

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of CarePatrol, Inc., File No. 1123155

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an agreement containing a consent order from CarePatrol, Inc. ("CarePatrol" or "respondent").

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make the proposed order final.

The matter involves certain statements CarePatrol has made in internet advertising regarding its placement services for seniors requiring long term care in assisted living facilities ("ALFs") and other non-nursing home facilities serving the frail elderly. According to the Commission's complaint, CarePatrol made the following false and unsubstantiated claims: (a) that it monitors or grades the care history and violations of virtually all or a substantial majority of ALFs in a consumer's desired location; (b) that its senior care consultants are located in every state; and (c) that its monitoring or grading of assisted living facilities is based on review of the facilities' most recent state inspection reports. Thus, the complaint states that CarePatrol has engaged in deceptive practices in violation of Section 5(a) of the FTC Act.

The proposed order contains four provisions designed to prevent CarePatrol, or other persons who are in active concert or participation with it, from engaging in similar acts and practices in the future. Part IA.1 of the proposed order prohibits respondent from misrepresenting or making unsubstantiated representations, that it has monitored or evaluated a number, portion, or percentage of the assisted living facilities in a consumer's desired location.

Part IA.2 prohibits CarePatrol from misrepresenting or making unsubstantiated representations that its franchisees provide placement services through a network of officers, agents, employees and contractors who are located in any geographic region.

Part IA.3 prohibits CarePatrol from claiming that its monitoring or grading of assisted living facilities is based on a review of information contained in state inspection reports, or any other records detailing the performance of assisted living facilities, unless the claim is non-misleading and based on competent and reliable evidence. It also requires such claims to be based upon the most recent inspection reports.

Finally, Part IB prohibits CarePatrol from making false or unsubstantiated representations regarding its placement services.

Parts I through V of the proposed order require CarePatrol to: keep copies of advertisements and materials relied upon in disseminating any representation covered by the order, provide copies of the order to certain personnel, agents, and representatives having supervisory responsibilities with respect to the subject matter of the order; notify the Commission of changes in its structure that might affect compliance obligations under the order and file a compliance report with the Commission and respond to other requests from FTC staff. Part VI provides that the order will terminate after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or the proposed order, or to modify the proposed order's terms in any way.