

Not a Passing Grade: FTC Settles with Company Over Alleged False Advertising for High School Diploma Program

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On February 3, 2017, the Federal Trade Commission (FTC) announced a [new settlement against Stratford Career Institute](#) alleging that Stratford's advertising for its high school diploma program (claiming that it provided the equivalency of a high school credential) was deceptive and violated Section 5 of the FTC Act.

Alleged Deceptive Advertising Claims: At issue were Stratford's advertising claims that its high school diplomas would:

- lead to an increase in earning potential,
- provide access to better jobs and promotions, and
- provide the ability to apply for higher education.

The FTC alleged that Stratford did not have competent and reliable substantiation to support such claims.

Alleged Deceptive Search Engine Terms: The FTC also took issue with Stratford's online advertising search terms, claiming they were deceptive, such as terms like "official high school diploma," "real high school diploma online," and "legal high school diploma," among others.

Other FTC Allegations: The FTC argued that Stratford's advertising misled consumers about the benefits of its high school diploma program, that the program did not meet basic requirements by most states, and that thousands of students nationwide paid as much as \$989 for a diploma that could not meet their educational or career needs.

What Likely Drew FTC Scrutiny? The FTC asserted that it had received consumer complaints about the program, including complaints that Stratford itself had received, reflecting that many of its students were told by prospective employers and college admission officers that the program was not equivalent to a high school diploma.

FTC Settlement with Stratford: Under the 20 year settlement order with the FTC, Stratford:

1. Is prohibited from making false claims about educational programs
2. When it markets high school equivalency programs, it must affirmatively and clearly and conspicuously disclose that some schools and employers may not recognize the Stratford

diploma or equivalency credential.

3. Stratford also must affirmatively notify current Stratford students of their right to cancel enrollment in the high school diploma program and to cease collecting money from those who cancel such enrollment.

The settlement imposed a \$6.5 million judgment (partially suspended for inability to pay).