

ATTORNEY GENERAL, STATE OF NEW YORK
NASSAU COUNTY REGION

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In the Matter of :

GED ASSOCIATES INC. d/b/a HOME STUDY :
CAREERS, JOSEPH RONDINELLI, MITCHELL :
PINCUS and JOHN DENINNO :
:
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**ASSURANCE OF DISCONTINUANCE
PURSUANT TO
EXECUTIVE LAW SECTION 63, SUBDIVISION 15**

Pursuant to the provisions of Article 22-A of the General Business Law (“GBL”), section 349, and Article 5 of the Executive Law, section 63(12), ELIOT SPITZER, Attorney General of the State of New York, has made an inquiry into the business practices of GED ASSOCIATES INC. d/b/a HOME STUDY CAREERS, and its officers, JOSEPH RONDINELLI, MITCHELL PINCUS and JOHN DENINNO (hereinafter “respondents”). Based upon such inquiry, the Attorney General has made the following findings:

FINDINGS

1. GED Associates Inc. is a domestic corporation engaged in the business of operating a home study course. GED Associates Inc. does business as Home Study Careers and has its principal place of business at 844 North Broadway, Massapequa, New York 11758.
2. Respondent Joseph Rondinelli is the president of GED Associates Inc. and resides at 235 Massachusetts Avenue, Massapequa, New York 11758.

3. Mitchell Pincus is an officer of GED Associates Inc. and resides at 110 Southgate Circle, Massapequa Park, New York 11762.

4. John Deninno is an officer of GED Associates Inc. and resides at 331 North Iowa Avenue, Massapequa, New York 11758.

5. Beginning in or about 1996, respondents falsely represented, and deceived consumers into believing, that upon completion of respondents' home study course, consumers would receive genuine state-authorized high school equivalency or General Educational Development ("GED") diplomas that would enable them to apply for admission to any college or trade school of their choice. In fact, respondents have no license or accreditation, and no authority to issue legitimate GEDs as required under the New York State Education Law, and consumers merely received worthless "certificates" that respondents tried to pass off as legitimate GEDs.

6. Respondents promoted their fraudulent home study course through a variety of means, including newspaper advertisements, brochures, letters and telephone conversations.

7. Respondents placed weekly advertisements in two national publications, America's Classified and Thrifty Nickel, as well as in the Dallas Morning News, the Chicago Sun Times and the Newark Star Ledger. The content of the advertisement was the same in each publication, and read:

GED
Get your H.S. Equivalency
Diploma With Our E-Z
Home Study Course
1-800-569-2163 EXT. ____

8. When potential customers telephoned to inquire about the home study course,

respondents promised them that upon completion of the course, they would receive GED diplomas. They told consumers they would send them a “GED study guide” and eight tests, that the consumers could take the tests at home at their leisure, and return them to respondents for grading. Respondents promised that when consumers passed the tests, they would receive GED diplomas.

9. In fact, GED Associates Inc. is not licensed by the New York State Department of Education, nor is licensed or accredited by any other state, and has no authority to issue GEDs.

10. Following the initial telephone contact, respondents sent potential customers a brochure and enrollment form. The brochure contains various misrepresentations which were designed to further mislead consumers into believing they would receive GEDs upon completion of respondents’ course. For example, the brochure represents that respondents’ course is “the High School General Equivalency Diploma Course” and “a Diploma Program.” The agreement to be signed by the customer states: “I completely understand that I am enrolling into a G.E.D. Home Correspondence Course.”

11. After receiving the brochure with the fraudulent misrepresentations, the consumer was asked to complete the enrollment form, and send in a payment. If the consumer was paying the total amount up front, the cost was \$180; otherwise, the consumer paid in two installments totaling \$200.

12. Respondents then mailed to the consumer a copy of *McGraw-Hill’s GED Short Course* study guide book and eight “G.E.D. tests” with study guides.

13. In contrast to the real “GED” test, the taking and administration of which are

subject to strict rules, respondents' tests could be completed by a consumer at his leisure at home, and then mailed to respondents.

14. When a consumer "passed" the tests, respondents mailed a "diploma" to the consumer. Respondents' "diploma" is an official-looking document that states: "Home Study Careers: This Certifies That [Name of Consumer] has satisfactorily completed the course of study General High School Education with Home Study Careers and as evidence of scholastic attainment, we therefore award this Certificate. In witness we hereby affix our seal. Awarded this __ day of ____." It includes signature lines for "Secretary" and "President," above which respondents signed their names. To make the document look more official, respondents affixed a seal which along the perimeter reads "Division of Home Study Careers State of New York" with the letters "HSC" in the middle.

15. Along with the GED "diplomas," respondents also mailed to consumers "transcripts" of their grades. Respondents sent copies of the transcripts to trade schools and colleges upon request.

16. Respondents also sent out false accreditation letters stating that their course "brings the student up to a high school level education," and that GED Associates Inc. is accredited by the "American Standard of Trade Schools," when in fact no such entity exists and respondents have no such accreditation whatsoever.

17. The Department of Education communicated with respondents on at least two occasions and informed them that they were required to submit a license application in order to operate a program providing instruction in preparation for the GED examination. Respondents

never submitted a license application to the Department.

18. Respondents' business had no purpose other than the issuance of fraudulent GED diplomas. The consumer received no legitimate goods or services in exchange for his \$180 or \$200 payment other than the \$12.95 *McGraw-Hill* book that could be purchased at any book store. Thus, without the issuance of fake GED diplomas, respondents had nothing to offer consumers.

19. The Attorney General finds that by engaging in the conduct described above, respondents have engaged in deceptive business practices under GBL § 349 and false advertising under GBL § 350. Respondents have also violated New York Education Law § 5001 which requires schools to be licensed by the Department of Education if they are conducted for profit and provide preparation for high school equivalency exams. Additionally, respondents' issuance of fraudulent diplomas violates the Regulations of the Commissioner of Education §§ 100.2 and 100.7 which govern the issuance of high school equivalency diplomas. Consequently, respondents have engaged in repeated and persistent fraud and illegality under Executive Law § 63(12) of the Executive Law.

Now that respondents are willing to enter into this Assurance without admitting any violation of law, the Attorney General accepts this Assurance pursuant to Executive Law § 63(15) in lieu of commencing a statutory proceeding.

AGREEMENT

IT IS UNDERSTOOD AND AGREED by and between respondents and the Attorney General, that this Assurance shall apply to GED ASSOCIATES INC. d/b/a HOME STUDY CAREERS, whether acting through its principals, directors, officers, shareholders, employees, representatives, agents, assigns, successors or other persons or business entities whose acts, practices, policies are directed, formulated or controlled by GED ASSOCIATES INC. d/b/a HOME STUDY CAREERS, and to JOSEPH RONDINELLI, MITCHELL PINCUS and JOHN DENINNO, individually, their agents, servants, employees, successors, heirs and assigns, or any other person under their direction and control, whether acting individually or in concert with others, or through any corporate or other entity or device through which they may now or hereafter act or conduct business.

CESSATION OF BUSINESS

Upon execution of this Assurance, respondents shall cease operating, participating in or advertising the business of GED Associates Inc. d/b/a Home Study Careers and from operating, participating in or offering any type of educational service whatsoever in the State of New York, in any capacity whatsoever, including but not limited to as a principal, owner, manager, director, shareholder, officer, employee, agent, successor, corporation, partnership, limited liability company or other business entity.

RESTITUTION

1. Respondents shall make restitution in the sum of \$30,000 by certified check

payable to the State of New York, to be used by the Attorney General, in his sole discretion, to provide refunds to consumers injured by the acts of respondents. The sum of \$30,000 shall be paid in two payments by certified check payable to the State of New York: \$15,000 upon execution of this Assurance and \$15,000 within 180 days of execution of this Assurance.

2. The total amount of restitution paid pursuant to paragraph 1 above shall be allocated to consumers who, as of the date of execution of this Assurance, have filed a complaint with the Attorney General, or subsequently file a complaint, together with proper supporting documentation, with the Attorney General within 90 days of entry of this Assurance.

3. Any balance of funds remaining after the Attorney General is satisfied that restitution has been made in accordance with paragraphs 1 and 2 above shall be retained by the State of New York as penalties.

PENALTIES

Within 270 days of execution of this Assurance, respondents will pay, by certified check payable to the State of New York, penalties in the amount of \$20,000.

MISCELLANEOUS

1. Nothing in this Assurance shall be construed to deprive any person of any right or remedy under the law.

2 The acceptance of this Assurance shall not be deemed or construed as an approval by the Attorney General of the State of New York of any activities of respondents, and none of them shall make any representation to the contrary, nor shall it constitute any acknowledgment of wrongdoing by respondents.

3. Pursuant to Executive Law § 63(15), evidence of a violation of this Assurance shall constitute *prima facie* proof of a violation of GBL § 349 and Executive Law § 63(12) in any civil action or proceeding thereafter commenced by the Attorney General.

WHEREFORE, the following signatures are affixed hereto this __ day of March 2006.

GED ASSOCIATES INC. D/B/A
HOME STUDY CAREERS

By: _____
Joseph Rondinelli, President

By: _____
Joseph Rondinelli, Individually

By: _____
Mitchell Pincus, Individually

By: _____
John Deninno, Individually

Approved:

ELIOT SPITZER
Attorney General of the State of New York

By: _____
Victoria L. Safran
Assistant Attorney General

CORPORATE ACKNOWLEDGMENT

State of New York)
) ss.:
County of Nassau)

Joseph Rondinelli, being duly sworn, deposes and says:

I am the President of GED Associates Inc. d/b/a Home Study Careers (“GED Associates”), the respondent described herein and which executed the foregoing Assurance of Discontinuance. I have executed the aforesaid instrument with the consent and authority of GED Associates and those responsible for the acts of said entity, and duly acknowledge the same.

Joseph Rondinelli

Sworn to before me this
 ____ day of March, 2006

Notary Public