

## Chapter SPS 405

### UNFAIR TRADE PRACTICES IN ADVERTISING AND PROMOTIONAL MATERIAL

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**Note:** Chapter EAB 4 as it existed on November 30, 1997 was renumbered to Chapter EAB 5 effective December 1, 1997. Chapter EAB 5 was renumbered Chapter SPS 405 under s. 13.92 (4) (b) 1., Stats., [Register November 2017 No. 743](#).

**SPS 405.01 General principles.** Each school shall maintain high ethical standards in the conduct of its operations, solicitation of its students, and in its advertising and promotional material. The use of any unfair, substandard, fraudulent or deceptive trade practice or making any false, misleading or deceptive statements in any advertising or promotional material shall be cause for the refusal or revocation of approval.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; am. [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.015 Definition.** Within this chapter, “school” includes the school and its officers, agents and representatives.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; renum. from EAB 5.09 and am., [Register, June, 1990, No. 414](#), eff. 7-1-90; am. [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.02 Deceptive trade or business names.** (1) No school shall use a trade or business name which may mislead or deceive prospective students.

(2) A school shall not falsely represent that:

- (a) It is a part of or connected with the federal or state government.
- (b) It is connected with public or private religious or charitable organizations or any public or private university, college or other institution of higher learning.
- (c) It is an employment agency or an employment agent or authorized training facility for an industry or member of such industry, or otherwise conceal the fact that it is a school.

(3) If a school conducts its instruction wholly by correspondence or home study, it shall disclose that it is a correspondence or home study school.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; am. [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.03 Misrepresentation of extent or nature of accreditation or approval.** (1) A school shall not falsely represent any approval it may have received from a state agency or the extent or nature of its accreditation.

(2) A school shall not falsely represent that students successfully completing a program may transfer credit therefor to an accredited institution of higher education.

(3) A school shall not falsely represent that a program has been approved by a particular industry, or that successful completion thereof qualifies the student for admission to a labor union, similar organization, or apprenticeship program, or for the receipt of a state or federal license to perform certain functions.

(4) A school shall not falsely represent that its programs are recommended by a third-party.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; am. (1), r. (2),

renum. (3) to (5) to be (2) to (4) and am., [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.04 Misrepresentation of facilities, services, qualifications of instructors and status.** (1) A school shall not falsely represent in its advertising materials its size, location, facilities, equipment, or the number of years of educational experience and the qualifications of its faculty.

(2) A school shall not represent that it is a nonprofit organization unless it submits evidence that it has secured status as a nonprofit organization from the United States internal revenue service.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; am. (1) (intro.) and (2), r. (1) (a) to (f) and (3), [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.05 Misrepresentation of enrollment qualifications or limitations.** (1) A school shall not falsely represent its prerequisites for enrollment in a program.

(2) A school shall not represent that the lack of a high school education or prior training or experience will not reduce the likelihood of successful completion of a program.

(3) A school shall not enroll a student when it is clear that the student is unlikely to complete a program of study, or is unlikely to qualify for employment in the field for which the education is designed, unless this fact is disclosed to the student in the writing.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; am. (3), [Register, June, 1990, No. 414](#), eff. 7-1-90; am. (1) (intro.), (2) and (3), r. (1) (a) to (d), [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.06 Deceptive use of diplomas, degrees or certificates.** (1) A school’s degree, diploma, certificate, or any similar document must accurately describe the subject matter, substance or content of the program for which it was awarded.

(2) A school shall not offer or confer a high school diploma.

(3) A school shall only offer high school courses if such courses are equivalent to those offered by a secondary school approved by the state superintendent of public instruction, and the student is informed in writing prior to the student’s enrollment, that the school cannot guarantee or otherwise control the recognition which will be accorded such programs by other schools or prospective employers.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; renum. (2) to be EAB 5.02 (1) (e), [Register, June, 1990, No. 414](#), eff. 7-1-90; am. (1), renum. (3) and (4) to be (2) and (3) and am., [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 405.07 Deceptive sales practices.** (1) DECEPTIVE “HELP WANTED” ADVERTISING. A school shall not use “help wanted” advertising, or other techniques to conceal that it is an educational institution.

(2) BLIND ADVERTISING. A school shall not use “blind” advertisements or sales literature which conceals the fact that a program for fee is being offered to attract prospective students.

(3) FALSE REPRESENTATION AS TO EARNINGS. A school shall not make false or deceptive statements which have the tendency to mislead regarding earnings or opportunities in any vocation or field of activity.

(4) FALSE REPRESENTATION OF OPPORTUNITY. A school shall not make false or deceptive statements which have the tendency to mislead regarding any opportunities in any vocation or field of activity as a result of the completion of a program.

(5) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test.

(6) FALSE REPRESENTATIONS AS TO THE STUDENT'S OBLIGATION TO PAY. A school shall not make false or deceptive statements regarding the amount or nature of the student's financial obligation to the school or to third parties.

**History:** Cr. Register, December, 1972, No. 204, eff. 1-1-73; cr. (8), Register, November, 1976, No. 251, eff. 12-1-76; am. (1), (2), (3) (intro.) and (4), r. (3) (a)

and (b), (5), (7), (8) (a) and (b), renum. (6) and (8) (intro.) to be (5) and (6) and am., Register, October, 1997, No. 502, eff. 12-1-97.

**SPS 405.08 Required disclosures.** A school shall disclose in all advertising and promotional material used in Wisconsin:

(1) The school name and address and, if different from the address, the teaching location of the school.

(2) The fact that the school is offering educational services or vocational training for sale.

(3) The total cost of the program or term, if the school makes in that material any representations as to the cost of the program or term.

(4) Whether any endorsements or recommendations in that material are paid testimonials.

**History:** Cr. Register, December, 1972, No. 204, eff. 1-1-73; am. (1), cr. (5), Register, June, No. 414, eff. 7-1-90; am. (2) and (4), r. (5), Register, October, 1997, No. 502, eff. 12-1-97.