Introduction from "Degree Mills: The Billion Dollar Industry That Has Sold Over A Million Fake Diplomas" by Allen Ezell and John Bear. Prometheus Books, 2012.

Preface: a major world crisis

There is a major crisis in the world of higher education: the large and growing number of fake universities and fake degrees.

Many people are either unaware of the situation, don't know what a huge problem it is, or don't appreciate how it is affecting them, their institution or employer, and society at large.

Consider, for instance, these five things:

• There are more than 3,300 unrecognized universities, worldwide, many of them outright fakes, selling bachelor's, master's, doctorates, law, and medical degrees to anyone willing to pay the price. No nation is immune from the problem.

• One international diploma mill, with offices in Europe and the Middle East and mailing addresses in the UK, run by Americans, has sold more than 450,000 degrees—bachelors, master's, doctorates, medicine, and law—to clients worldwide, who did nothing more than write a check. Their revenues exceeded US$450,000,000.

• The number of earned PhD degrees in the United States is 40,000 to 45,000 each year. The number of fake PhDs bought each year from diploma mills exceeds 50,000. In other words, more than half of all people claiming a new PhD have a fake degree.

• Fake medical degrees are an urgent problem. It is easy to buy a medical degree from a fake school, or a counterfeit diploma in the name of real school. Twenty-five years ago, a Congressional committee calculated that there were over 5,000 fake doctors in the U.S., and there are many more now. People have died because of these fakes.

• The Government Accountability Office looked for fake degrees among employees of fewer than five percent of federal agencies, and found enough to suggest that more than 100,000 federal employees have at least one, many of them paid for by taxpayers not to mention higher pay and increased retirement benefits.

And if we needed another reminder, just before this book went to press, Allen Ezell received a call, made from New York City, by the registrar of Amhurst University, whose "campus" is a mail forwarding service in Colorado. Ezell was offered an MBA for $2,400, no questions asked, with a free bachelor's degree thrown in. After a short pause, the price came down $400 "because you're a veteran."

No wonder Ezell has been heard to mutter, "Oh, if only I still had my badge!"

Both authors have been working for more than 35 years to expose and close down these dangerous fakes. We begin our book with the biggest phony ever.

Introduction: another day at the office

For Nicolas Tanasescu, it's just another day at the office.[1]

He takes the trolley from his flat at the western edge of Bucharest, Romania, and gets off at Calea Victoriei. He walks half a block down a nondescript street in the business district of the Romanian capital city and turns left into a narrow passageway, Pasajul Victoriei. Number 48 is an old red-brick two-story building. Downstairs is a bar, "TZ's Cotton Club," and a modeling agency called Top Model. Nicolas climbs an unmarked wide staircase leading to the upper floor.

It is nearly 10 PM, and there is a steady stream of men and women climbing those stairs for their night's work. The office runs twenty-four hours a day, seven days a week, but the 10 PM to 6 AM shift is the busiest, with about fifty people—Romanians, South Africans, and a scattering of other nationalities—sitting at computer terminals in what they call the DL Room: an array of small drab cubicles.

Most are in their twenties and thirties. All of them speak excellent, if slightly accented, English. Like most of the others, Nicolas earns just over a dollar an hour. That's not a great wage even in this economically depressed country, but with unemployment around 10 percent, he is glad to have work.

He fits a telephone headset and microphone apparatus to his head, adjusts the small computer screen, and settles in for his night's work: telephoning potential customers all over North America.

The office manager, who is also the owner of the business, strolls up and down the aisles, amiably nodding and smiling at his employees.

He is a short, plump, bald American who looks to be in his sixties and sports a white beard and always wears an American baseball cap. He is, in fact, a rabbi from Boston, Massachusetts, who divides his time between Romania and another branch of his business in Jerusalem, where the office closes for the orthodox holy day at sundown on Friday.

On an average day, he earns more than $150,000. A million dollars a week. Fifty million dollars a year. And he's been doing this for many years.

His business is selling fake university degrees, by telephone, to people all over the United States and Canada. More than two hundred thousand degrees have been sold to date, including bachelor's, master's, MBAs, doctorates, law degrees, and medical degrees in every possible specialty, from neurosurgery to pediatrics.

What's going on here?

This is one of the most recent and most ambitious manifestations of a business that has been around since at least the fourteenth century: the selling of university degrees to people willing to pay the price and to take the risk.

Nicolas dials his first client, a businessman in Cleveland who has responded to an unsolicited e-mail, and leaves a message on an answering machine somewhere in New York City. "Hi, this is Nicolas. I'm a registrar with the University Degree Program. I apologize for my European accent. We just wanted to contact you to tell you that, because we have some spaces left in our program, we reduced our registration fee by more than $2,000. What I am going to tell you is very important, so if you don't understand everything I say, just let me know. If now is a good time for you, I'll explain our new program and answer any questions that you might have."

The odds are one in three that within the next fifteen minutes, Nicolas will make a $2,000 sale, perhaps more if the man in Cleveland decides to buy two or three degrees complete with transcripts and a degree-verification service.

Just another day at the office.

We estimate that Nicolas's employer has sold more than $450 million worth of fake degrees to Americans and Canadians. And he is employed by just one of many sellers of fake and worthless degrees, each of whom is earning many millions of dollars a year.

We know these numbers through a combination of methods: unhappy "deep throat" employees who supply the information, detective work of various kinds, and the most

accurate means, the inspection of the evidence collected in those cases when federal search warrants are executed. (There has been no search at Nicolas's employer.)

For example, the California-based degree mill called Columbia State University, which pretended to be in Louisiana and sold its PhDs by return mail for $3,000 each, made bank deposits of well over $10 million, perhaps as much as $72 million, during its last four years of operation. An employee of Columbia State testified before congress that her employer took in more than a million dollars a month over one six-month period in 1998.

When the FBI executed a search warrant at LaSalle University in Louisiana (not to be confused with the real LaSalle in Pennsylvania), they found evidence of $36.5 million in recent bank deposits and was able to seize $10.75 million that had not yet gone toward the lavish lifestyle of the university's founder.[2]

And a most interesting window into the world of these entities opened a crack with an advertisement for the sale of Almeda University, self-admitted seller of "bogus…degrees." The ad, run in a Boise, Idaho newspaper, offered the "university" for sale for up to $5 million, saying that annual revenue exceeded $3 million, and, rather candidly, said that the reason for selling was bad press in Florida from cops that got caught with bogus Almeda degrees.

In 2011, we estimate the worldwide sales of fake degrees at $300 million per year or more. Over the last decade, fake degree sales have easily exceeded a billion dollars. At an average cost of $1,000 per degree, a low estimate, this suggests at least one million customers.[3]

Is this selling of degrees something new? Not at all. It has been identified as a major national problem for nearly one hundred years. Here's a brief overview of the history of the problem; these matters will be discussed in more detail in the next chapter.

In the 1920s, there were dozens of page-one degree-mill stories in the *New York Times* alone: "Diploma Mill Facts Laid before Senators," "Says 15,000 Have Bought Bogus Medical Diplomas," "Spiegel Held for Selling Fake Law Degrees," "3,000 Fake Diplomas Obtained in Chicago," and so on.[4] US Senate hearings on degree mills were held in 1924, but no action was taken.

This pattern—problem, concern, publicity, demand for action, and then nothing—was to repeat itself several times in the decades to come, roughly in twenty-year cycles.

In the 1940s, the National Education Association established a Committee on Fraudulent Schools and Colleges and launched a "crusade" against degree mills, publishing articles in their journal with titles such as "Degrees for Sale."

In 1950, Benjamin Fine, the distinguished education editor of the *New York Times*, stated that there are "more than 1,000 questionable or outright fraudulent schools and colleges in the United States."

In 1959, US Secretary of Health, Education and Welfare Arthur S. Flemming stated in a US Office of Education press release dated October 29, 1959, that "Degree mills have become such a blight on the American educational scene that I have come to the conclusion that the Department of Health, Education and Welfare has a responsibility about them."

A year later, Flemming wrote that

> "I am not so optimistic as to believe that we have uncovered all degree mills since public attention was drawn to this situation five months ago. Therefore . . . we will continue to make known the existence of degree mills whenever we find them operative. It is in the public interest for us to create a national and international awareness of the inadequacy and utter worthlessness of degree mills."[5]

Twenty years later, Allen Ezell's DipScam task force in the FBI marked the first and, still, the only time that a government agency seriously dealt with the problem. But with Ezell's retirement in 1991, DipScam ended.

In 1985 and 1986, Rep. Claude Pepper's Subcommittee on Diploma Fraud concluded that more than five hundred thousand Americans were currently using fake degrees, more than 5,000 of them medical degrees.

In 1998, Ezell and John Bear addressed a group of federal personnel officers and federal background investigators, giving information on the growth and seriousness of the degree-mill problem. A good many people left that auditorium in Pittsburgh seemingly determined to *do something* about this national problem.

In the summer of 2003, Ezell and Bear were invited to Washington by the Office of Personnel Management as principal speakers in two four-hour workshops on degree mills.[6] Nearly five hundred HR and security officers left that hall seemingly determined to *do something* about the problem.

In 2004, a diploma-mill summit was held in Washington, where representatives of the FBI, the FTC, the Government Accountability Office, the Office of Personnel Management, the House of Representatives, and the Senate vowed to "protect the federal workforce" from the scourge of fake degrees.

Later that year, the Office of Personnel Management held two more workshops on degree-mill issues for hundreds more HR and security officers. In May, the US Senate Committee on Governmental Affairs, chaired by Sen. Susan Collins of Maine, held two days of hearings titled "Bogus Degrees and Unmet Expectations: Are Taxpayer Dollars Subsidizing Diploma Mills?" In July, the Council for Higher Education Accreditation held a two-day workshop, focusing both on degree mills and accreditation mills.

Is Washington really waking up to the problem? Or is this just another cyclical resurfacing of concern that will fade away just as it did in the twenties, the forties, the sixties, and the eighties? Have things gotten so out of hand—like Nazism in the thirties, civil rights abuses in the fifties, or drugs in the seventies—that this time it cannot be easily ignored?

As we have both watched and participated in various events up through 2011, we have grown increasingly pessimistic. Perhaps the most telling thing about Senator Collins's hearings was that there was absolutely no presence of any law enforcement agency.

No speaker urged the participation of the FBI, the postal service, the Secret Service, or any other enforcement agency to help with the problem.

No one suggested asking the US Attorney's office to initiate a criminal investigation.

No one suggested impaneling a federal grand jury, which could subpoena the records of the less-than-wonderful schools that refused to furnish such information to the committee.

No one noted that the fake-degree service called Degrees-R-Us, from which Senator Collins purchased two degrees more than three years earlier, was still in business and still selling fake degrees.

Two senators present, both former attorneys general, joked that if they were still in office, they would know how to handle the degree mills.

And when Congressman Howard P. "Buck" McKeon's Subcommittee on 21st Century Competitiveness subsequently held a hearing entitled "Are Current

Safeguards Protecting Taxpayers Against Diploma Mills," (one word answer: "no!"), he reminded the public that an earlier investigation determined that federal Head Start funds, intended for early childhood education programs, had been used to purchase fake degrees—and that, astonishingly, it was still not illegal to do this.

Maybe good things will happen. Maybe there will be some significant changes. But change often requires outrage. A woman might spend years petitioning for a traffic light on a busy corner, but nothing happens until a child is killed by a speeding car. Attempts to launch a health-care program for the elderly were ineffective for half a century until enough people got sufficiently angry that Congress finally listened and Medicare came into existence.

It is not just the occasional user of such degrees discovered by an employer, the media, or a law enforcement agency. It is truly a national, indeed an international, epidemic in which hundreds of thousands, very likely millions, of people are using degrees they did not earn.

But unlike a medical epidemic, in which one can observe large numbers of people suffering from smallpox, measles, and so forth, these fake degree cases are uncovered one at a time, often far from the glare of publicity. And when there *is* publicity, it is generally local at best and quickly forgotten.

Infrequently, a fake-degree case gets national attention, as happened in 2003 with the newly hired and almost instantly fired Notre Dame football coach who didn't have the degree he had been claiming to have for years. Generally, when the media do address the issue—a *60 Minutes* degree-mill segment in 1978 and a second one in 2005, a *20/20* segment, and three *Good Morning America* reports in the early 2000s—they seem to be in the category of just another nine-(or fewer) day wonder: the buried Chilean miners, the landing of a jet liner in the East River, a pop star's latest antics . . . and, oh yes, here's a prominent politician, business leader, minister, or professor with a fake or useless degree.

In rare instances, the media have had a major impact, but only, it seems, if they pound away at the issue until it truly cannot be ignored. One of the rare instances of success was in 1983 at a time when many suppliers of fake degrees had moved from California to Arizona. The largest newspaper in the state, the *Arizona Republic*, assigned its two top investigative reporters, Rich Robertson and Jerry Seper, to the story, and what emerged was a devastating report, featured on page one for four consecutive days under the headline "Diploma Mills: A Festering Sore on Arizona Education." To show readers, and the legislature, how easy it is, the paper even founded its own university and accrediting agency.

Now the issue could no longer be ignored in Arizona. Under mounting pressure from the public and the educational establishment, the Arizona legislature promptly took action, and within a matter of months, every one of Arizona's several dozen active phonies had either closed or, more commonly, moved on to Louisiana, Utah, Florida, Hawaii, and other states that at the time had no laws to prevent this sort of thing.

Much more common, alas, was the response of an editor at a major Honolulu newspaper, when we notified him that a notorious diploma mill operator, Edward Reddeck, had just set up shop in Hawaii. "We report the news," he said; "We don't *make* the news." Many months, and untold victims later, the postal inspectors closed this place down, and *then* it made page one headlines.

What will it take to make these matters a national concern and a national priority? Clearly it needs to be more than "just" people like these with fake degrees:

- the founder of a popular sex therapy clinic in upstate New York who bought his PhD for $100

- the fake MD in North Carolina convicted of manslaughter when a child he took off insulin because "she did not need it" died

- the head of engineering for a major city's transit system

- the superintendent of schools for California's second-largest school system

- the coaches of two major university sports teams and the head of the US Olympic Committee, discovered within weeks of each other

- the fire chief for one of our largest cities

- generals in the Pentagon, scientists at NASA, and high-ranking officials in the Department of Defense, the Department of Homeland Security, and even in the White House Situation Room, all with fake degrees: all publicly noted, occasionally written about, and pretty much dismissed as isolated and presumably rare incidents.[7]

We don't have a single "magic bullet" solution, although we do have many recommendations, set forth in Part 4. We only hope it will not require a major and dramatic incident to bring about the needed awareness and changes: a pilot with fake credentials who crashes his jumbo jet, a scientist with fake credentials who sets free a plague virus, or the havoc that could be wrought by one of the many "engineers" with fake doctorates in nuclear engineering safety.