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VA REPORT ON THE NATURE AND DISPOSI-
TION OF ALL CASES IN WHICH AN INSTITU-
TION, APPROVED FOR VETERANS BENEFITS,
UTILIZES ADVERTISING, SALES OR ENROLL-
MENT PRACTICES WHICH ARE ERRONEOUS,
DECEPTIVE, OR MISLEADING—FISCAL YEAR

1978



DECEMBER 5, 1978

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VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D. C. 20420

DECEMBER 5 - 1978

The Honorable
Thomas P. O'Neill
Speaker of the House
of Representatives
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to Title 38, United States Code, section 1796(D), I am forwarding to Congress a report for Fiscal Year 1978 on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation.

The Veterans Administration and the State Approving Agencies have emphasized the importance of full and meaningful disclosure in school and college catalogs. These catalogs must be certified to be current, true and accurate. In addition, copies of all advertisements used by educational institutions must be kept on file for at least a year.

Under the Education Amendments of 1976, the Congress sought a similar approach (not necessarily in catalogs) under the heading of Student Consumer Information. It required educational institutions to tell their students more about financial aid, about cost of attendance, and about the rights and responsibilities of students receiving aid under Title IV of the Higher Education Act of 1965, as amended.

While the laws governing various student financial aid programs differ in detail, they have a common thrust toward greater disclosure, greater accuracy, and the minimizing of deceptive or misleading information. The overall effect should be a greater sensitivity by educational institutions, accompanied by an eventual reduction in detailed regulations.

The staff of the Veterans Administration in 1978 took the initiative in seeking to make the task of the schools and colleges a bit easier. It worked with the Federal Interagency Committee on Education (FICE) and with

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several of the educational associations to produce a publication: Keeping Your School or College Catalog in Compliance with Federal Laws and Regulations, a copy of which is enclosed for your information. FICE, in June 1978, printed some 16,000 copies and mailed them to thousands of schools and colleges. Copies are also being sold by the Government Printing Office which recently ordered an additional 10,000 copies.

We cite this publication because it demonstrates several aspects of new approaches being attempted by the Veterans Administration:

- * There is, in fact, a heavy burden of paperwork on educational institutions. We are trying to reduce and simplify this burden, without, however, reducing accountability.

- * We need to help educational institutions understand just what is expected of them in terms of disclosure, accuracy, and accountability. The FICE booklet is an example of this type of help.

- * We need to increase our efforts at inter-agency cooperation so that the Federal rules and regulations may become more coherent and simpler.

The FICE booklet is still quite new and educational catalogs have a long gestation period; it is too early to claim results for this type of technical assistance. Conversely, the booklet should increase the overall utility of educational publications and advertisements.

In the attached compilation of objectionable practices, one of the leading offenses is the misleading claim that a school or course is "Approved by the VA" when such approval almost always is conferred by the State Approval Agency. Not accidentally, the FICE guide on page 4 contains a special note to explain the approval process and why the phrase is objectionable.

Our attached compilation should not be taken as an indicator of a trend, either to show that deceptive claims are on the increase or decrease. The data are being gathered in such a way that annual comparisons are not valid, if only because the Veterans Administration and the State Approving Agencies pursue a common objective of assisting educational institutions to achieve approval.

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Of 58 VA regional offices reporting, 32 submitted negative reports. Of the 26 stations reporting violations, Winston-Salem reported 32 cases, Los Angeles 20, St. Petersburg and Manchester 12 each. After Columbia, with 7, no other station reported more than 5. The total of 129 cases described, when compared to 86 for the prior year, is considered to reflect more aggressive review on the part of the stations, reflecting a change in Title 38 which also calls for a stronger compliance effort.

There were 4 facilities reported as repeat violators. The Louisville Regional Office listed Sullivan Junior College of Business as using the term "VA Approved" in a television advertisement. Last year one of their advertisements stressed monetary benefits to be gained. The New Orleans Regional Office listed the RETS Training Center as using "VA Approved" again. The St. Petersburg Regional Office cited Eckerd College for stressing monetary benefits in their advertising. Last year they ran a misleading newspaper advertisement. The Winston-Salem Regional Office cites Shaw University for using the phrase, "VA Approved". Last year the school had advertised that veterans and insertive persons were eligible for VA benefits at their Center for Alternative Education which branch was not in fact approved at the time.

Of all the prohibited practices which require action on the part of the regional office, by far the most common is the use of the phrase, "VA Approved". Next most frequent continues to be the stressing of monetary benefits to be gained, to the exclusion of educational or vocational objectives. The summary reports from the stations indicate that in all cases save one, the procedures described in the VA manual have been followed to bring the practices to the facilities' attention, resulting in cessation of the abuses. The one pending case involves an appeal before the Central Office Education and Training Review Panel which will not be decided until after January 3.

As part of our work with the State Approving Agencies there has been continuing amelioration of the approval system which is currently undergoing a major study, as required by Section 305(b)2 of the G.I. Bill Improvement Act of 1977, P.L. 95-202. The VA has contracted with the

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National Academy of Public Administration where the principal investigator is Dr. Harold Orlans who earlier, in 1974, was co-author of the Brookings/NAPA study of Private Accreditation and Public Eligibility, funded by the U.S. Office of Education.

We look forward to the findings of this study and expect it to contribute to a better understanding of the approval process which, basically, is one of the safeguards of the oldest and largest student financial aid program, best known as the G.I. Bill.

Sincerely,

MAX CLELAND
Administrator

Enclosures

1. List of Schools
2. FICE Booklet on Catalogs

DECEPTIVE ADVERTISING

The following is a list, by Region and Regional Office, of schools reported to have erroneous, misleading of deceptive advertising sales or enrollment practices as outlined in 38 U.S.C. 1796(D) and VA Manual M22-2, VII, 2.10c.

<u>Eastern Region</u>			
<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Atlanta	Massey Business College	"VA Approved"	Advertisement Discontinued
	Atlanta Junior College	Monetary Benefits	Emphasis changed to Education
	Phillips College	Advertisement False	Advertisement Discontinued
	Suburban Institute of Real Estate, Inc.	Advertisement False	Advertisement Discontinued
	Jackson Loan and Finance Co.	Advertisement False	Advertisement Discontinued
Baltimore	International Academy of Hair Design and Technology	Misleading Advertisement	Advertisement Corrected
Columbia	Greenville Air Service	"VA Approved"	Advertisement Corrected
	Greenville Technical College	"VA Approved"	Advertisement Corrected
	Morris College	"VA Approved"	Advertisement Corrected
	Universal Beauty School	"VA Approved"	Advertisement Corrected
	Charzanne Beauty School	"VA Approved"	Advertisement Corrected
	Orrco Aviation	"VA Approved"	Advertisement Corrected
	Southeastern Business College	"VA Approved"	Pending the outcome of its appeal before the Central Office Educ and Training Review Panel, 1/3/79

<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Hartford	Thames Valley State Tech College	Monetary Benefits	Advertisement Discontinued
	Central Connecticut State Coll.	Deceptive Advertising	Advertisement Discontinued
Manchester	Antioch/New England Graduate Sch,	"VA Approved"	Advertisement Corrected
	Charles Frank Hair School	"VA Approved"	Advertisement Corrected
	Continental's Academie of Hair Design	"VA Approved"	Advertisement Corrected
	Gauvin's Schl of Hair Design	"VA Approved"	Advertisement Corrected
	Houle's Beauty Academy	"VA Approved"	Advertisement Corrected
	Michael's School of Hair Design	"VA Approved"	Advertisement Corrected
	Nashua Aviation	"VA Approved"	Advertisement Corrected
	New Hampshire College Extension	"VA Approved"	Advertisement Corrected
(Berlin, NH)	New Hampshire Voc-Tech College	"VA Approved"	School's Catalog Corrected
(Portsmouth, NH)	New Hampshire Voc-Tech College	"VA Approved"	Advertisement Corrected
	Portsmouth Beauty School	"VA Approved"	Advertisement Corrected
	Mr. Timothy's Schl of Hair Design	"Accredited by VA"	Advertisement Corrected
Newark	Everett's School of Floristry	Misleading Ad	Advertisement Corrected
New York	Berkeley School	Monetary Benefits	Advertisement Withdrawn
	Brewer Schl of Harness Racing	Misleading Ad	Advertisement Corrected

<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Providence	Warwick Academy of Beauty Cult.	"Accredited by VA"	School's Catalog Corrected
	Blake Drafting Schl of R.I. and Southeastern Mass., Inc.	Misleading Advertisement	Advertisement Corrected
St. Petersburg	George T. Baker Aviation Center	"VA Approved"	Yellow Pages Corrected
	Broward Community College	Monetary Benefits	Advertisement Discontinued
	Eckerd College	Monetary Benefits	Advertisement Withdrawn
	Merritt Island Beauty College	"VA Approved"	Advertisement Corrected
	Nat'l Auto Dealers Association	"VA Approved"	Advertisement Deleted
	Pinellas County Board of Public Instruction	"VA Approved"	Advertisement Deleted
	Safari Aviation	"VA Approved"	Advertisement Deleted
	Southern College, Inc.	Unapproved course ad- vertised as approved	Advertisement Discontinued until approval
	Suncoast Beauty School	"VA Approved"	Advertisement Corrected
	Tampa College	"VA Approved"	Advertisement Corrected
	Tursair, Inc.	"VA Approved"	Advertisement Deleted
	Woody's Hairstyling Inst.	"G.I. Approved"	Advertisement Corrected
Washington, D.C.	Southeastern University	"VA Approved"	Catalog Corrected

<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Winston-Salem	Atlantic Flight Service, Inc.	"VA Approved"	Advertisement Corrected
	Carteret Technical Institute	"VA Approved"	Advertisement Corrected
	Causey Aviation Service, Inc.	"VA Approved"	Advertisement Corrected
	Central State Beauty College	"VA Approved"	Advertisement Corrected
	Coastal Carolina Community Coll	"VA Approved"	Advertisement Corrected
	Draughon's Business College	Misleading Ad	Advertisement Corrected
	Eastern Carolina Aviation, Inc.	"VA Approved"	Advertisement Corrected
	Edgecombe Technical Institute	"VA Approved"	Advertisement Corrected
	Fayetteville Beauty College	"VA Approved"	Advertisement Corrected
	Gaston College	"VA Approved"	Advertisement Corrected
	Heritage Bible College	"VA Approved"	Advertisement Corrected
	James Sprunt Technical Inst.	"VA Approved"	Advertisement Corrected
	John Wesley College	"VA Approved"	Advertisement Corrected
	Lenoir Community College	"VA Approved"	Advertisement Corrected
	Mitchell Community College	"VA Accredited"	Advertisement Corrected
	Mount Olive College	"VA Approved"	Advertisement Corrected
	Pamlico Technical Institute	"VA Approved"	Advertisement Corrected
	Pitt Technical Institute	"VA Approved"	Advertisement Corrected
	Randolph Technical Institute	"VA Approved"	Advertisement Corrected

<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Winston-Salem	Robeson Technical Institute	"VA Approved"	Advertisement Corrected
	Sampson Technical Institute	"VA Approved"	Advertisement Corrected
	Shaw University	"VA Approved"	Advertisement Corrected
	Sir Walter Beauty Academy	"VA Approved"	Advertisement Corrected
	Stanly Technical Institute	"VA Approved"	Advertisement Corrected
	St. Augustine's College	"VA Approved"	Advertisement Corrected
	University of North Carolina	"VA Approved"	Advertisement Corrected
	Wake Technical Institute	"VA Approved"	Advertisement Corrected
	Wayne Community College	"VA Approved"	Advertisement Corrected
	Western Piedmont Community Coll.	"VA Approved"	Advertisement Corrected
	William Carter College	"VA Approved"	Advertisement Corrected
	Winston-Salem Bible College	"VA Approved"	Advertisement Corrected
	Winston-Salem State University	"VA Approved"	Advertisement Corrected

<u>Central Region</u>	<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Louisville	Sullivan Jr. College of Business	"VA Approved"	Advertisement Corrected	
Muskogee	Oklahoma Farrier's College	Misleading Ad	Advertisement Withdrawn	
Nashville	National School of Business, Inc.	Monetary Benefits	Advertisement Cancelled	
New Orleans	Harvey Weldon School	"VA Approved"	Advertisement Corrected	
	Fleeman's Aviation	"VA Approved"	Advertisement Corrected	
	Stevenson's Academy of Hair Design	"VA Approved"	Advertisement Corrected	
	Phillips College	"VA Approved"	Advertisement Corrected	
	RETS	"VA Approved"	Advertisement Corrected	
Cleveland	Great Oaks Joint Vocational School	Erroneous Enrollment Practice	VA Approved Deleted	
	American Truck Driving Diesel Mechanic Schl., Inc.	Ad Misleading	Advertisement Corrected	

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<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Albuquerque	Albuquerque Business College	Misleading Ad	Advertisement withdrawn
	AAA Colleges, Inc.	Misleading Ad	Advertisement withdrawn
Denver	Monarch Aviation, Inc.	"VA Approved"	Discontinued phrase
	Blair Business College	"VA Approved"	Discontinued phrase
Fort Harrison	Capital Aero, Inc.	"VA Approved"	Discontinued phrase
	Skymart Aviation, Inc.	"FAA & VA Approved Flight School"	Discontinued phrase
Honolulu	Hawaii Air Academy	FAA-VA Approved	Announcement corrected
	Hawaii School of Business	Course not approved	Advertisement corrected
	Honolulu Barber School	Branch not approved	Commercial corrected
	Honolulu Community College	Monetary Gains	Advertisement corrected
Phoenix	New York Technical Institute	Monetary Gains	Advertisement corrected
	Maricopa County Skill Center	"VA Approved"	Advertisement withdrawn
	Northern Arizona University	Monetary Gains	Advertisement withdrawn

<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
San Diego	San Diego College of Business	Misleading Enrollment	Suspension - later rescinded
	Coleman College	Job placement & salary statistics misleading	Misleading practices corrected
San Francisco	Martin Aviation, Inc.	"VA Approved"	Advertisement changed
	Golden Gate School of Lock Technology	"Veteran Approved"	Brochure corrected
	Petaluma Aero, Inc.	"VA Approved"	New letterhead & signs corrected
	Flight Engineer International	"VA Approved"	Advertisement withdrawn
	Clay Lacy Aviation	"VA Approved"	Referred to SAA
	Federal Truck Driving School of San Diego, Inc.	"VA Approved"	New brochures distributed
Seattle	Knapp College of Business	Misleading "Placement" Advertisement	Brochure discontinued
Waco	Beggs Aviation	"VA Approved"	Advertisement deleted
Los Angeles	Apple Valley Aviation	"VA Approved"	Advertisement discontinued
	Artography Academy of Photographic Arts	"VA Approved"	Advertisement modified
	California College of Law	"VA Approved"	Advertisement deleted
	Clay Lacey Aviation	"VA Approved"	Advertisement corrected

<u>Station Reporting</u>	<u>Name of Institution</u>	<u>Nature of Violation</u>	<u>Disposition</u>
Los Angeles	Compton College	"VA Approved"	Catalog revised
	Criss Business College	Erroneous enrollment practice	Deleted misleading statement
	Flight Engineer International	"VA Approved"	Advertisement discontinued
	Garden Grove Community Adult School	"VA Approved"	Advertisement deleted
	General Aviation Flight Center	"VA Approved"	Advertisement changed
	Golden Gate University	"VA Approved"	Catalog revised
	Krueger Aviation	"VA Approved"	School and SAA notified; awaiting response
	Los Angeles Community Adult School	"VA Approved"	Bulletin to be corrected
	Merrick Studios	"VA Approved"	SAA sending second ltr requesting steps taken by schl to bring ad into compliance
	Modern Upholstery Institute	Misleading Ad	Advertisement withdrawn
	Newport Air Associates	Misleading Ad	Advertisement to be changed
	St. John's Seminary	"VA Approved"	Agreed to change wording
	Security Unlimited	"VA Approved"	Agreed to change wording
	Taft College	"VA Approved"	Agreed to change wording
	University of the Air	"VA Approved"	Agreed to change wording



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