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Diploma and Accreditation Mills:



New Trends in Credential Abuse

March 2011

By Eyal Ben Cohen And Rachel Winch



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Verifile • Accredibase
Bedford I-Lab
Stannard Way
Priory Business Park
Bedford, Great Britain MK44 3RZ
Tel: +44 (0)1234 834670
Fax: +44 (0)1234 834671

Email: service@accredibase.com
Website: www.accredibase.com

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Contents

Introduction	3
Chapter 1	
So, What are Diploma and Accreditation Mills?	5
Chapter 2	
What’s the Big Problem?	8
Diploma Mills on Display	
Chapter 3	
Webs of Deceit	11
University Degree Program	
Chapter 4	
High School Diploma Mills	14
The “Capitol” Network	
Protecting Against Substandard Online Schools	
The Accredibase Guide to Spotting Online Schools	
Chapter 5	
Immigration, Bogus Colleges and Diploma Mills	19
Private College and Diploma Mills	
International University of America	
Chapter 6	
A Global Issue	23
Chapter 7	
Combatting Credential Fraud	28
Progress in the United States?	
A European Perspective	
Sharing Knowledge	

About Verfile Limited and Accredibase

About Verfile Limited

Verfile is Europe's leading background screening company. Its comprehensive range of services allows employers to verify employment, qualifications, identity, criminal records and credit histories globally. This is offered through quick, easy-to-use, affordable and innovative solutions. Verfile services are used by clients around the world, in a wide variety of sectors, with more than 30% of checks conducted outside the UK.

Visit www.verifile.co.uk

About Accredibase™

Accredibase™, the first resource of its kind, is designed to help professionals involved in education verification weed out fake degrees from bogus universities, colleges and high schools. It offers constantly updated information, built using data gathered from law enforcement agencies and independent research.

Visit www.accredibase.com

Introduction

A doctor is someone to be trusted, a person who has studied for years to earn his title, has gone through rigorous testing and peer review, and is an expert in his field, right? Wrong. The title can be bought online from a diploma mill for a few hundred pounds or dollars – your pet rabbit can get those prestigious letters before its name. Wikipedia even publishes a list of animals with fraudulent diplomas¹. Despite the light-hearted nature of these stories about pets with degrees, they demonstrate a serious point. Some unscrupulous operators will award a diploma or degree in exchange for money without carrying out any checks on the applicant, and without requiring any actual study – and people are really using these fake degrees to gain employment, trust and prestige.

Accredibase™, Verifile Limited's database of diploma and accreditation mills, keeps track of the credential fraud industry that exploits the anonymity and ever-widening reach of the Internet to sell its wares. After a busy year of research, Accredibase™ reveals a huge increase in the number of known diploma and accreditation mills. The database now includes 2,615 known bogus education and accreditation providers – an increase of 48% in just one year. In addition to the huge number of confirmed mills known to Accredibase™, new suspect institutions are discovered on a daily basis – more than 2,000 are under investigation by Accredibase™ for inclusion in the database. There can be no doubt that bogus degrees are a real and worrying problem in today's society, given the number of sellers in the market. As Stephen Fry said on a recent edition of the BBC's QI, "pseudo-credentialing is a big issue."

In this report, we examine the current status of the diploma mill problem, revealing the global diploma mill hotspots. We investigate the new generation of bogus universities, taking a closer look at University Degree Program and Belford University networks, the involvement of bogus colleges in immigration scams and the phenomenon of online high school diploma mills. We also look back at the year's developments in terms of legislation to combat bogus education providers and discuss what can be done to protect employers, educators and the general public from bogus degrees.

¹ See http://en.wikipedia.org/wiki/List_of_animals_with_fraudulent_diplomas

4 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

Chapter 1

So, What are Diploma and Accreditation Mills?

Diploma mills² are mostly online entities that offer substandard or bogus degrees in exchange for payment and not much else. Often these entities will grant a “degree” based on the submission of a résumé detailing life experience, and will even let the applicant choose his own subject and year of graduation. Others might require the student to do some work, but because of the lack of recognised accreditation or authorisation to grant degrees, the certificates are worthless.

Systems of higher education recognition and accreditation vary greatly across the globe, making it easier for diploma mills to confuse and deceive. In the United States, authorisation to operate and grant degrees is usually issued by the state; however, accreditation is granted by private accreditation agencies. Accreditation agencies are considered “recognized” if they have recognition from either the U.S. Department of Education or the Council of Higher Education Accreditation (CHEA). Some states will only license institutions with recognised accreditation; others allow unaccredited universities and colleges to operate. The United Kingdom does not operate the same system of accreditation by private organisations. In order to grant UK-recognised degrees, UK universities must be given degree-awarding power by a Royal Charter or Act of Parliament. This does not apply to foreign universities operating in the UK; they can offer their own awards in the country as long as they do not claim to be a UK institution³.

Diploma mills should not be confused with companies producing fake certificates in the names of genuine, respected institutions. Forgeries have become so sophisticated that it can often be impossible to tell a fake certificate from a real one. Counterfeit documents are a huge issue for prospective employers and educators, but fake certificates can soon be spotted by checking directly with the university or college in question, who

² Diploma mills are commonly known as degree mills in the United Kingdom.

³ Department for Business, Innovation and Skills (2011) Recognised UK degrees [Internet]. Available at: www.dcsf.gov.uk/recognisedukdegrees/index.cfm?fuseaction=institutes.list (Accessed 18 January 2011).

6 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

will be able to confirm whether or not the individual is on the graduation roll. Bogus universities, on the other hand, will readily verify their customer's credentials, so an extra level of diligence is required to weed out these degrees.

Telltale signs of a diploma mill include poorly made Web sites, offering a degree at a very low cost and in a very short space of time, and the opportunity to choose your own graduation date. Some diploma mill operators go to extraordinary, and sometimes bizarre, lengths to attempt to give their "universities" credibility. Hillmax University is one such example. Hillmax appears to be a clone of the notorious Rochville University. It is not, unsurprisingly, authorised to offer or advertise degree programs in Ontario, Canada, where it claims to be located.

We noticed that the university was using an image of Brian May, guitarist for the rock group Queen, upon receipt of his doctoral degree from the recognised UK University Liverpool John Moores!

Diploma mills often surround themselves with other dubious organisations in an attempt to gain credibility.



Figure 1: Hillmax University's home page featuring Queen guitarist, Brian May.

These include accreditation mills and even micronations acting as "recognition mills". An accreditation mill is a bogus accrediting agency that is not recognised by the authority responsible for governing education provision in its country of operation. They offer accreditation for a fee and will carry out little or no investigation into the quality of education provided by the institutions they claim to accredit. They often choose names similar to recognised accrediting agencies, and will even falsely add recognised schools to their lists of accredited members⁴. Accreditation mills are often fabricated by the owners of diploma mills who are trying to deceive people into thinking their schools are legitimately accredited. Accreditation mills have been found to operate from the same address, and even have their Web site hosted at the same IP as schools they claim to accredit.

⁴ U.S. Department of Education, Office of Innovation and Improvement, State Regulation of Private Schools, Washington, D.C., 2009.

Chapter 1 - So, What are Diploma and Accreditation Mills? ► 7

We use the term “recognition mill” to refer to an entity such as a micronation, or individuals purporting to represent a micronation, that grants meaningless recognition to diploma and accreditation mills. Examples include Hutt River Province in Australia, and the Principality of Seborga in Italy. Several diploma mills claim to be approved by Hutt River Province, a self-styled state in Western Australia, which is not recognised in any way by the Australian Government⁵.

The Principality of Seborga is a micronation located in northwest Italy, which covers an area of 15 km² with a population of less than 400. A group of diploma mills including Pebble Hills University claimed to be located in Seborga and to be recognised by the Principality’s Department of Education⁶. In fact, Seborga is administered by the Italian government and the “Principality” only has symbolic value. After a police investigation, the address used by Pebble Hills and 10 other institutions was found to be a room used as a cellar⁷.

⁵ Australian Embassy, UAE (2007) Australian Government Does Not Recognise the Hutt River Province [Online] 23 October 2007. Available at: www.uae.embassy.gov.au/abud/huttriver.html

⁶ Finocchietti, C, Checcacci, C. & Lantero, L. (2010) Cimea – against the mills. CIMEA [Online] November 2010. Available at: <http://www.cimea.it/default.aspx?IDC=2259>

⁷ La Stampa (2006) Una Denuncia nel Web Segnalati Locali di Via Miranda che in Realta' Eranostati Affittati a Turisti Esteri. La Stampa [Online] 14 February 2006. Available at: http://archivio.lastampa.it/LaStampaArchivio/main/History/tmpl_viewObj.jsp?objid=6802600

Chapter 2

What's the Big Problem?

The sheer number in existence indicates that selling degree certificates is big business for diploma mill operators, and that bogus degrees present real risk for prospective employers, educators and the general public. Bogus degree holders not only lack the qualification and associated experience they purport to have, but also demonstrate a clear lack of honesty and integrity.

Many high profile examples exposing bogus degree users hit the media in 2010. Take the case involving EDS (a division of HP), who was ordered to pay damages to BskyB for making fraudulent representations when bidding for a £48 million project. The Times⁸ reported that former EDS managing director, Joe Galloway, lied in court about the origins of an MBA degree. He was exposed when BskyB's barrister purchased the same degree on the Internet from Concordia College and University for his dog, Lulu. The dog even managed to obtain higher marks for her Concordia degree than the EDS executive.

For every high profile case, there are many, many more bogus degrees used by ordinary people, exposing potential employers to risk. Verifile's CV screening team regularly finds dubious qualifications popping up in its background checks. Recent examples involved a couple of blue chip financial service providers. The first was an applicant for a role managing sensitive functions in relation to the company's product line. The discovery of a degree from the bogus Rochville University on this candidate's CV was a real cause for concern for this bank.

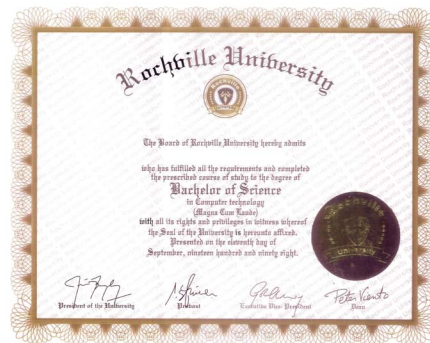


Figure 2: Sample Bachelor of Science certificate issued by Rochville University.

⁸ Spence, A. (2010) EDS employee lied to win £50m BskyB contract. Times Online, [Online] 27 January 2010. Available at: <http://business.timesonline.co.uk/tol/business/law/article7005260.ece>

When Verifile first received the applicant's details, a degree from New Rochelle University was listed. At first glance, this might have been the recognised College of New Rochelle in New York. The applicant later told Verifile that the degree was from Rochelle University, an unfindable entity thought to be related to Rochville University^{9,10}. It was finally revealed that the BSc in Computer Technology was actually from Rochville when Verifile asked the candidate to supply a certificate.



Another example involved an applicant for a role in the IT department of a London-based mortgage company that had a BSc in Computer Science from the unrecognised University of NorthWest. In addition to having an entry in Accredibase™, University of NorthWest has also been blacklisted in four U.S. States – Texas¹¹, Oregon¹², Michigan¹³ and Maine¹⁴.

Figure 3: Sample Bachelor of Science certificate issued by University of NorthWest.

According to Oregon's Office of Degree Authorization, University of NorthWest was actively selling invalid degrees in Afghanistan in the summer of 2010. This particular candidate had also lied about A-Level

⁹ Maine Department of Education (2010) Accredited and Non-Accredited Colleges and Universities. [Online] (Updated 29 September 2008) Available at www.maine.gov/education/highered/Non-Accredited/non-accredited.htm#DL [Accessed 28 July 2010].

¹⁰ Oregon Student Assistance Commission (2010) Unaccredited colleges. [Online] (Updated 27 July 2010) Available at www.osac.state.or.us/oda/unaccredited.aspx [Accessed 28 July 2010].

¹¹ Texas Higher Education Coordinating Board (2010) Institutions Whose Degrees are Illegal to Use in Texas. [Online] (Updated 27 July 2010) Available at www.theccb.state.tx.us/index.cfm?objectid=6941C34E-DF3E-4B42-288239D3FC3ACD29 [Accessed 28 July 2010].

¹² Oregon Student Assistance Commission (2010) Unaccredited colleges. [Online] (Updated 27 July 2010) Available at www.osac.state.or.us/oda/unaccredited.aspx [Accessed 28 July 2010].

¹³ Michigan Civil Service Commission (2010) Colleges and Universities not accredited by CHEA. [Online] (Updated 13 October 2009) Available at http://www.michigan.gov/documents/Non-accreditedSchools_78090_7.pdf [Accessed 28 July 2010].

¹⁴ Maine Department of Education (2010) Accredited and Non-Accredited Colleges and Universities. [Online] (Updated 29 September 2008) Available at <http://www.maine.gov/education/highered/Non-Accredited/non-accredited.htm#DL> [Accessed 28 July 2010].

10 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

grades on his CV, which made Verifile's report regarding his bogus education even harder to ignore.

If someone is prepared to use a degree from a diploma mill in a job application, he may well be prepared to fabricate or omit other parts of his past, as the above example demonstrates, or to deceive in the future. This kind of deception is a clear warning sign of a lack of honesty and integrity, even if a degree is not essential for the role, and exposes the potential employer to real risk.

Diploma Mill Credentials on Display

A quick search on the professional networking site LinkedIn reveals just how easy it is to find professionals flaunting diploma mill degrees. There are almost 2,500 hits on the networking site for "Almeda" – referring to the notorious online diploma mill Almeda University; and 734 hits for "Belford" – relating to Belford University and Belford High School.

It seems incredible that bogus degree holders would want to advertise their credentials so publicly, and even more incredible that they might not be aware of the bad press surrounding these online "universities." Bogus degree holders rely on the fact that many do not know that bogus universities even exist, and that a lot of prospective employers do not conduct thorough background checks. It is worthless to simply verify someone has a degree at a university if steps are not taken to ensure that the institution is not a diploma mill.

Chapter 3

Webs of Deceit

Our research focuses on making connections between bogus universities and their operators, making it easier to identify networks of mills run by the same people and to spot new bogus providers as they appear. It is often possible to connect bogus universities by looking at the style of Web site, text used, and through shared IP and physical addresses.

University Degree Program

One such network, University Degree Program (UDP), appears to be alive and well according to Accredibase™ research. We have linked a huge

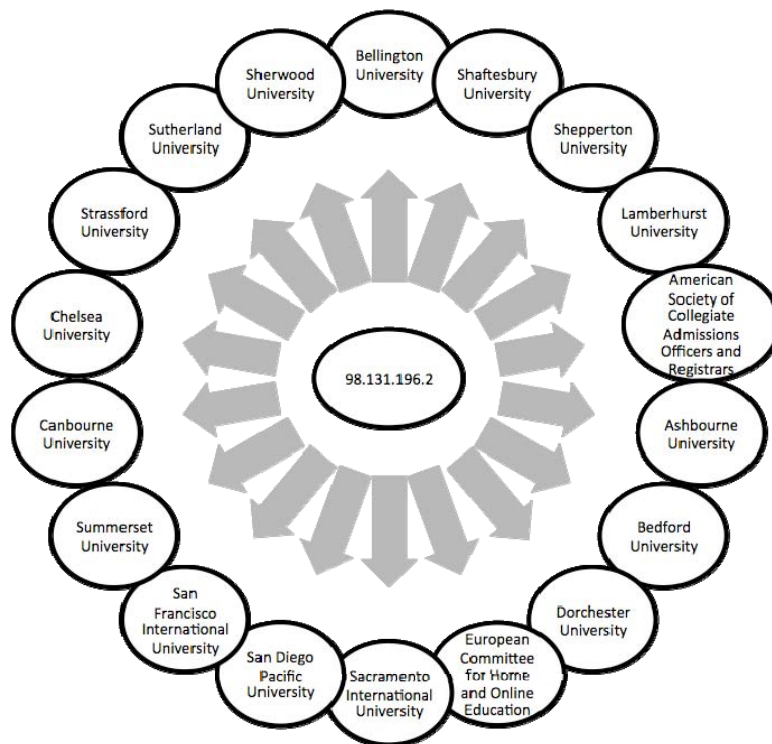


Figure 4: Entities with Web site hosted at the IP address 98.131.196.2

number of “university” Web sites to a single IP address – some of these Web sites were known to be part of the UDP network back in the mid 2000s (see Figure 4). The fact that these sites share the same IP address indicates that

12 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

they are all hosted on the same server, operated by the same person or group of people. If a diploma mill's Web site is hosted at the same IP address as the Web site of the organisation it claims to be accredited by, you can be pretty sure the accreditation agency was fabricated by the operators of the bogus university.



Figure 5: Remarkably similar text on San Francisco International, Bellington and San Diego Pacific Universities' sites.

We spotted other similarities between these entities by taking a look at the text and graphics on their Web sites (see Figure 5). The only difference between Bellington and San Francisco International looks to be the name.

We also played “match up the telephone number” with UDP clones claiming to be in the UK (see Table 1 below).

Telephone Number	Diploma Mill
44 207 900 6917	Canbourne University
44 207 900 6918	Ashbourne University, Chelsea University
44 207 900 6921	Bellington University, University of Dorchester
44 207 900 6922	Sherwood University, Shepperton University
44 207 900 6923	Bedford University, Shaftesbury University
44 207 900 6924	Strassford University

Table 1: Telephone numbers used by the UDP network.

Ezell and Bear¹⁵ called UDP “the biggest degree business the world has ever known.” Run by an American, it operated call centres in Romania and Israel, and by 2005 had purportedly sold 200,000 fake diplomas to mainly American and Canadian clients. In 2003, the U.S. Federal Trade Commission (FTC) ordered those involved, who were also selling phoney international driver’s licenses, to close down several bogus university Web sites¹⁶. The FTC and Israeli authorities shut down the call centre in Jerusalem and the owners promised to stop selling fake degrees¹⁷. Despite this action, UDP never really went away, and now appears to be as active as ever with a whole new generation of diploma mills.

In the mid 2000s, UDP was using a raft of British-sounding names to sell its fake degrees, including Bedford University (not to be confused with the legitimate University of Bedfordshire), Suffield University and Harrington University. By operating under the guise of many different university names, UDP could keep a low profile and quickly shut down a “university” once it received bad publicity. One UDP clone, Sherwood University, claimed to be located at 200 Holloway Road, London. The genuine London Metropolitan University is located at 166-220 Hollow Road. *Times Higher Education*¹⁸ reported that London Met battled for years to get the Web site closed down. It finally succeeded in getting the bogus university to change its address to 221 Holloway Road.

Despite the action by the FTC, it is clear that UDP and many similar networks are still free to operate almost unchallenged on the Internet today. The question is - how do we tackle this type and scale of fraud? The fear is that in the current economic climate, more job applicants will be driven to desperate measures to bolster their CVs and fall victim to UDP and other unscrupulous operators. A lack of government resources and the elusiveness of diploma mill operators suggest that the answer must be to “name and shame.”

¹⁵ Ezell, A. & Bear, J. (2005) *Degree Mills: The Billion-Dollar Industry That Has Sold Over a Million Fake Diplomas*. Prometheus Books, New York.

¹⁶ Federal Trade Commission v One or more unknown parties doing business as The Institute for International Licensing, Aladdin Financial Management, University Systems and Wheelie International Limited (2003) Case No. 1:03-CY-00021-RMC

¹⁷ Bartlett, T. (2004) University of Spam. *The Chronicle of Higher Education* [Online]. 25 June 2004. Available at: <http://chronicle.com/article/The-University-of-Spam/34364>

¹⁸ Newman, M. (2008) London Met stops fraudsters using its address. *Times Higher Education*, [Online]. 24 April 2008. See: www.timeshighereducation.co.uk/story.asp?storyCode=401562§ioncode=26 (Accessed 16 December 2010).

Chapter 4

High School Diploma Mills

The bogus education issue does not only affect degree-level qualifications. Recently, a few stories have hit the media about online “high schools” offering worthless diplomas. Our research indicates that for every one that has been exposed in the media, many more lurk undetected on the web. Accredibase™ holds information on approximately 45 such institutions, with many more under investigation. Bogus online high schools offer diplomas based entirely on life experience or on passing an online equivalency test. Unsuspecting consumers purchase these certificates hoping for a quick fix solution to their lack of high school diploma, only to be rejected when they apply for college or employment. This phenomenon of bogus online high schools appears to be restricted to the U.S.; operators tend to target adult learners who did not graduate from high school and are considering taking the General Educational Development (GED) test.

One such diploma mill, Belford High School, was taken to court in Michigan by an unsatisfied former student. Carrie McCluskey’s application to Baker College was rejected after she purchased a high school diploma from the Web site www.belfordhighschool.com for \$250. All she needed to do for her certificate was answer 10 questions and wait one week for it to arrive in the post¹⁹. Belford High School misleadingly attracts those searching for a GED on the Internet by using the term GED on its Web site. Belford does not, in fact, offer a GED at all – that exam can only be taken in person and never online.

Belford High School and its partner, Belford University appear to be part of a much larger network; either that or their Web sites have been copied by other scammers. Take Lorenz and Woodfield High Schools for example, both are using the same tag lines as Belford (see Figure 6 below).

¹⁹ Mostafavi, B. (2009) Flint woman wants to shut down alleged diploma mill Belford High School via lawsuit. Michigan Live [Online]. 20 November 2010. Available at: www.mlive.com/news/flint/index.ssf/2009/11/flint_woman_wants_to_shut_down_1.html (Accessed 20 December 2010).

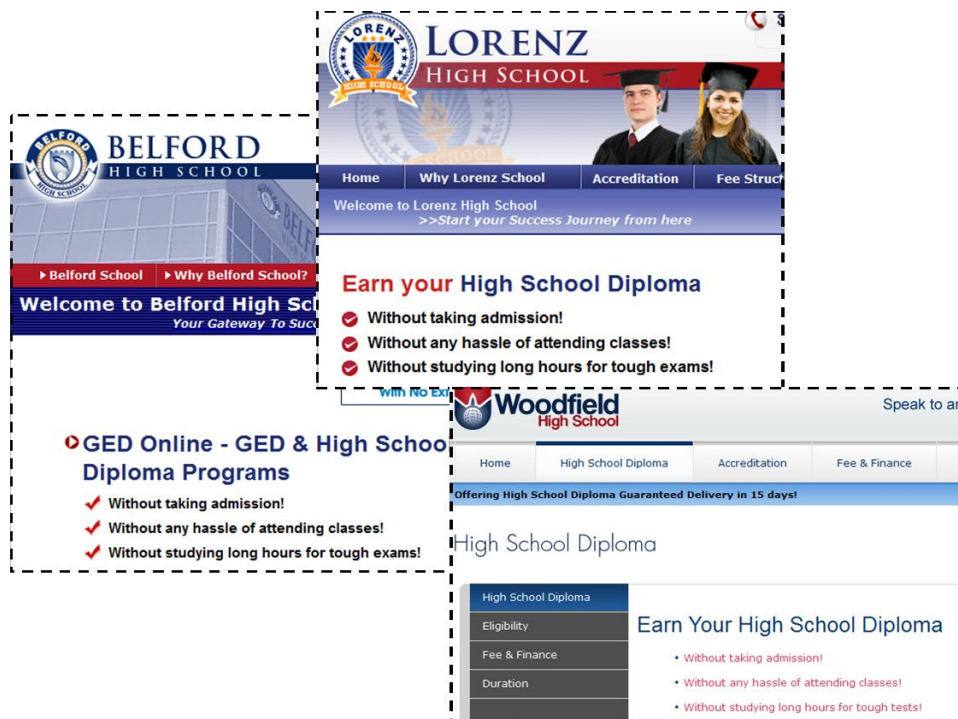


Figure 6: Sections of the Web sites of three "online high schools."

These are just a couple of examples. Many more bogus entities can be linked to this network by the accrediting agencies they claim to be accredited by, and by similarities between their Web sites. Take the bogus accreditor Universal Council for Online Education Accreditation. In addition to Belford High School and University, it is also claimed as an accreditor by Cleveland Institute of Technology, Dover University, Melviz University, New York Global University, Rochville University, Université Ville-Marie and University of Westmeath.

The “Capitol” Network

Earlier this year, we came across a dubious-looking online high school claiming to be based in Phoenix, Arizona and accredited by Capitol Network for Distance Learning Programs. After some further digging, we uncovered a whole host of “online high schools” listing the same contact address (see Figure 7 below). Unsurprisingly, that address, 3116 E. Shea Boulevard, is home to a mailbox service - Shea Ship N Post.



Figure 7: Entities linked to the address 3116 E. Shea Blvd., Phoenix, Arizona

We tried the equivalency test on a few of these sites to have a go at earning our very own high school diploma. We not only discovered that these sites are identical behind the login page, but also that the test can be taken as many times as you want – they even give you the correct answers if you get them wrong the first time. We decided against spending \$249 for the certificate.

Protecting Against Substandard Online Schools

Unlike degree-granting institutions, many American states do not regulate private high school education. Generally, there is not a requirement to be “approved,” “licensed” or “authorised” to grant a high school diploma. Additionally, the U.S. Department of Education does not recognise accreditors of primary and secondary level education as it does with post-secondary level accreditors.

In Arizona, where the Capitol Network group of schools claims to operate, there are no state requirements for regulation of private high schools²⁰. In Florida, the only requirement is that private schools register with the Department of Education; therefore, it holds a directory of private schools operating in the state, but it does not verify the accuracy of the information provided by the schools and it does not approve or accredit these schools²¹. In our experience, officials at state education departments are reluctant to give opinions on online high schools, making it very difficult for both the public and other concerned agencies to establish their legitimacy. There is evidently a need to balance the freedom of genuine private education providers and the need to protect public interests.

An audit conducted by the U.S. Government Accountability Office (GAO) examined the role of high school diploma mills in Federal Student Aid applications²². It is estimated that \$42.8 million in aid was distributed to 8,062 students with diplomas from online high schools between January 2005 and September 2008²³. The testimony identified a lack of clarity regarding the identification of high school diploma mills and a lack of communication from the Education Department to interested parties on how to spot these entities. It was noted that education officials acknowledged that diploma mill use is a problem and that more guidance would be helpful.

At present, the only solution is to expose high school diploma mills. By ensuring information regarding dubious education providers is available to those who need it – prospective students, employers and educators – the demand for these qualifications will surely drop once it is clear that they offer no “quick fix” solution. Departments of Education should be encouraged to make available to the public information regarding bogus suppliers; and could require colleges and universities in their jurisdictions to report bogus diplomas presented to them by prospective students. Ensuring that background checkers are well informed and aware of diploma mills are keys to the fight against dubious education providers. We

²⁰ U.S. Department of Education, Office of Innovation and Improvement, *State Regulation of Private Schools*, Washington, D.C., 2009.

²¹ Florida Department of Education (2010) *Private School information for Parents*. Office of Independent Education and Parental Choice [Online]. Available at: www.floridaschoolchoice.org/Information/Private_Schools/default.asp?whichView=parent Accessed 31 December 2010.

²² U.S. Government Accountability Office (October 2009) *Proprietary Schools: Improved Department of Education Oversight Needed to Help Ensure Only Eligible Students Receive Federal Student Aid*. (Publication No. GAO-10-127T). [Online] Available at: <http://www.gao.gov/new.items/d10127t.pdf> Accessed 10 January 2010.

²³ U.S. Department of Education, Office of Inspector General (January 2010) *Final Management Information Report: Definition of a High School Diploma as a Condition for Receiving Federal Student Aid (X11K0001)*. [Online] Available at: <http://www.gao.gov/new.items/d10127t.pdf> Accessed 10 January 2010.

have put together The Accredibase™ guide to spotting online high school diploma mills. If any of these key signs is present, we believe you should be asking more questions about the legitimacy of a school.

The Accredibase™ Guide to Spotting Online High School Diploma Mills

- You can get a diploma in a very short space of time – usually just a few days.
- You can get a diploma based on passing an online equivalency test or based entirely on life experience.
- The same equivalency test can be taken as many times as you want.
- If you get the answers wrong, they will tell you the correct ones before you retake the test.
- Contact details are limited to an email address or a toll free number.
- The institution is vague about its location.
- The only address, if any, is a mailbox.
- Sample certificates, transcripts or verification letters are available to view on the Web site.
- It makes over-complicated or misleading claims about accreditation or recognition.
- It claims to be accredited by an unfindable accreditor.
- It shares an IP or physical address with the entity it claims to be accredited by.
- The website is poorly designed, has poor spelling and grammar or it plagiarises copy from other institutions.

Chapter 5

Immigration, Bogus Colleges and Diploma Mills (Lessons from the UK)

In the 2010 Accredibase™ report, we tackled the issue of bogus colleges and their role in immigration scams in the UK. This year sees more examples of this type of fraud; a legacy of years of lax control over private colleges taking in foreign students. After an operation led by the UK Border Agency, three people were jailed in December 2010 for a total of 18.5 years for setting up two bogus colleges – Academic College of Education and Academic College of Training and Recruitment – to help illegal immigrants stay in the UK²⁴. When Academic College of Education's registered address was raided, it was found to be just a collection of bedsits with no evidence of anything being taught there. The Border Agency reported that the scam involved the supply of fake qualification certificates and letters used to support visa applications.



Figure 8: Sample Diploma certificate issued by Academic College of Education

Private colleges and diploma mills

Small private colleges marketing to overseas students are also found to be acting as “study centres” for diploma mill universities. Thoroughly caught

²⁴ UK Border Agency (2010) Jailed over bogus college scam. UK Border Agency [Online] 14 December 2010. Available at: <http://www.ukba.homeoffice.gov.uk/sitecontent/newsarticles/2010/dec/38jailed-over-bogus-college-scam>.

20 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

up in the diploma mill web, they act as resellers of their worthless degrees. Take Manchester College of Professional Studies, for example, which was exposed by *The Times* in May 2009²⁵. It was affiliated with Blackpool University and University of New Castle – both of which are unaccredited and unrecognised online universities. Blackpool University, despite its name, actually claimed to be located in the Republic of Ireland.

Bogus London college St. Paul's College of Higher Education Limited was fined £17,515 in February 2010 for touting degrees from several unrecognised universities, including Barbican University, Irish International University and Columbia Commonwealth University²⁶. The investigation by Tower Hamlets Council concluded that by offering courses from these entities, it did not make clear that the degrees would not be considered legitimate educational awards in the UK, and therefore misled students.

Barbican University, which appears to no longer be in operation, was registered in Panama, but not recognised in the country. It also claimed to have a U.S. campus in Washington, D.C., but was not approved or licensed to operate in that jurisdiction. The Web site stated that it was registered with World Association of University and Colleges, and British Learning Association – both unrecognised as accreditors.

Irish International University, run by Malaysian Professor Hardeep Singh Sandhu, was exposed in an investigation by the BBC in 2008²⁷. As part of its elaborate scam to dupe foreign students, it used facilities at Oxford and Cambridge Universities to host its graduation ceremonies. According to the investigation made by the BBC, hundreds of students were given visas to take its exams at private London colleges, despite the fact that it is unaccredited and unrecognised. Prof. Sandhu is also director of The Oxford Association of Management and Cambridge Association of Managers. The Oxford Association of Management recognises, among other diploma mills, Isles International University – the new name for Irish International University.

²⁵ Norfolk, A. (2009) Former pub became the centre of a web of bogus colleges. *Times Online*, [Online] 21 May. Available at: [/www.timesonline.co.uk/tol/news/uk/education/article6330037.ece](http://www.timesonline.co.uk/tol/news/uk/education/article6330037.ece) (Accessed on 29 December 2010).

²⁶ Tower Hamlets Council (2010) Bogus college forced to pay up. Tower Hamlets Council [Online] 16 February 2010. Available at: www.towerhamlets.gov.uk/news/council_news/february/bogus_college_forced_to_pay_up.aspx. Accessed 18 January 2011.

²⁷ Morris, N. (2008) Bogus university scam uncovered. *BBC News* [Online]. 7 January 2008. Available at: <http://news.bbc.co.uk/1/hi/education/7175730.stm>. (Accessed 18 January 2011).

It seems incredible that Irish International University, and others like it, have been able to operate unchallenged in the UK for so long. In an article for The Guardian in 2003, professor and journalist Geoffrey Alderman argued that it was deeply worrying that unrecognised universities such as American University in London and Canterbury University were free to operate within the UK, and called for a tightening of the law as a matter of urgency²⁸. We are now in 2011 and, judging by its Web site, American University in London appears to be fully functional and offering various degrees, including an Executive MBA.

With austerity measures starting to take hold in the UK and other countries, immigration scams and education fraud are likely to put further strain on the public purse. An increase in fraud is often observed after a period of recession; and it is unlikely that the education sector will escape unscathed in light of the recent economic crisis.

International University of America

Over recent years, the UK has experienced problems with its system of approving education providers for education visa and immigration purposes. The old Register of Education and Training Providers, replaced in March 2009 by the UK Border Agency Register of Sponsors, was notoriously flawed. Even after the introduction of the new system, bogus colleges are regularly being exposed. Unlike other countries, there is no requirement for private post-secondary education providers to gain a license in order to operate in the UK, and as such, there seems to be a lack of a coordinated approach to monitoring these private providers and protecting the public against substandard education.

We recently investigated International University of America (IUA), which claims to be accredited by World Association of Universities and Colleges (WAUC), which, in turn, is blacklisted as an unrecognised accreditor by the states of Michigan and Oregon. Despite being associated with the dubious accreditor and having no approval or recognition anywhere as a degree-granting university, IUA succeeded in getting itself inspected and approved by the Office for Standards in Education (Ofsted) for accreditation for an immigration sponsors license in the UK.

IUA is run by the company MERC Education Limited, and both are located in Woolwich, London. IUA is not a recognised UK university with the power to award UK-recognised degrees, nor is MERC Education Ltd.; however,

²⁸ Alderman, G. (2003) Far from funny. The Guardian [Online] 9 September 2003. Available at: www.guardian.co.uk/education/2003/sep/09/highereducation.administration2. Accessed 18 January 2011.

22 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

IUA attempts to get around this by claiming to be a foreign university. Having found reference to IUA in Dr. George Brown's paper, *Protecting Australia's Higher Education System*²⁹, that IUA was operating unapproved on the Territory of Norfolk Island, Commonwealth of Australia, we took a closer look at the claims.

Ofsted's accreditation report³⁰ refers to IUA and MERC Education Ltd running the Institute of Administrative Management program. MERC Education Ltd is in fact an accredited centre of the IAM, but only approved to offer up to the Advanced Diploma in Administrative Management – not degrees. IUA is, however, offering degrees in its prospectus – everything from Associate of Arts and Bachelor of Business Administration degrees to a Doctorate in Philosophy³¹.

We submitted a freedom of information request to British authorities regarding IUA and MERC Education Ltd and were relieved to find that, despite the accreditation report made by Ofsted, both entities at present remain off the UK Border Agency list. IUA did apply for a sponsor license. However, there are currently no applications under consideration for these entities, suggesting that they were not approved.

We checked IUA's claims to see where, if anywhere, it has degree-granting authority. It claims to be registered on Norfolk Island, in Delaware, and, until recently, registered in Mississippi. International University of America has been registered as a business entity in both Mississippi and Delaware, but it has not been approved to operate as a degree granting entity or offer degrees in either state. The Government of Norfolk Island confirmed Dr. Brown's conclusions; International University of America Pty Limited was removed from their Companies Office register in January 2006.

IUA's claim of being accredited and validated by WAUC appears to be the only one with any real substance. The only problem is that WAUC has no authority to accredit or validate degrees. Interestingly, Dr. Maxine Asher, WAUC president, pops up on the incorporation documents submitted by IUA to the Mississippi authorities. It appears she has been involved in more than just "accreditation" of this dubious university.

²⁹ Brown, G. (2004) *Protecting Australia's Higher Education System: A Proactive Versus Reactive Approach in Review (1999-2004)*. AUQA Occasional Publication, Proceedings of the Australian Universities Quality Forum 2004.

³⁰ Ofsted Accreditation Visit Report, International University of America/MERC Education Ltd (28/29 July 2009) [www.Ofsted.gov.uk/layout/set/print/oxedu_reports/download/\(id\)/111701/\(as\)/58916_343852.pdf](http://www.Ofsted.gov.uk/layout/set/print/oxedu_reports/download/(id)/111701/(as)/58916_343852.pdf).

³¹ International University of America (2011) IUA Prospectus [Online]. Available at: [/www.iua.ac/downloads/IUAProspectus.pdf](http://www.iua.ac/downloads/IUAProspectus.pdf) (Accessed 10 January 2011).

Chapter 6

A Global Issue

As demonstrated by IUA, the issue of diploma mills is a geographically wide-reaching and border-crossing one. Using statistics from Accredibase™, we have examined the extent of the problem in terms of numbers of mills and geographical spread. Of course, since diploma mills are deceptive regarding their true locations and often move from one place to another, statistics regarding locations should be considered as estimates.

There continues to be a steady rise in the number of known diploma mills. After a busy year of research, we report an increase of 839 (48%) in the total number of mills. Figure 9 shows the breakdown by region of the world.

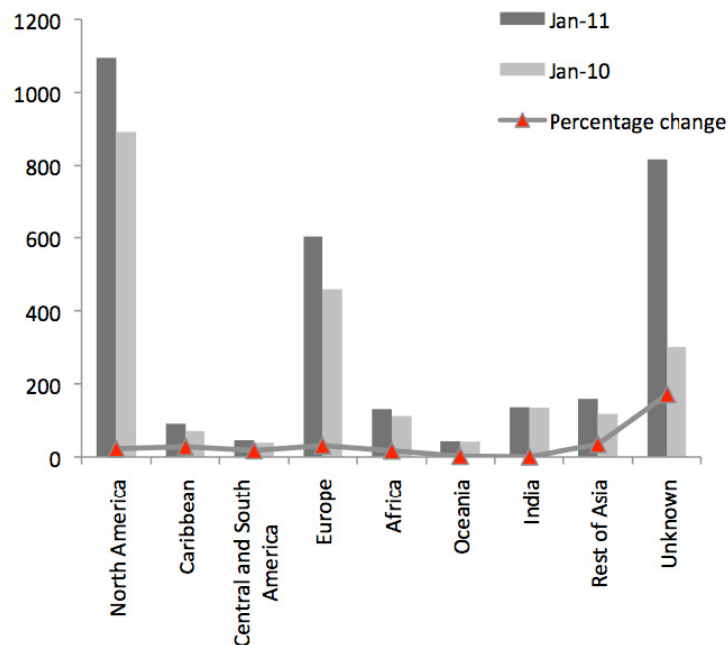


Figure 9: Degree and accreditation mills by region, January 2010 and January 2011.

24 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

The last year has seen an increase in all regions, however North America and Europe continue to be the most popular for diploma mill owners – 1,095 operate or claim to operate in North America (up from 892, an increase of 23%). The largest increase has been in the number of mills operating from unknown locations (up 170% from last year’s total). By hiding their location, bogus universities make it more difficult for law enforcers to take action against them. If they do publish a location, the online nature of their operation makes it easy to relocate at the first sign of trouble. Many use domain privacy companies to register their Web sites and proxy servers to hide true IP locations. Any education provider using these tricks should immediately be a cause for concern. What legitimate university would choose to hide its address?

The U.S. continues to hold the dubious title of most popular location for diploma mill providers; 1,008 are known to have operated or currently operate from the country, an increase of 198 (20%). A closer look at the number of mills by state indicates that California still tops the leader board, followed by Hawaii, Washington and Florida (see Figure 10).

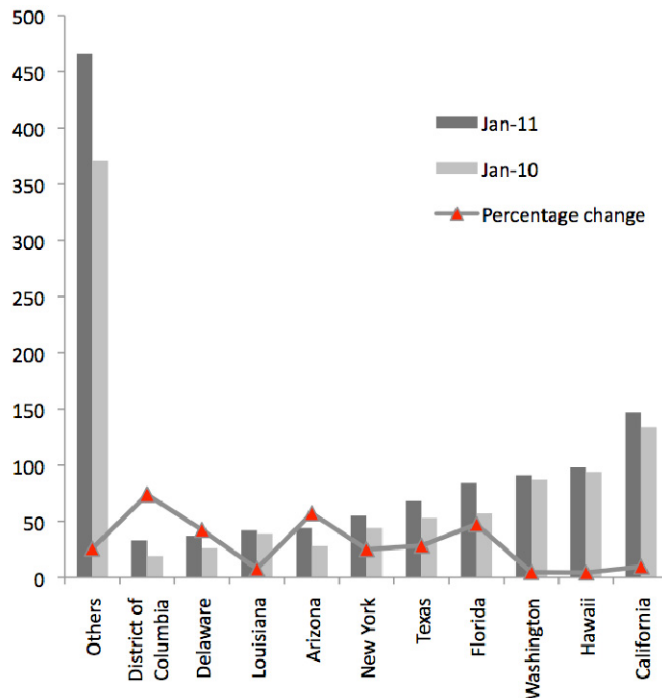


Figure 10: Top 10 American States for Diploma and Accreditation Mills, January 2010 and January 2011.

California, which has seen a 10% increase in the last year, has a history of lax regulation followed by a period with no laws governing non-public higher education authorisation at all from July 2007³². Hawaii has a reputation for lax regulation but active prosecution of diploma mills; while Washington was home to the notorious St. Regis University and associated “institutions.” District of Columbia has seen the largest percentage increase (74%) in diploma and accreditation mills in the last year of research, although numbers are still relatively low when compared to California and Hawaii. A large number of those with a D.C. connection are accreditation mills. It may be that mill operators believe claiming to be located in the nation’s capital will give their organisation an air or prestige, or give the suggestion of a government connection.

Europe boasts the largest number of known mills outside North America, a total of 603 (up 31% from last year’s total). Figure 11 indicates the majority of these claims are based in the UK – an incredible 339 mills. Since last year, an additional 68 mills based (or claiming to be based) in the UK have been added to Accredibase™, an increase of 25%.

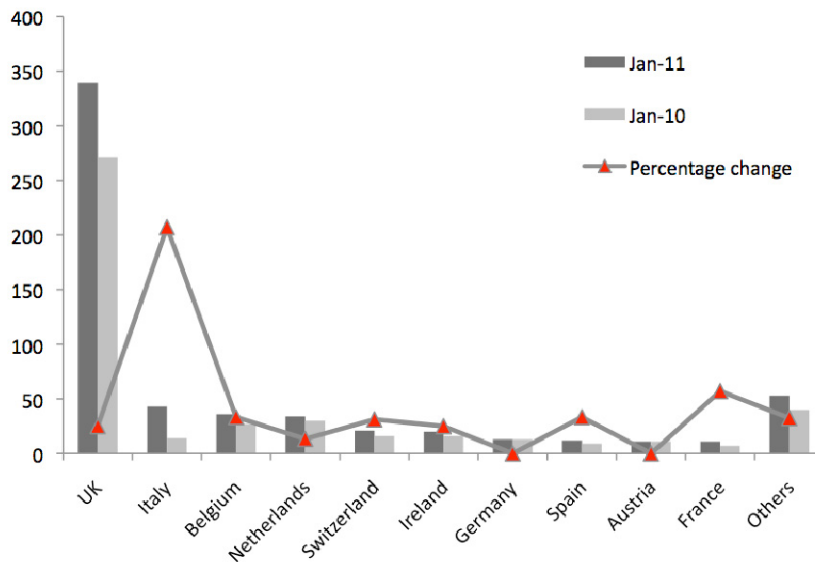


Figure 11: Top 10 European locations for Diploma and Accreditation Mills.

³² Contreras, A. (2009) The legal basis for degree-granting authority in the United States. State Higher Education Executive Officers, October, 2009. Available at: www.shеео.org (accessed 29 December 2010) or from the Oregon Office of Degree Authorization.

26 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

A considerable increase, from 14 to 43, can also be seen in the number of mills known to operate from Italy. This is, in part, down to the discovery of several mills claiming to be located in, and recognised by, the Principality of Seborga. The number of bogus universities and accreditation agencies with an Italian link has also increased due to research released in November 2010 by the Italian equivalency organization, Centro di Informazione sulla Mobilità e le Equivalenze Accademiche (CIMEA)³³.

The popularity of the UK as a destination for bogus degree providers is likely to be down to the historically prestigious reputation of the British education system – a reputation that is unfortunately being tarnished by diploma mills and bogus colleges. Another cause may be a potential loophole in the law regarding universities. It is illegal for an entity without recognition to claim to be a recognised UK university, or to offer a degree that could be taken to be that of a UK institution; however, it is not illegal for foreign universities to operate on UK soil³⁴. Diploma mills exploit this by giving the impression of having a UK connection, but actually having business incorporation on an obscure Pacific or Caribbean island.

The concern here in the UK is that, in light of the recent vote to increase tuition fees, we will see a rise in educational fraud as the cost of a British degree education increases. As university education becomes more expensive and commercialised, students could increasingly resort to the “quick fix” solution offered by bogus providers – a phenomenon seen in the U.S.

Of course, online suppliers who claim to be based in the U.S. or the UK do not only prey on citizens of those countries. Prospective clients from other nations looking for a cheap Western education are perhaps more likely to fall victim to the diploma mill scam. Diploma mills often use misleading names that sound prestigious and very similar to recognised, well-respected schools; take, for example, Cleveland Institute of Technology, accredited by the unrecognised International Accreditation Agency for Online Universities and Universal Council for Online Education Accreditation. This entity should not be confused with the genuine Cleveland Institute of Technology, CampusEAI Consortium in Ohio. The name gives the impression that the entity is based in Cleveland, Ohio; however, no location is actually listed on the Web site.

³³ Finocchietti, C, Checcacci, C. & Lantero, L. (2010) Cimea – against the mills. CIMEA [Online] November 2010. Available at: <http://www.cimea.it/default.aspx?IDC=2259>

³⁴ Department for Business, Innovation and Skills (2011) Recognised UK degrees [Internet]. Available at: www.dcsf.gov.uk/recognisedukdegrees/index.cfm?fuseaction=institutes.list (Accessed 18 January 2011).

Diploma mills also make overcomplicated and misleading statements about recognition and accreditation, often listing bogus accreditors alongside genuine ones and quoting official statements about accreditation. Many use incorporation as a business entity to claim to be 'registered' as a higher education institution in an American state. One such example is Washington American Global University. It claims to be, and is, incorporated as a business entity in Delaware; however, it has not been given degree-granting status by the Delaware Department of Education. As suggested by diploma mill expert Alan Contreras, those without a good knowledge of the higher education system in the U.S. and of American law may be easily misled by such claims³⁵.

³⁵ Contreras, A. (2009) The legal basis for degree-granting authority in the United States. State Higher Education Executive Officers, October, 2009. Available at: www.sheeo.org (accessed 29 December 2010) or from the Oregon Office of Degree Authorization.

Chapter 7

Combating Credential Fraud

The challenge of dealing with diploma mills is not a simple one. Operators are becoming more and more adept at covering their tracks on the Internet. As discussed previously, they often have no actual physical presence at their published location and can change their Web sites in an instant if required. While bogus universities can operate on the Internet with no geographical ties, judicial systems cannot. It is clear, however, that bogus degrees pose too much of a threat to be ignored by legislators and law enforcers. We take a look at recent developments in legislation and approaches taken to combat the diploma mill problem.

Progress in the United States?

In the U.S., the beginning of 2010 brought the introduction of the “Diploma Mills” Bill by Congressman Tim Bishop (D-NY). The Diploma and Accreditation Integrity Protection Act³⁶ proposes to protect the integrity of bona fide qualifications by targeting the sale and use of fraudulent degrees. If passed into law, the Act would give the FTC a mandate to act against bogus degree providers and require it to report these providers to the Secretary of Education, and ultimately make this information available to the public. The Act also proposes to set down in law definitions of the terms Diploma Mill, Accreditation Mill and Degree-granting Institution.

After a long period with no licensing, California has finally reinstated a program of approval for higher education institutions. California has long been a haven for diploma mills owing to the lack of regulation. The state had no law regarding the authorization of non-public higher education from 1 July 2007 until February 2010, when the new Bureau for Private Postsecondary Education adopted emergency regulations³⁷. According to Contreras (2009), degree mills have argued that the lack of law means no state approval is required to issue degrees; anyone with a corporate existence in California can issue valid degrees. Accredibase™ indicates that a total of 143 mills operate or have operated in the state, with a further 173

³⁶ Diploma and Accreditation Integrity Protection Act of 2009, H.R. 4535, S. 2, 111th Congress

³⁷ Bureau for Private Postsecondary Education, Department of Consumer Affairs (2010) Transition Plan [Online] Available at: www.bppe.ca.gov/about_us/transition.shtml (Accessed 29 December 2010).

suspect institutions under investigation. It remains to be seen whether action will be taken against those operating without approval; and whether we will see a drop in the number of unaccredited and unapproved degree providers with a California link.

A European Perspective

The Netherlands has also taken steps this year to make life more difficult for bogus universities. After the UK and Italy, Accredibase™ reveals that the Netherlands is the 4th most popular location in Europe for diploma mill operators – 34 claim to be located in the country (see Figure 11). Paul Zoontjens, Professor of Education Law at Tilburg University, was commissioned to investigate the possibility of protecting the designation “university” in law following a resolution by the Dutch parliament in June 2009. Accredibase™ interviewed Professor Zoontjens earlier this year about his research and the effect the proposed changes might have on diploma mills³⁸. Zoontjens suggests that using law to differentiate between institutions would mean that those designated as “universities” would be automatically susceptible to supervision by the state, and could not apply degree-awarding power without being in breach of the rules. Protecting the term “university” is an important step toward protecting the public against diploma mills – many would not question the credentials of an entity using this title, and would expect it to be regulated.

Sharing knowledge

Whilst researching diploma and accreditation mills for Accredibase™, we alert enforcement agencies to the bogus providers claiming to operate in their jurisdiction. Hawkesbury University in Ontario, Canada, was closed down by the authorities after we alerted the Ministry of Training, Colleges and Universities and added it to Accredibase™ back in August 2009. Hawkesbury University, also known as Hawkesbury School of Higher Studies, offered degrees at various levels and claimed to be accredited by the notorious, unrecognised accreditation agency WAUC.



Figure 12: Hawkesbury University’s web site home page.

³⁸ Accredibase (2010) Accredibase October Newsletter [Online] Available at: www.accredibase.com/upload/documents/accredibase_accredibasenewsletteroctober.pdf.

30 ◀ Diploma and Accreditation Mills: New Trends in Credential Abuse

The authorities first contacted proprietor Ashraf Hossain Siddiky in August 2009 asking him to take down the Web site advertising Hawkesbury University, but nothing happened^{39,40}. After the restraining order was issued by the Ministry of Training, Colleges and Universities in April 2010 and a subsequent article in the Ottawa Sun, the Web site disappeared⁴¹.

Although a handful of American states publish “blacklists” of unaccredited colleges and universities, these lists tend to be out-of-date and do not keep up with rapid changes in the diploma mill industry. A few other jurisdictions also make information available, however global coverage is patchy and consulting a variety of sources can be difficult and time consuming.

After more than two years of research, Accredibase™ has become a comprehensive resource for those who need to identify bogus universities and their degrees. By collating information from a large range of sources in one place, supplemented by our own continuous research, it has been possible to make connections between diploma mills and to identify networks of mills run by the same group of operators. This body of knowledge makes it easier to spot new bogus universities as they appear, and to keep on top of new strategies used by diploma mill operators. While it will never be possible to claim to have an exhaustive resource, by encouraging more jurisdictions to monitor and publish information on bogus education providers and collating this information in one place, it is possible to build an extremely powerful tool to combat credential fraud.

Zoontjens highlights the need for effective law enforcement and international cooperation, including the exchange of information between countries and jurisdictions⁴². Accredibase™ provides an international platform for sharing information regarding diploma mills and assessing the validity of issued accreditations and qualifications. Therefore, as Zoontjens suggests, tools such as Accredibase™ may aid enforcement of higher education regulations in the future.

³⁹ Ministry of Training, College and Universities (2010) Restraining order: Hawkesbury Mosque operating as Hawkesbury School of Higher Studies (HSHS) known as Hawkesbury University. [Online]. 19 April 2010. www.edu.gov.on.ca/eng/general/letters/HawkesburyUnibversity_%20RestrainingOrder_2010.pdf. (Accessed 20 December 2010).

⁴⁰ Helmer, A. (2010) Cops probe Hawkesbury 'university'. Ottawa Sun [Online] 28 April 2010. Available at: <http://www.ottawasun.com/news/ottawa/2010/04/28/13753021.html> (Accessed 17 December 2010).

⁴¹ Helmer, A. (2010) Web site for sham university pulled. CANOE [Online] 30 April 2010. Available at <http://cnews.canoe.ca/CNEWS/Canada/2010/04/30/13772026-qmi.html>. (Accessed 17 December 2010).

⁴² Zoontjens, P. (2010) Protecting 'University' as a Designation -- Analysis and Comparison of the Legal Position in Several Countries. *Education Law Journal*, 11(2).

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Verifile • Accredibase
Bedford I-Lab
Stannard Way
Priory Business Park
Bedford, Great Britain MK44 3RZ
Tel: +44 (0)1234 834670
Fax: +44 (0)1234 834671

Email: service@accredibase.com
Website: www.accredibase.com