



A Few Bad Apples: Diploma Mills and Fraudulent Academic Credentials

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A growing need to protect consumers

Numerous sources, including U.S. Department of Labor projections, make clear that a postsecondary credential — technical certification, an associate's degree, a bachelor's degree or beyond — is a prerequisite for many high-wage and high-growth occupations.¹ Meanwhile, practical experience bears out that jobs and promotions often go to candidates with the most advanced educational qualifications, rather than those with lower-level credentials or work experience alone.

Some unscrupulous entities are taking advantage of this growing demand for postsecondary degrees by selling useless degrees to unknowing consumers. A Maine Department of Education Web page sums up the threat to consumers well: "In the presence of degree mills and accreditation mills, students may spend a good deal of money and effort and receive neither an education, nor a useable credential. In the U.S., accredited educational institutions may not acknowledge degrees and certificates from non-accredited institutions. That means some students may find themselves unable to transfer or go to graduate school. Employers may not acknowledge degrees and certificates from degree mills when considering job candidates. In addition, many organizations will not offer tuition assistance or reimbursement to employees who have taken continuing education courses offered by mills."²

A growing need to protect employers and the public

Conversely, some consumers, seeking to avoid the time commitment and cost of earning a postsecondary degree, knowingly purchase degrees from fraudulent entities to gain a perceived advantage in the job market or earn raises and/or promotions.

What is a diploma mill?

Diploma mills, also referred to as degree mills, claim to be institutions of higher education, yet exist for profit only and grant fraudulent degrees, diplomas or other academic credentials without requiring degree recipients to obtain proper qualifications.

Diploma mills typically take one of two approaches. Some are no more than a post office box facilitating payment for a phony degree. Others require a small amount of coursework, sometimes as little as five days worth, or award degrees solely for life experience.

Not to be confused with legitimate proprietary institutions

Diploma mills should not be confused with legitimate for-profit proprietary institutions. Legitimate for-profit degree and non-degree granting institutions are fully accredited or licensed by accreditation agencies approved by the United States Department of Education. State and national accrediting agencies' oversight of for-profit proprietary institutions ensures financial viability, maintains standards of quality, protects consumers and safeguards accountability. Financial standards for proprietary institutions allow students to obtain tuition refunds and assure the consumer that the proprietors have not filed for bankruptcy. Standards of quality typically regulate leadership and administration, faculty and academic programs, as well as facilities and equipment. Legitimate proprietary institutions also establish specific

conditions for admission and awarding of credentials. Proprietary institutions are held to all these requirements. Diploma mills, on the other hand, are not.

Identification

Although some diploma mills have official looking seals, post pictures of campuses on their Web site and end their Web address in “.edu”, they tend to share suspicious characteristics. Clues that an institution may actually be a diploma mill, rather than a legitimate institution of higher education, include, but are not limited to:

- Little or no studying, tests or papers
- No buildings or physical campus
- No classes or professors
- No listing the accrediting organization
- Degrees based solely on life experience rather than coursework
- Forged diplomas of legitimate schools
- Names similar to reputable schools (such as University of Berkeley or Columbia State University).

For a complete list of characteristics of diploma mills and questions to ask when determining whether a school is actually a diploma mill, visit the Illinois Board of Higher Education's helpful Web site at <http://www.ibhe.state.il.us/consumerInfo/diplomsMill.htm>.

Fraudulent institutions often are short-lived and change names frequently to avoid detection. Individuals convicted of running diploma mills are subject to harsh punishments. They can receive felony convictions and are subjected to imprisonment and/or a fine. Those who use a fraudulent degree to obtain employment, pay increase or other benefits also are subject to criminal charges, though these may only be of misdemeanor level.

What dangers do diploma mills present?

Fraudulent degrees and academic credentials pose a real threat to the public. Individuals who have received phony diplomas and who, consequently, lack appropriate skills can acquire jobs in health and safety professions with these worthless degrees and their subsequent lack of skills can result in potentially life threatening consequences. A study done by the Government Accountability Office (GAO) found that 463 federal employees had received degrees from three diploma mills; of those 463, 28 held senior-level positions in eight agencies, including the departments of education, energy, homeland security, and health and human services.³ These potentially unqualified officials were using false credentials to maintain decisionmaking positions in the federal government while using federal funds to pay for diploma mill degrees, essentially wasting taxpayers' dollars. Moreover, taxpayers are picking up a larger tab for this fraud, with hundreds of millions of dollars in excess salary paid out each year to federal employees who have gained promotions through fake degrees they knowingly purchased or unwittingly accepted.⁴

Diploma mills also devalue legitimate degrees and credentials. They cause employers to waste resources verifying degrees and provide an avenue for fraud in regulated professions. Moreover, diploma mills take advantage of less-informed students and people abroad hoping to earn an American degree, wasting their money as well and potentially providing foreigners with ulterior motives an opportunity to gain easy access to U.S. visas.

Examples of Diploma Mills in Use

From the *Lexington-Herald Leader*, 2006: A desperate 18-year-old with terminal ovarian cancer turned to a “doctor” with a medical degree from a diploma mill who prescribed her a vegetable drink that would heal her as long as she did not ingest other food during her treatment. Not only did this drink not heal her, but she had to endure the final stages of cancer while simultaneously paying \$10,000 in medical bills to starve herself to a weight of 80 pounds.⁵

From *New University*, University of California-Irvine, 2004: A full-time lecturer teaching courses on ethics and communication in the school of engineering at the University of California-Irvine purchased his Ph.D. from a diploma mill.⁶

From *The Daily Californian*, 2005: A man was issued around 12,500 phony degrees from the University of Berkley and netted at least \$35 million.⁷

From *The New York Times*, 2008: Fourteen New York City firefighters used false diplomas to win diplomas and raises. They had to pay fines totaling \$135,000.⁸

From *The New York Times*, 2008: A retired military officer from Syria (a country that the American government has deemed a state sponsor of terrorists), paid \$1,277 and received three undergraduate and advanced degrees from the diploma mill James Monroe University based on his “life experience” to acquire entry into the United States.⁹

What can states do?

Consumers need assurance that the postsecondary institution they receive a degree from is legitimate, and employers need to know that their hires are holding legitimate academic credentials. Legislation or other means can safeguard consumers, employers and citizens against fraudulent academic credentials. The public needs to be able to trust that the higher education credentials of doctors, engineers, teachers and others are authentic and valid. The following table provides examples of states policies or other measures to protect consumers and employers against diploma mills.

State	Protection of Consumer	Protection of Employer
California Cal. Educ. Code § 94050	Makes it a misdemeanor for an unauthorized business or other organization presenting themselves as an institution of higher education to use the term “college” or “university”.	
Colorado Colo. Rev. Stat. § 23-2-104(4)	Prohibits a school or agent from making any statement or representation to offer educational services if the school or agent knows the statement to be materially false or misleading. Prohibits a school or agent from inaccurately representing the nature or integrity of the school or its educational services.	
Indiana Ind. Code § 21-17-3	Requires all postsecondary proprietary educational institutions to be accredited.	
Maine Me. Rev. Stat. Ann. tit. 20A § 10801(3), (4), (7), 10802, 10804	Defines a “diploma mill” as an institution of higher education operating without accreditation or supervision of a state or a nationally recognized professional agency and granting diplomas that are either fraudulent or, because of lack of proper standards, worthless. Makes it a Class C crime for issuing or manufacturing false academic degrees. Requires the department (of education) to provide, via the internet, information to protect students, businesses, etc. by listing the names of known diploma mills, degree mills, accreditation mills and substandard institutions of higher education.	Makes it a Class D crime to knowingly use a false academic degree to obtain a job, promotion, higher compensation or admission into an institute of higher learning.
Michigan Mich. Comp. Laws § 390.1604, 1605	Prohibits an entity that is not a qualified institution of higher education from issuing or manufacturing a false academic credential.	Prohibits knowingly using a false academic credential to obtain employment, promotion, higher compensation, admission or in connection to any occupation.

State	Protection of Consumer	Protection of Employer
Missouri Mo. Ann. Stat. § 173.604	Prohibits earning a certificate or degree solely on the basis of payment or fee, credit earned at another school(s), life experience, testing out, research or writing, or any combination of these factors.	
Nevada Nev. Rev. Stat. § 394.700	Prohibits using a false or misleading degree in connection with any business, employment, occupation, profession, public office or admission to any institution of higher education. Defines a degree as false or misleading if a person has not fulfilled the requirements for the course of study or is awarded based on more than 10% of the recipient's documented life experience and not based upon actual completion of academic work. Makes it a gross misdemeanor to use the term "university" or "college" without authorization from the commission.	
New Jersey N.J. Stat. Ann. § 18A:3-15		Prohibits a person buying or selling any diploma purporting to confer an academic degree of an institute of higher education. Prevents the use of a fraudulent academic degree in connection with any sort of occupation. Violators are liable of a civil penalty of up to \$1,000 per offense.
North Dakota N.D. Cent. Code § 15-20.4-04, -05, -11, -12, -15, -17	Requires all postsecondary educational institutions to be accredited by national or regional accrediting agencies recognized by the U.S. Department of Education. Prohibits any entity from granting any type of academic credentials or using "university", "institute", or "college" without authorization from the state board for career and technical education; it is a Class B misdemeanor to do so. Makes it a Class C felony to knowingly issue or manufacture false academic degrees. Requires the state board for career and technical education to provide, via the internet, information to protect students and businesses from a person who issues, manufactures or uses false academic credentials.	Forbids the use a false academic degree to gain employment, a promotion or higher compensation, admission into an institute of higher learning, or in connection with any business trade, profession or occupation. Makes it a Class A misdemeanor to do so.
Oregon Or. Rev. Stat. § 348.594, 348.609	Defines "diploma mill" as a school that a court or public body has found to engage in dishonest, fraudulent, or deceptive practices related to the awarding of degrees, academic standards or student learning requirements, or an entity without legal authority as a school to issue degrees valid as credentials.	Prohibits a person who receives a degree from diploma mill from using disclaimer to claim or represent that person possesses academic degree.
Rhode Island R.I. Gen. Laws § 16-59-27	Prohibits the purchase and sale of academic degrees wherein the degree is obtained on the basis of a combination of a payment of fee and the attainment of academic credit for so-called life experiences, without the applicant undertaking any academic coursework at the entity or institution purporting to issue the degree.	
Tennessee Tenn. Code Ann. § 49-7-2006, § 39-17-112	Defines "diploma mill" as a nontraditional, unaccredited postsecondary school that offers degrees for a relatively low flat fee, promotes the award of academic credits based on life experience and does not require any classroom instruction. Makes it a class A misdemeanor to issue, sell or manufacture a false academic degree.	Makes it a class C misdemeanor to use or claim to have a false academic degree to obtain employment, promotion or admission into an institution of higher education.

State	Protection of Consumer	Protection of Employer
Texas Tex. Educ. Code Ann. § 3-61.219, 300, 301, 302	Makes it a crime for an agency without accreditation from a recognized source to issue fraudulent academic credentials. Requires the state board of education to disseminate information through the board's Web site including: the name of each educational institution accredited, authorized or approved to grant degrees; the name of each educational institution whose degrees the board has determined may not be legally used; and any other information considered by the commissioner to be useful to protect the public from fraudulent, substandard or fictitious degrees.	
Virginia Va. Code Ann. § 23-2763.1, 10, 12	Prohibits issuing or manufacturing fraudulent academic credentials. Requires degree granting institutions claiming to be a "college" or "university" to be fully accredited by an accrediting agency recognized by the United States Department of Education. Requires the State Council for Higher Education to maintain a list of postsecondary schools holding valid certificates and accreditation.	Prohibits any person from using a fraudulent academic credential in connection with any business, trade, profession or occupation. Prohibits any person from using a fraudulent academic credential to obtain employment, promotion, licensure or admission to an institution of higher education.
Washington Wash. Rev. Code § 9A.60.070 and 28B.85.030, .220	Requires a degree-granting institution to be accredited, have their application for accreditation pending, or have been granted a waiver or exemption from accreditation. Granting a degree without following this is guilty of a gross misdemeanor which could result in a fine of \$1,000 and/or jail time of up to a year. Makes it a class C felony to knowingly issue false academic credentials.	Considers it a gross misdemeanor if a person knowingly uses false academic credentials to obtain employment, a license to practice some profession, a promotion or increase in compensation, admission into an academic program, or to gain a position in the government with authority over another individual (regardless of compensation).

Mallory Dose is a 2009 intern in the ECS Information Clearinghouse.

References

Further information about diploma mills is provided at: <http://www.hep.uiuc.edu/home/g-gollin/pigeons/>.

For a list of accredited institutions, go to: <http://www.ed.gov/about/offices/list/ous/international/usnei/us/edlite-accreditation.html>.

Council for Higher Education Accreditation, *Degree Mills: An Old Problem and a New Threat*, 2005. <http://www.chea.org/degremills/frmPaper.html>(accessed January 21, 2009)

Diploma mills are easily created and some have issued bogus degrees to federal employees at the government's expense (2004). Statement of Robert J. Cramer. <http://www.gao.gov/new.items/d041096t.pdf>

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End Notes

¹ U.S. Department of Labor, Bureau of Labor Statistics, Table I-5, Above-average growth and above-average wage occupations, by educational attainment cluster and wages, 2006 and projected 2016 (Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, The Employment Projections Program, 2006), http://www.bls.gov/emp/optd/optdtabi_5.pdf, [accessed March 2009].

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³ Diana Jean Schemo, "Diploma Mill Concerns Extend Beyond Fraud," *The New York Times*, 29 June 2008, <http://www.nytimes.com/2008/06/29/us/29diploma.html>, [accessed March 2009].

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