

Syllabus

IN THE MATTER OF  
NATIONAL INSTITUTE OF PRACTICAL NURSING ET AL.

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

*Docket 5700. Complaint, Oct. 3, 1949—Decision, Apr. 30, 1952*

The designation of "practical nurse", when applied to one who acquired it by attending a school, means, in its full sense, one who has satisfactorily completed a full-time, nine months' course of instruction which includes a substantial amount of time in a hospital or other institution for the care of the sick, with work under supervision at the bedside of patients therein.

Where a corporation and its two officers, engaged in the operation of a school, purportedly for the training of practical nurses, which included the furnishing of 38 printed lessons, classroom instruction consisting of two two-hour periods weekly extending over six months (a total of some 96 hours), a bath thermometer, clinical thermometer, nurse's uniform and cap, forceps and certain other equipment, class instruction given on the premises by registered nurses and one physician who lectured to each class about twelve times; and the giving of examinations to the students from time to time; but did not include any hospital training, demonstrations in which sick people were involved, or contact by the students with actual living patients, the "practical" training being given on manikins;

In representations which were in large part addressed to residents of Washington, D. C., and its immediate vicinity, who contemplated employment in the same area after taking the course, and which were contained in newspapers published in said District, and in postcards and letters sent to prospective students—

- (a) Represented, directly and by implication, that there was no distinction or difference between "practical nurses", "trained practical nurses" and "graduate practical nurses", and that its graduates forthwith entered all of said categories, and were practical nurses in the full sense of the term;
- (b) Represented that the course of instruction was complete and covered all the necessary subjects in such a manner that one who successfully completed it had become a practical nurse in the full sense of the term;
- (c) Represented that many hospitals desire the services of and employed practical nurses; and
- (d) Represented orally to some prospective students that they would be eligible for employment as practical nurses in Washington, D. C., hospitals; would be recognized as practical nurses; that the school was recognized by hospitals and the Red Cross; and that they would be qualified to practice in any hospital with a graduate practical nurse's qualifications;
- (e) Falsely represented that a certain Washington hospital recognized "the diploma or certificate issued" to their graduates;

The facts being that their course of instruction fell far short of such a curriculum as connoted by the designation "practical nurse"; use of the term "complete" to describe their course and of the designation of their graduates as "practical nurse", "trained practical nurse" and "graduate practical nurse" was misleading; graduates did not meet the requirements for employment as practical nurses of the only hospital in the Washington area which employed such nurses, nor did they meet those of the Civil Service; and the hospital concerned did not employ practical nurses as such, but nurse's aides, whose status was lower, and in connection with which employment completion of their course constituted no additional recommendation;

With tendency and capacity to mislead many herein concerned with respect to the opportunity for employment in hospitals as practical nurses in the area in which they would be most prone to seek and desirous of obtaining such employment; and to mislead and deceive members of the public into the belief that the representations were true, and thereby into the purchase of a substantial number of said combinations of courses and equipment:

*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.

As respects the use of the term "practical nurse" to describe the school's graduates in respondents' advertising of their school, it was the Commission's conclusion that the use of said term constituted a misrepresentation which was not susceptible of cure by the use of explanatory phraseology, and that any such attempt would result not in clarification but in contradiction, or at best confusion.

In the aforesaid proceeding, while it could not be found, on the weight of the evidence, that the representation that many hospitals desired the services of and employed practical nurses was false as a generalization, it was nevertheless misleading as used by respondent in view of the persons to whom such representations were in large part, if not primarily, addressed.

As respects other issues presented by the pleadings, which included the alleged false and misleading representation that respondents had placed hundreds of graduates in positions in hospitals, institutions and private cases: that no high school education was required and no previous experience necessary for a student; that enrollees would be placed in positions as practical nurses upon completion of the course; that doctors connected with the school would certify to the qualifications of the graduates; and with regard to respondents' alleged failure to advise enrollees that purchase of a class pin for \$6.50 was required at the conclusion of the course, in addition to the cash payment, before the diploma was granted; and misuse of the word "institute", especially as used in connection with the trade name, and the word "diploma": The Commission concluded that the allegations of the complaint had not been proved.

Before *Mr. John W. Addison*, hearing examiner.

*Mr. William L. Pencke* for the Commission.

*Mr. Simon E. Sobeloff* and *Schonfeld & Schonfeld*, of Baltimore, Md., for respondents.

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Complaint

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 Institute of Practical Nursing, a corporation, and Edward Williams and Lillian J. Williams, individually and as officers 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. National Institute of Practical Nursing is a corporation organized, existing, and doing business under the laws of Maryland. Edward Williams is President and Lillian J. Williams is Secretary of said corporation, and as such formulate, determine, and control all of the business policies and activities of said corporation. The principal office and place of business of said corporate and individual respondents is located in the Victor Building at 909-911 "G" Place, N. W., in the city of Washington and District of Columbia.

PAR. 2. Said corporate respondent is now, and has been for more than two years last past, engaged in the operation of a school in the District of Columbia for the training of practical nurses and in the sale of books and other supplies used in connection therewith. The volume of business done by respondents in the conduct of said school and the sale of said equipment as aforesaid has been and is substantial.

PAR. 3. In the course and conduct of said business, said corporate respondent makes use of advertisements in newspapers published in the District of Columbia and of circulars, letters, and other advertising material disseminated to prospective students, in and by which many false, misleading, and deceptive statements and representations are made in regard to the pursuit of said studies and to practical nursing and matters and things connected therewith. Typical of such statements and representations are the following:

PRACTICAL NURSES

EARN UP TO \$10 A DAY

<p>Fast, Efficient ACTUAL CLASSROOM INSTRUCTION Summer Classes Forming Now</p>	<p>The desperate shortage of nurses means opportunity for YOU. Doctors, hospitals, private cases, institutions are calling for practical nurses. Train in your spare time regardless of age or education. Morning, afternoon and evening classes. Convenient payment terms. Write, phone or visit.</p>
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Enjoy a professional career in practical nursing; be a part of this respected, well-paid profession. Many positions available now in private homes and institutions. Women 18-25 can easily and quickly prepare for a dignified career

## Complaint

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with our short, complete course. NO high school education required. NO previous experience necessary.

To answer the tremendous demand for practical nurses throughout the country the National Institute of Practical Nursing . . . has been training successfully for the past several years hundreds of women between the ages of 17 and 55 years for a future which offers very excellent working conditions, high wages, job satisfaction and the prestige of a professional career. Hundreds of graduates have been placed by the Institute free of charge on private cases in doctors' offices, convalescent homes, private, Government and municipal hospitals, sanitariums and other institutions where the need for nurses has been and will continue to be a constant threat to the health, well being and recovery of sick patients UNLESS YOU and 40,000 or more women like you come to their aid.

Complete training given in a  
short period of time.

Diploma awarded upon graduation.

PAR. 4. By means of the foregoing statements and representations and others similar thereto and not herein specifically set forth, respondents represent and imply that there is a desperate shortage of and tremendous demand for practical nurses; that professional practical nursing is well paid, dignified and highly respectable, and offers a professional career; that physicians, hospital institutions and private cases are calling for practical nurses; and that respondents have placed hundreds of graduates in positions with the aforementioned institutions and individuals without cost to such graduates; that the shortage of nurses is and continues to be a constant threat to the general public health and to the recovery of the sick unless 40,000 or more women undertake to become practical nurses; that respondents offer a fast efficient and complete course of training in a short period of time; and that no high school education is required and no previous experience is necessary.

PAR. 5. In truth and in fact all of said representations and many others similar thereto made by respondents, as aforesaid, are exaggerated, false, deceptive and misleading. While there may be a shortage of duly qualified practical nurses for whom employment in that profession may be available, respondents' graduates cannot so qualify, and respondents have not placed hundreds of graduates in positions of practical nurses, for the reason that said graduates are not licensed in States in which the licensing of practical nurses is required; neither are respondents' graduates placed upon the register of the National Association of Practical Nurses from which vacancies are supplied, nor are they recognized or registered by any other established and accredited practical nursing association. In virtually all cases in which respondents' graduates have found employment in hospitals or other institutions for the treatment of the sick, the employment has been

limited to that of nurses aids. In truth and in fact neither the general public health nor the care of the sick will be adversely affected if no students undertake the study of respondents' course in practical nursing. Because of said limitations respondents' graduates do not earn high salaries, nor do they enjoy the privilege of a professional career. Respondents' course of training is not complete for the reason that said students do not receive any practical training in hospitals with live patients under the supervision of competent nurses or teachers. In order to qualify as a practical nurse, it is highly desirable that students have a high school education. In many instances respondents have accepted as students individuals who had no education whatever and were in fact illiterate; and when upon discovery of such illiteracy in said students respondents terminated their studies, no refund of tuition paid by said students was made to them. In truth and in fact hospitals do not generally employ practical nurses for the reason that hospitals maintain a staff of trained registered nurses who in turn have nurses aids as assistants, said nurses aid being also trained by the hospital.

PAR. 6. In many instances respondents' sales agents in soliciting prospective students to enroll for said course of study have represented and implied that said enrollees would be placed in positions as practical nurses upon completion of said course; that the diploma or certificate issued to respondents' graduates was recognized by Georgetown Hospital in the city of Washington; and that the doctors connected with respondents' school would certify to the qualifications of said graduates. In truth and in fact while respondents have available an employment service, they do not place their graduates in positions as practical nurses upon completion of the course. Neither Georgetown Hospital nor any other reputable hospital or institution for the healing and care of the sick recognizes the certificate or diploma issued by the respondents, nor do any doctors certify to the qualifications of respondents' graduates. There is in fact only one physician connected with said school who occasionally delivers lectures to the students.

PAR. 7. Respondents' price for its course of training in practical nursing is \$169.50 if paid upon the installment plan or \$154.50 if enrollees pay cash therefor. At the time of enrollment enrollees are not advised that respondents require the purchase of a class pin at the conclusion of said course of study the price of which is \$6.50, and that the purchase of said class pin is required before said diploma is granted.

PAR. 8. An "institute," as that term is generally understood in educational circles, is an organization for the promotion of learning, philosophy, art science and similar subjects with a staff of competent,

experienced and qualified educators offering training and instruction in said subjects. The primary object of the work of an institute is that of scientific investigation and instruction, and not that of commercial promotion or financial profit.

The term "institute" is also understood by the general public and in professional circles to be an organization of a special group of individuals having a common interest and being devoted to the promotion and consideration of such interests and the general welfare of the members of such organization.

Respondents, through the use of the designation "Institute" in their trade name, and particularly in connection with the word "National," represent or imply that their said business is a national organization established for the purpose of promoting the interests and welfare of practical nurses.

In truth and in fact, respondents' business is not an "institute" within the generally accepted meanings of said term. Respondents' business is that of teaching fundamental principles of practical nursing, which do not involve the study of subjects in higher education or the arts and sciences; in fact, respondents do not require a high school education for taking said course of study; nor is said National Institute of Practical Nursing a national organization devoted to the interest or welfare of practical nurses generally. Respondents' business is operated for the sole purpose of financial gain for the individual respondents.

PAR. 9. The word "diploma" is understood by the general public to mean written evidence of the successful completion of a prescribed course of study in academic or scientific subjects, and that such diploma is recognized by duly authorized, accredited and recognized educational institutions of higher learning.

Respondents' statement that diplomas are issued to students who have successfully completed said course of study, and the issuance by respondents of such "diplomas," together with the trade name "National Institute of Practical Nursing," all combine to represent and imply that holders of respondents' diplomas are recognized as duly qualified practical nurses and as such are eligible to be employed by hospitals and other institutions for the care of the sick, and are recommended by physicians generally, and that respondents' said diploma is recognized in the medical profession or otherwise as being evidence of respondents' school being an accredited school for practical nurses.

In truth and in fact, the diploma issued by respondents' school is of no validity or effect whatever. Neither said school nor the diploma issued by it are recognized or accredited by any recognized and ac-

