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May 5, 2003

Senate Bill 457 (SB457)

Dear Members of the Committee:

We need to establish sound educational standards and quality business practices for the protection of the citizens of Nevada.

"Diploma Mill" is defined by the U.S. Secretary of Education as:

"An organization that awards degrees without requiring its students to meet educational standards for such degrees. It either receives fees from so-called students on the basis of fraudulent misrepresentation, or it makes it possible for the recipient of its degree to perpetuate a fraud on the public." (*College and University Journal, Winter 2002*)

Dr. John Bear, one of the nations leading experts on distance education and diploma mill activity, estimated that there were about 300 unaccredited universities operating in the country.

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Dr. Bear noted:

“It is not common for a large, fake school to award as many as 500 Ph.D.’s every month. Data shows that a single phony school can earn \$ 10 million and \$ 20 million annually.” (*March 2000 - University Business*)

In fact, the GAO, in a letter to U.S. Senator Susan Collins, dated November 21, 2002, indicated that through one of their sting operations, they purchased a degree from “Degrees R-US.” They learned that the owner is a disbarred attorney who resides in Las Vegas, Nevada and who runs the business out of his home, using the internet and relying on mail drops and toll free numbers.

The owner informed the GAO that he had sold nearly 100 degrees since starting his business approximately two years prior. He also told the GAO that he started the business after viewing a television exposé about the prosecution of a diploma mill operation and then decided that he could more successfully operate a diploma mill.

Notwithstanding the company’s degree verification service, the owner claimed that he sells the degrees for “self esteem purposes and not to satisfy employment requirements.”

The reasons offered for the growth in bogus degrees and diploma mills are, according to Mr. Bear:

“the closure of the FBI’s diploma mill task force, the indifference of most state’s law enforcement agencies, the minimal interest of the news media and the ease of using the internet to start and run a fake industry.”

Along with the growth in diploma mills, you now have a growth in pseudo accrediting agencies, which are agencies unrecognized by either the U.S. Department of Education or the Council for Higher Education Accreditation, but designed to appear as legitimate, as those that are so recognized. This also occurs at the international level as well.

In the College and University Journal (*Winter 2002*) it states:

“If every state prohibited the use of diploma mill degrees, it would assist in reducing the demand for such degrees.”

This is a straight forward approach that requires a minimal amount of regulation. This would make the diploma mill degrees useless in the business world.

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Finally, those who simply provide counterfeit and/or tampered with credentials in order to gain increased pay, promotion, or to obtain employment would now face a statute that is specific and unambiguous as to the consequences of such actions.

Thank you for your time.



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