIT SERVICES 1960

709 Albee Building (N.W.) Washington, D.C.

WILL TRANSMIT AND PAY TO THE ADDRESSEE

an amount  
not to exceed

50 DOLS 76 CTS

and specifically  
the sum allocated  
for this purpose

REFUND, REIMBURSEMENT, or PAYMENT  
issued in consideration of the correct completion of this form

claim no.

payment will be made  
to person whose name  
appears here upon.

All funds paid on redemption will be drawn on a local bank, a member of Federal Deposit Insurance Corp., Director of Audit Services, an agency acting for its principals, none of which are government facilities.

Complaint

62 F.T.C.

(Reverse Side)

INFORMATION NECESSARY FOR PROPER COMPLETION

The questions listed must be answered to enable proper verification necessary for payment

Name -----  
 Number and Street -----  
 City ----- State -----  
 Employed by -----  
 Address -----  
 Home Phone ----- Business Phone -----  
 -----  
 Spouse's name (Husband or Wife) -----

No disbursement of monies can be made without it.

Employed by -----  
 Address -----  
 Husband's signature -----  
 Wife's signature -----

PLEASE PRINT OR TYPE.

Do Not Write Here
Validating Stamp
Payment Approved
Husband's Social Security No.
Wife's Social Security No.

The purpose of this inquiry is to elicit for the Director of Audit Services, a non-governmental facility, pertinent data to enable its principal to properly initiate measures for recovery or adjudication of claims it has outstanding with addressee.

Complaint

III

RECORDS CONTROL AND REVIEW SERVICE

422 Washington Bldg.

Washington, D.C.

MAIL RETURN NOTICE

We were advised by the Post Office Department that mail addressed to -----

- who is a friend, or relative of yours
- who is, or was, employed by your organization was returned —moved—address unknown

To assist us in contacting individual, will you kindly complete the form on reverse side, and return to this office, in the envelope provided.

To have mail delivered to a new address, file form 22, order to change address, which is available at any post office or from any carrier. A written and signed order or a telegram is acceptable. The order or telegram must be sent by you, your agent, or the person in whose care the mail will be accepted. The old and the new addresses must always be furnished. Mail addressed to persons for whom an order to change address is on file will be sent by the post office of original address to the new address.

INQUIRY NO.

A nationwide vendor's record control service, with the primary function of maintaining, up-dating, and correcting essential records of its vendor affiliates, none of whom are agencies of any government, or bureaus, divisions, or sub-divisions thereof.

Complaint

62 F.T.C.

Reverse Side

Please Print or Type the Information Requested Hereon

Present Mailing Address: -----  
 No. and Street -----  
 City ----- Zone ----- State -----  
 Home Telephone Number -----  
 Present Employer's Name -----  
 -----  
 Address -----  
 Spouse's Name (husband or wife) -----  
 Spouse's Employer's Name -----  
 Address -----  
 Name of Nearest Relative -----  
 Address -----  
 Additional information -----  
 -----  
 Authorized Signature -----

DO NOT WRITE HERE

-----  
 Records Corrected to Indicate  
 New Home Address -----  
 New Place of Employment -----  
 -----  
 Date -----  
 Certification from Records Substantiates Statements —was  
 not furnished   
 -----  
 Certified by -----  
 Date -----  
 Kind of Document and date made -----  
 Information given in Document -----  
 -----  
 Birth date needed -----  
 Birth Place -----  
 Father -----

This Mail Return Notice, is directed to you, by Records Control and Review Service, an agency, acting for its principals, none of which are government facilities, in order to elicit current data which will enable its principals to correct, and up-date pertinent records, and where necessary permit proper initiation of measures for recovery, of adjudication of claims, it has outstanding with addressee.

The first two forms set forth above are printed on paper of a size and color similar to checks issued by the United States Government. The third form set forth above is of a size and format similar to a form which might be used by an official agency for obtaining pertinent information. The disclaimer of any connection with a Government agency and the statement of the purpose of the inquiry is printed in type much smaller than the other portions of said forms.

The respondent's method of operation was, and now is, as follows :

Printed forms and other material, when sold, are shipped to the purchaser who places the name and last known address of the debtor on each piece and returns them, in bulk, to the respondent. The respondent, in turn, ships the forms, in bulk, to places outside the State of New York, particularly Washington, D.C., which are used as mailing addresses and from which said forms are mailed to the individual addressees. A return envelope is enclosed upon which is printed one of the names above mentioned or a similar name and the address from which the form was mailed. If the debtor fills in the necessary information and returns the form to the mailing address, it is forwarded to the respondent at his place of business. The respondent then sends it to his customer.

PAR. 4. Through the use of the words or terms set forth in Paragraph 3 and the form and phraseology of said forms, respondent represents and implies, and places in the hands of the purchasers of his forms means and instrumentalities whereby they represent and imply to those to whom said forms are mailed that the request for information is made by a governmental agency or in some other official capacity. The fact that many of said forms are mailed from Washington, D.C., enhances such implication. The insertion in some of said forms of the words "will transmit" and a sum of money serves as a representation or implication that the amount inserted therein is due and owing to the persons whose names are inserted in the forms and can be collected, and that by filling in the desired information they will be entitled to receive such sums.

In truth and in fact, the information is not requested for any governmental or official purpose and there is no money due to or collectible by those to whom the forms referred to above are sent or to any other person, but, on the contrary, the sole business of respondent, conducted as aforesaid, is to sell the various printed forms to others, to be used by them for the purpose of obtaining information concerning their alleged debtors. By selling and placing said forms in the hands of the purchasers, respondent thereby furnishes to such purchasers means and instrumentalities by and through which they may, and often do, obtain such information by subterfuge.

Therefore, the statements and representations on the said printed forms and other material and the implications therefrom, are false, misleading and deceptive.

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

Decision and Order

62 F.T.C.

PAR. 7. The aforesaid acts and practices of 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 respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent 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 respondent 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, Jack B. Stein, is an individual, trading and doing business as Universal Business Systems of New Jersey, with his office and principal place of business at 20 Branford Place, Newark, New Jersey.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

## ORDER

*It is ordered*, That the respondent Jack B. Stein, an individual, trading and doing business as Universal Business Systems of New Jersey, or any other name or names, and respondent's representatives, agents, and employees, directly or through any corporate or other device, in connection with the business of obtaining information concerning delinquent debtors, or the offering for sale, sale or distributing of forms, or other material, for use in obtaining information concerning delinquent debtors, or in the collection of, or attempt to collect, delinquent accounts in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

