

Degree Mills and Serving the Public Interest: Report on the CHEA July 11, 2006 Meeting

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Dear Colleagues:

The Council for Higher Education Accreditation (CHEA) hosted a meeting on degree mills and their impact on higher education and accreditation on July 11, 2006 in Washington, DC. Staff from congressional offices, the General Accountability Office (GAO) and the Federal Trade Commission (FTC) joined with officials from four states that had recently passed new degree mill legislation or taken action to strengthen existing law. Also present for part of the meeting were representatives from seven of the major Washington DC-based higher education associations.

Degree mills (or “diploma mills” – the terms are used interchangeably in this document) continue to be a cause for concern for legitimate higher education, students, the public, government and employers. Whether students knowingly obtain fraudulent credentials or are victims of those who sell these degrees, serious dangers are associated with credentials when these are unaccompanied by any evidence of education gained or competencies acquired.

At one end of the spectrum, some individuals actively pursue questionable credentials and manage to secure employment even though they may lack appropriate skills for their jobs. In some cases, e.g., the health professions, this can even be life-threatening. At the other end of this spectrum, victims of degree mills spend hard-earned money for credentials that turn out to be worthless. Public and private employers are also victims when some of the hundreds of millions of dollars in tuition assistance they spend annually results, at least some of the time, in employees purchasing little more than a piece of paper.

The credentials offered by legitimate providers of higher education are diminished by the presence of purveyors of fraudulent credentials. And, accompanying the deleterious impact of degree mills within the U.S., the export of degree mills and fraudulent credentials is a significant international problem, especially given the prevalent view that the U.S. is a major source of this export, causing harm especially to unsuspecting individuals in developing countries.

The July 11 Meeting: Summary

CHEA President Judith Eaton introduced Congresswoman Betty McCollum (D-MN), who opened the CHEA July 11 meeting by presenting information about her proposed legislation on degree mills. This bill would take several important steps to strengthen federal efforts to identify and to control the negative consequences of degree mills such as providing a definition of a degree mill, calling for legal action against providers of fraudulent degrees and reaching out to states to work with the federal government in this area. The Congresswoman urged the higher education community to work with her on this important issue. She also spoke to the role of accreditation, indicating that greater transparency from these organizations would be helpful in combating degree mills.

Following Congresswoman McCollum's discussion, the officials from both the GAO and FTC provided information to participants about the work of their agencies on the problem of degree mills. GAO has conducted four investigations in four years triggered by requests from Congress. GAO has used a "working definition" of degree mills as entities that do not have classroom instruction, offer credits mostly through life experience and charge a flat fee for a degree. Efforts have focused mainly on the use of fraudulent degrees.

The FTC takes action in response to allegations of fraud, seeking to provide consumer protection when e.g., there is misuse of degrees, deceptive or unfair practices or fraudulent misrepresentation. The agency has relied on fraud analysis, e.g., examining advertising that may involve high pressure marketing or unsolicited email. The FTC is concerned that the public be informed of the legal consequences of using fraudulent degrees and seeks public-private partnerships, including with states, to achieve this goal.

The report on legislation of the four states represented at the July 11 meeting – Nevada, North Dakota, Texas and Washington – also focused on penalties for the use of fraudulent credentials, as do most of the other fourteen states that currently have degree mill legislation. Individuals who knowingly use such degrees to, e.g., obtain employment or for other purposes may be prosecuted. Issues related to enforcement of the legislation include concern to protect legitimate institutions that may not be accredited and the need to attract the attention of the higher education sector about the urgency of this issue. (See Appendix A for additional detail on degree mill legislation in each of the fourteen states).

With regard to the use of accreditation, three of the four states (Nevada, North Dakota and Texas) require that institutions be accredited in order to operate within the state. This is part of their efforts to discourage degree mills. Washington does not require that institutions be accredited and will issue waivers or exceptions. Texas not only requires accreditation, but also stipulates acceptable accreditors and requires that any other accrediting organization outside this group be reviewed by the state.

Two weeks after the CHEA meeting, Congresswoman McCollum's bill was introduced (HR 6008, <http://thomas.loc.gov/cgi-bin/query/z?c109:H.R.6008:>). HR 6008 provides a federal definition of "diploma mill" as "any entity that lacks valid accreditation by an agency recognized by a Federal agency, a State government, or the Council for Higher Education Accreditation as a valid accrediting agency of institutions of higher education; and offers degrees, diplomas, or certifications, for a fee, that may be used to represent to the general public that the individual possessing such a degree, diploma, or certification has completed a program of education or training beyond secondary education, but little or no education or course work is required to obtain such a degree, diploma or certification" [Section 2 (b)(2)(A)(B); for a comparison with other definitions that have been used recently, please see Appendix B].

Toward Effective Practice

The July 11 discussion coalesced around three areas where effective practice is needed. These were: (1) the importance of further educating the public to create greater awareness of degree mills, (2) the need for additional government action at federal and state levels and (3) identifying responsibilities of various actors who, however inadvertently, are involved in some way with degree mills, e.g., employers and media advertisers.

With regard to further educating the public and creating greater awareness, participants on July 11 offered a number of suggestions. These included creating a campaign to inform the public about the differences between legitimate higher education and degree mills through, e.g., positive lists of reliable providers of higher education. Both CHEA (www.chea.org) and the United States Department of Education (USDE, www.ed.gov) make such lists available. The group also discussed enhancing the public's capacity to identify fraudulent providers and education fraud in general. Participants talked about the desirability of engaging higher education ranking systems and search engines to promote the value of legitimate higher education institutions.

With regard to additional government action, participants discussed the importance and value of a single, federal definition of “degree mill.” They stressed the significance of federal and state cooperation with regard to degree mills, concerned to maintain state prerogatives while making good use of federal capacity. A number of participants called attention to the international dimension of degree mills, questioning what the federal or state government might do in this area. There was some conversation about model state legislation that might be developed as well as a call to link state licensure of higher education providers to accreditation in more instances.

Finally, the group explored the range of penalties that could be enacted with regard to providers, users and recipients of fraudulent credentials. Should we move from civil to criminal penalties with regard to any action related to fraudulent degrees? Should public and private employers be held criminally liable for accepting fraudulent degrees from prospective employees? What should be done about media involvement?

CHEA: Prior Action and Future Steps

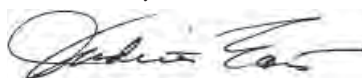
CHEA has been working on degree mills for a number of years, concerned about the prevalence of fraudulent degrees and their potential harm to students and society, especially as higher education has expanded and diversified. Recent, rapid changes in higher education have made it more difficult for the public to keep pace with reliable information needed to make careful judgments about degree providers and the worth of credentials.

To date, CHEA has published an advisory on the value of the degree that can be used as benchmark for legitimate credentials in higher education (2001, http://www.chea.org/pdf/Value_of_Degree.pdf). In 2003, CHEA published a *Fact Sheet* (http://www.chea.org/pdf/fact_sheet_6_diploma_mills.pdf) on degree mills and accreditation mills. This document provides important questions to students, governments and the public in the U.S. and other countries to aid in determining whether or not a provider is to be considered a degree mill. And, in 2005, CHEA launched a comprehensive array of information at its Website, “Degree Mills and Accreditation Mills” (<http://www.chea.org/degremills/default.htm>), that includes access to the two positive lists of institutional providers mentioned above as well as to all state laws on degree mills and, in some instances, state lists of degree mills.

Building on these initiatives and acting on the suggestions from the July 11 meeting, CHEA intends to pursue the following.

- *Public education and awareness campaign.* Promote the importance a clear definition of “degree mills,” making a strong case to the public for persistence and vigilance with regard to fraudulent credentials and assisting the public and students to better understand the difference between legitimate and fraudulent higher education credentials. This will be pursued through, e.g., print and electronic publications, additional use of the CHEA Website and work with Internet service providers and advertisers.
- *Government action campaign.* Advocate for federal legislation that provides oversight of degree mills as well as establishes penalties associated with operating as a provider of fraudulent credentials. Explore additional means to work with states to develop degree mill legislation, including continued effort with the House of Representatives on HR 6008 and developing a plan to work with states that are considering legislation.
- *Statement of effective practice.* Develop a document to be used within the U.S. and internationally in consultation with U.S. and international colleagues. Effective practices will include attention to the responsibilities of the various actors involved with degree mills. This will be pursued through CHEA’s work with its International Commission and other international meetings.

Sincerely,



Judith S. Eaton
President

Appendix A: States and Highlights of Degree Mill Legislation

Hawaii (1999)	<ul style="list-style-type: none"> • Will not license or approve unaccredited institutions. • Requires unaccredited institutions must disclose their unaccredited status. • Lists prohibited practices with regard to, e.g., degrees.
Illinois (2003)	<ul style="list-style-type: none"> • Unlawful to manufacture or knowingly use false academic degrees. • “False academic degree” defined. • “Institution of higher learning” defined.
Indiana (1987)	<ul style="list-style-type: none"> • Focus is false doctoral degrees. • Unlawful to claim to possess a doctorate or use a title etc. associated with a doctoral degree unless certain conditions are met.
Maine (2005)	<ul style="list-style-type: none"> • Defines “accreditation,” “accreditation mill,” “diploma mill,” “degree mill.” • Defines “duly authorized institution of higher learning” and “false academic degree.” • Makes it unlawful to issue, manufacture or use false academic degrees for employment, promotion or higher compensation, admission to higher education institution and “in connection with any business, trade, profession, occupation.”
Michigan (2005)	<ul style="list-style-type: none"> • Defines “academic credential,” “false academic credential” and “qualified institution.” • Prohibits knowing use of false academic credential for employment, promotion or higher compensation, admission to qualified institutions, or in connection with loans, business, trade, professional or occupation.
Mississippi (2006)	<ul style="list-style-type: none"> • Establishes Commission on College Accreditation. • Defines “associate’s, baccalaureate, masters, doctorate.”
Nevada (2005)	<ul style="list-style-type: none"> • Prohibits knowing use of false or misleading degrees. • Defines “degree or honorary degree.” • Applies to admission to higher education institutions, connections with business, employment, occupations, professions, trade or public office.
New Jersey (1987)	<ul style="list-style-type: none"> • Prohibits deceptive diploma practices (1986). • Prohibits use of fraudulent degrees (1986). • Prohibits use of “letters” (e.g., MA, PhD) (1986). • Prohibits use of degree designations from other than authorized higher education institutions.
North Dakota (2003)	<ul style="list-style-type: none"> • Prohibits use of degree when program or study not complete for employment, promotion or higher compensation, admission to higher education institutions or in connection with business, trade, profession or occupation. • Requires consumer protection information.
Oregon (2005)	<ul style="list-style-type: none"> • Can use only credentials that have accreditation or equivalent or approved by Office of Degree Authorization or have authority from U.S. state or foreign country to issue degrees usable on educational credentials.
South Dakota (2001)	<ul style="list-style-type: none"> • Prohibits unaccredited institutions from offering postsecondary degrees. • Requires regional accreditation.
Texas (2005)	<ul style="list-style-type: none"> • Defines “fraudulent or substandard degree.” • Requires review of degrees.
Washington (2005-2006)	<ul style="list-style-type: none"> • Prohibits grant or award of false academic credentials. • Defines “false academic credential.” • Requires that institutions have accreditation, a waiver or exemption.
Wyoming (2006)	<ul style="list-style-type: none"> • Requires notification, documentation for private, degree-granting postsecondary institutions.

Appendix B: Definitions And Descriptions Of Degree Mills

There is no single, sanctioned definition of “degree mill” used by either government or the private sector. However, a number of definitions have been in use in a variety of settings over the years.

“The term “diploma mill” means any entity that –

(A) lacks valid accreditation by an agency recognized by a Federal agency, a State government, or the Council for Higher Education Accreditation as a valid accrediting agency of institutions of higher education; and

(B) offers degrees, diplomas, or certifications, for a fee, that may be used to represent to the general public that the individual possessing such a degree, diploma, or certification has completed a program of education or training beyond secondary education, but little or no education or course work is required to obtain such a degree, diploma, or certification.”

A Bill to Reduce and Prevent the Sale and Use of Fraudulent Degrees in Order to Protect the Integrity of Valid Higher Education Degrees that Are Used for Federal Purposes, H.R. 6008, United States House of Representatives, 109th Cong. (introduced July 28, 2006 by Representative Betty McCollum). Retrieved September 18, 2006 from <http://www.thomas.gov>.

“The General Accounting Office has defined ‘diploma mills’ as businesses that sell bogus academic degrees based upon life or other experience or substandard or negligible academic work. I would add that diploma mills are generally unaccredited schools, though people should not make the mistake of assuming that all unaccredited schools are diploma mills. Some are not.”

Bogus Degrees and Unmet Expectations: Are Taxpayer Dollars Subsidizing Diploma Mills? Hearing before the Committee on Governmental Affairs, United States Senate, 108th Cong. (May 11, 2004). Member statement of Senator Susan M. Collins. Retrieved August 30, 2006 from <http://hsgac.senate.gov/index.cfm?Fuseaction=Hearings.Testimony&TestimonyID=571&HearingID=176>.

“In its charging documents the government defines the term ‘diploma mill’ to mean ‘a business that pretends to be a university or other education institution with qualified faculty, curriculum, classes, educational facilities, academic accreditation, and that solicits money from various individuals in the form of enrollment and tuition fees in return for the issuance of degrees with purported career advancement value, but which, in truth hires no qualified faculty, has no established curriculum, classes, campus, or educational facilities, and has no legitimate academic accreditation, and merely distributes purported ‘degrees’ that do not have legitimate career advancement value’.”

Bogus Degrees and Unmet Expectations: Are Taxpayer Dollars Subsidizing Diploma Mills? Hearing before the Committee on Governmental Affairs, United States Senate, 108th Cong. (May 11, 2004). Witness testimony of Laurie Gerald. Retrieved August 30, 2006 from <http://hsgac.senate.gov/index.cfm?Fuseaction=Hearings.Testimony&HearingID=175&WitnessID=630>.

Degree mills are “...schools, commonly referred to a[s] diploma mills, sell academic degrees based on life experience or negligible academic work. Some diploma mills require no academic work at all and merely sell degrees for a fee.” (JR and need specific document if there is one.

American Council on Education. “American Council on Education Offers Resources to Employers to Combat Diploma Mill Fraud.” (December 9, 2004) Retrieved September 18, 2006 from <http://www.acenet.edu/AM/Template.cfm?Section=AdvanceSearch&template=/CM/HTMLDisplay.cfm&ContentID=3239>.

“Diploma mills..., essentially providing no training or education, but selling degrees for a price. “

Education Commission of the States. “Model State Legislation, Report of the Task Force on Model State Legislation for Approval of Postsecondary Educational Institutions and Authorization to Grant Degrees. Report No. 39.” (June, 1973) Denver Colorado.

“...diploma mills operate outside of stringent and appropriate supervision. They grant diplomas or degrees that are fake and usually worthless because of a lack of proper standards.”

Bogus Degrees and Unmet Expectations: Are Taxpayer Dollars Subsidizing Diploma Mills? Hearing before the Committee on Governmental Affairs, United States Senate, 108th Cong. (May 12, 2004). Witness testimony of the Honorable Sally L. Stroup, Assistant Secretary for Postsecondary Education, U.S. Department of Education. Retrieved August 30, 2006 from <http://hsgac.senate.gov/index.cfm?Fuseaction=Hearings.Testimony&HearingID=176&WitnessID=635>.

“We searched the Internet for nontraditional, unaccredited, postsecondary schools that offer degrees for a relatively low flat fee, promote the award of academic credits based on life experience, and do not require any classroom instruction.”

Bogus Degrees and Unmet Expectations: Are Taxpayer Dollars Subsidizing Diploma Mills? Hearing before the Committee on Governmental Affairs, United States Senate, 108th Cong. (May 11, 2004). Witness testimony of Robert J. Cramer, Managing Director, Office of Special Investigations, United States General Accounting Office. Retrieved August 30, 2006 from <http://hsgac.senate.gov/index.cfm?Fuseaction=Hearings.Testimony&HearingID=175&WitnessID=630>.

“Diploma mill: An institution of higher education operating without supervision of a state or professional agency and granting diplomas which are either fraudulent or because of the lack of proper standards worthless. —Webster’s Third New International Dictionary

Diploma mills (or degree mills) are substandard or fraudulent “colleges” that offer potential students degrees with little or no serious work. Some are simple frauds: a mailbox to which people send money in exchange for paper that purports to be a college degree. Others require some nominal work from the student but do not require college-level course work that is normally required for a degree.”

The Oregon Student Assistance Commission, Office of Degree Authorization. “Want an ‘Easy’ College Degree? Beware of Illegal Diploma Mills!” Retrieved August 24, 2006 from http://www.osac.state.or.us/oda/diploma_mill.html.

‘Diploma mill’ means 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.

‘Degree mill’ means a school or institution of higher education without accreditation that meet any one of the following conditions:

- A. Issues degrees without requiring any student academic work;
- B. Issues degrees based solely on the student’s life experience or portfolio without requiring any college-level work submitted to and evaluated by faculty with appropriate academic degrees from standard accredited institutions; or
- C. Issues degrees basing more than 50% of required credits on the student’s life experience.”

An Act to Prohibit and Provide Penalties for the Issuance, Manufacture and Use of False Academic Degrees of Certificates, LD 1317, Sec. 1. 20-A MRS.A c. 410, §10801 Definitions, Maine (2005). Retrieved April 18, 2006 from <http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280016536&LD=1317&Type=1&SessionID=6>

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