



ATT IV
CHE

03/06/03

Agenda Item 3.02.D

John E. Smalls
Interim Executive Director

March 6, 2003

MEMORANDUM

To: Mr. Dalton B. Floyd, Jr., Chairman, and Members, Commission on Higher Education

From: Ms. Dianne Chinnes, Chairman, Committee on Academic Affairs and Licensing

Consideration of Amendment to Licensing Statute:
Section 59-58-55. Academic credentials

Background

The staff requests approval to seek an amendment to the Nonpublic Postsecondary Institution License Act. The staff of the Commission periodically review the licensing requirements as prescribed by statute and regulations and suggest changes to the requirements for licensing nonpublic postsecondary institutions. Suggestions for changes typically derive from situations that have arisen based on licensing activities, on application of the requirements for licensure, or, as in this case, from trends in higher education in the context of licensing requirements in other states. Oregon, New Hampshire, Illinois, and North Dakota have established similar parameters for valid academic credentials.

Unaccredited institutions have an increasing presence on the Internet. Students confuse unscrupulous institutions with legitimate deliverers of distance education. The proposed language defines valid academic credentials and prohibits the use of academic credentials unless the institution or entity that awarded the credential is accredited by an accrediting agency recognized by the U.S. Department of Education or is able to document that it meets comparable standards of academic quality.

States are generally ill-equipped to identify businesses that sell fake degrees, particularly when they are Internet-based. Such businesses are able to move quickly across state lines and periodically reconfigure themselves to avoid prosecution. A number

of these operations originate from outside the country. States do not have oversight authority unless the entity has a "physical presence" in the state of origin. Individuals who falsely hold themselves out as graduates of legitimate institutions displace legitimate graduates, lower the overall quality of the workforce, and compromise the reputations of the universities from which they claim to have graduated.

At the request of Senator Susan M. Collins, the United States General Accounting Office (GAO) conducted a study to demonstrate how easy it is to purchase a degree from a diploma mill. GAO conducted the investigation from May 14, 2001, through May 8, 2002. Posing as an individual working in the biology and medical technology field, the investigator purchased a Bachelor of Science degree in Biology dated June 13, 1975, and a Master of Science degree in Medical Technology dated June 10, 1988, from Degrees-R-Us. The degrees were awarded by Lexington University, a nonexistent institution purportedly located in Middletown, New York. Pursuant to the request of Degrees-R-Us, the investigator provided references to vouch for job experience; however, Degrees-R-Us did not contact any of the references. The investigator paid \$1,515 for the "premium package" which included the two diplomas, honors distinctions, and a telephone degree verification service that could be accessed by potential employers wishing to verify information regarding transcripts and degrees.

The Chronicle of Higher Education has published the following articles relating to the subject: December 19, 1997, *Is the Internet Becoming a Bonanza for Diploma Mills?*; March 23, 2001, *States Struggle to Regulate Online Colleges That Lack Accreditation*; September 6, 2002, *Colleges Demand That Fakedegrees.com Remove Their Names From Its Web Site*; April 19, 2002, *Illinois Board Backs Plan to Fight Phony Degrees*; January 15, 2003, *North Dakota Contemplates a Law Prohibiting the Use of Fake Degrees*; and February 7, 2003, *On the Web, It's Easy to Earn Straight A's*.

Some of the sites trafficking in fake degrees over the Internet provide a "template" with which purchasers may create a realistic-looking credential by entering the degree "awarded" and the name of the alleged degree recipient. Some, but not all, of these businesses leave it to the purchaser to sign and date the diploma. Others offer realistic logos, letterhead, and other paraphernalia to assist in providing convincing forgeries of recommendations.

One of these sites, <http://www.fakedegrees.com>, specifically advertises fake degrees for the following South Carolina institutions:

Aiken Technical College
Allen University
Anderson College
Benedict College
Bob Jones University

Coker College
Columbia College
Francis Marion University
Furman University
Greenville Technical College

Lander University
Limestone College
North Greenville College
Orangeburg-Calhoun Technical College

South Carolina State University
Southern Wesleyan University
USC-Sumter
York Technical College

Some of the other sites the staff identified are:

www.graduatenow.com "Get you college degree in 10 days or less! No muss, No fuss, No fake-looking degree."

www.degrees-r-us.com "Avoid Phony Diplomas and Fake Degrees. Get a real college degree in 7 days, based on your life and work experience. Three years experience in a field qualifies you for a degree. Our diplomas are printed on parchment paper. Both the transcripts and the diplomas carry an embossed seal."

www.bogusphd.com "Any Degree, (Your Choice) Only \$39.95."

www.boxfreeconcepts.com/magicmill "Fake it your way! Through the miracle of the internet-create your own FREE college diploma in less than a minute! Add honors for that special touch. Comes with snazzy text, lifelike forged signatures and graphics so convincing everyone swears they're real!" "CREATE YOUR DIPLOMA NOW! Create a transcript! Create a recommendation letter! Hell, create your own college."

www.cooldegree.com "Beware of the \$39.00 Degree, because you get what you pay for."

The proposed change is shown in context on the attached sheet. The staff submitted the proposed language to the Attorney General and incorporated suggested changes. If the Committee and the Commission approve the proposed amendment, the staff will seek further advice from the Legislative Council.

Recommendation

The staff suggests that the Committee on Academic Affairs and Licensing commend favorably to the Commission approval of the proposed change to the licensing statute as shown in **Attachment 1**, and authorize the staff to pursue the change in the statute to establish the parameters for valid academic credentials.

CHE Recommendation

The Committee on Academic Affairs and Licensing will consider this item at its meeting on March 6, 2003, and will make its recommendation to the Commission following that meeting.

Proposed Language for “Academic credentials”

SECTION 59-58-55. Academic credentials.

(1) This section is intended to protect postsecondary institutions, businesses and other employers, professional licensing boards, patients and clients of credential holders, and all citizens from any person claiming to possess a valid academic credential including, but not limited to: degree, certificate, diploma, or transcript when in fact a fraudulent or substandard institution or an entity posing as an institution issued the credential. Fraudulent or substandard entities are those that issue documents which indicate that a person has completed an organized academic program of study at an institution of higher learning when the person has not completed the organized academic program of study as indicated on the degree, certificate, diploma, transcript, or other document.

(2) It is unlawful for a person or entity to knowingly issue, manufacture, or use a false degree, certificate, diploma, transcript, or other academic credential for general academic or professional purposes. It is unlawful for a person to knowingly use or claim to have a false academic credential in connection with any business, trade, profession, or occupation to obtain employment, to obtain a promotion or higher compensation in employment, or to obtain admission to a postsecondary institution. Credentials used for those purposes must have been awarded by an institution that:

(A) Has accreditation from an accrediting agency recognized by the U.S. Department of Education or has the foreign equivalent of such accreditation; or

(B) Has been licensed through the Commission on Higher Education to offer and confer credentials in South Carolina; or

(C) Is located in the United States and has been found by the Commission to meet standards of academic quality comparable to those of an institution located in the United States that has accreditation from an accrediting agency recognized by the U.S. Department of Education to offer credentials of the type and level claimed by the person; or

(D) Is exempt from this Chapter under Section 59-58-30.

(3) Violation of this section may result in any or all of the following sanctions:

(A) Prohibition of further use of the claimed degree.

(B) A fine not to exceed one thousand dollars per violation.

(C) Imprisonment for not more than one year per violation.