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Smoke, Mirrors and Resumes: The Growing Threat of Diploma Mills

by Nick Fishman

17 emails in one week! That's right, 17 reminders that the diploma of my choice was just one phone call and a credit card transaction away. This could be exactly what I needed to impress my clients or bulk up my resume. And it's *so* easy.

Would you give into the temptation? Maybe not, but how can hiring managers be sure about the person they are considering for a job at their organization?

"Diploma Mills" are not new; however, their sheer number (some estimate at least 3,000 worldwide) and the sophistication of their approach is exploding in today's marketplace. So too is the frequency of use by job candidates looking to get an edge in the hiring process.

What is a Diploma Mill?

A **diploma mill** is an organization that sells academic degrees and diplomas with substandard or no academic study and without recognition by legitimate educational accrediting bodies. The buyer can then claim to hold the purchased degree and the organization makes a profit. Many of these fraudulent organizations claim accreditation by fake or unaccredited licensing bodies, creating another layer of supposed authenticity.

Why Do They Exist?

Diploma mills exist simply because there is a market for them among the general population. They also exist because many organizations do not take the time to validate the authenticity of a degree or academic institution. Let's face it: many organizations require candidates to have a minimum level of education. Beyond that, more job seekers are competing for fewer jobs in today's economy. Diploma mills thrive when companies fail to take the time or spend the money to validate the authenticity of a degree and the academic institution. If all that stands between gainful employment is that piece of paper that claims a Bachelor's degree, an MBA or a Ph.D., many would gladly fork over a few bucks. EmployeeScreenIQ conducted a [2008 study](#) which found that nearly 10% of the applicants it surveyed falsified their academic qualifications.

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If the lure to land the perfect job wasn't enough, we've also found numerous instances of employees using fake degrees to qualify for promotions, incentive compensation and tuition reimbursement. For instance, a recent story in the *Chicago Tribune* reported that members of a Chicago-area police department used degrees purchased from a diploma mill because the department offered monetary bonuses for continued education. Or how about the Hewitt & Associates employees who claimed fake degrees and submitted them for tuition reimbursement? An unscrupulous employee would be hard-pressed to find a quicker and easier way to defraud their unsuspecting employer.

And before you surmise that this fraud is perpetrated solely at the low end of the pay scale, think again. It's taking place at all levels of employment, from fast food restaurant managers to high level executives.

Look How Easy It Is

Last fall, we decided to see just how easy it was to obtain a degree from a diploma mill. We responded to one of the emails offering bogus degrees and were amazed at the sophistication of the operation and at the extent these people would go to help their clients perpetrate fraud. We were asked to fill out a form that requested basic contact information as well as the type of degree we were interested in purchasing.

We first requested a Master's degree in Economics for our president and C.O.O., Jason B. Morris. In exchange for \$75, they would send us a "genuine" diploma. For an extra \$75, the diploma mill would verify the degree by phone or email. So after a \$150 payment, we were on our way. We received the diploma within 7 days. It featured raised seals and was printed on the type of paper one would expect for an academic degree. It had the proper dates and signatures and was ready to be framed. We called to verify the degree a couple days later and were impressed that they were able to do so in short order. Yep, Jason Morris was indeed the recipient of a Master's Degree. We were so impressed that we placed another order for a Ph.D. in Criminology.

What's the Harm?

There are many victims in what the perpetrators of this fraud perceive as a victimless crime, or "white lie." The cost to employers is significant however you look at it. We all know there are substantial costs to hire, train and retain employees. These costs can range from the thousands for entry level employees to tens of thousands for the rank and file, and as high as six figures for top executives. Let's say you discover this fraud after the person has been hired and trained; how much will it cost you to replace them? What happens if they can't perform the job responsibilities necessary to succeed – skills they would have if they actually completed the degree they represented?

How about the nurse or social worker you just hired to take care of your patients? The harm they can cause to your organization is immeasurable. And again, it is your organization that stands to lose the most – from financial loss to litigation to loss of reputation. Take for example, a Connecticut woman who claims to be the 2008 Connecticut Nurses Association's "Nurse of the Year." At least one doctor was impressed and hired her on the spot. One problem: there is no Connecticut Nurses Association. Worse, the woman wasn't even a nurse, yet she was providing care to the doctor's patients. It is unclear whether she claimed to have a degree from a diploma mill, but either way, it's easy to see the harm that can be caused by fraudulent claims of credentials.

In addition to the costs incurred for hiring and replacing employees, organizations experience significant losses when they extend compensation benefits to those with fake degrees or tuition reimbursement. Many companies offer either a one-time bonus or permanent salary increase for those who pursue higher education. Unscrupulous employees can exploit the system by claiming that they've earned a degree. Such was a recent case when a Chicago Public Schools instructor used a fake degree to qualify for increased compensation.

If the direct harm to employers isn't bad enough, consider the devastating affect a diploma mill had on Denver, Colorado-based Regis University. In 2008, the U.S. government uncovered a massive fraudulent degree operation in Washington State. They discovered 9,600 fake degrees from "St. Regis University" which were sold to individuals throughout the country. The publicity from this case spread like wildfire in both traditional and electronic media. You would be hard pressed to find an employer who didn't see the story and read about fake degrees from St. Regis University.

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Unfortunately, Regis University got caught in the crossfire. Many confused it with the similarly named fake institution. As a result, enrollment at the school suffered as did donations. Even worse, students who earned valid degrees from Regis were denied employment because employers thought they were trying to pull one over on them. In an exclusive interview with EmployeeScreenIQ, Regis University president Rev. Michael J. Sheeran told us, "Our experience was that despite our best efforts, it was difficult for potential students, regulators and employers to differentiate between the legitimate institutions of higher learning and the criminals who cheat the public by using names that trade on the good reputation of accredited schools."

Stacking the Odds in Your Favor

While this emerging trend threatens every employer, organizations can take a number of steps to insulate themselves. First, cross-reference the name of the academic institution with any number of databases such as EmployeeScreenIQ's [List of Known Diploma Mills](#).

Consulting the list of known diploma mills is just the first step. New diploma mills are popping up every day, so if it's not on the list you still have more work to do. Try to find the academic institution on-line. Check out the accrediting body. According to the U.S. Department of Education, "The goal of accreditation is to ensure that education provided by institutions of higher education meets acceptable levels of quality." The aforementioned list of diploma mills also includes a list of legitimate accrediting bodies. Here you will find lists of regional and national accrediting agencies recognized by the U.S. Secretary of Education as reliable authorities concerning the quality of education or training offered by accredited institutions of higher education or higher education programs.

Develop a process for confirming academic qualifications for new hires and for existing employees who qualify for bonuses, promotions and tuition reimbursement. For instance, if the candidate claims to have a degree from Stanford University, contact the school’s registrar or engage the services of a Consumer Reporting Agency (background screening provider) to do so on your behalf. It is recommended that at minimum you confirm the dates your applicant attended, whether they received a degree, and what type of degree they earned. For those seeking to validate more information, inquire about special honors such as Dean’s List inclusion and grade point average.

Where Are The Mills?

Diploma mills operate throughout the country and worldwide. Eyal Ben Cohen, managing director of UK-based Verifile Limited (www.verifile.co.uk), has researched this topic for some time and has identified approximately 1,900 mills across the globe. His team is currently investigating 800 potentially fraudulent operators; more and more names are being identified weekly and many institutions are operating from more than one location. “The problem is only intensifying as the demand is increasing due to the economic situation – people are buying these easy degrees to increase their chances of landing on a good job,” says Ben Cohen. “Therefore we identify more and more names on a weekly basis and every time we think we have managed to reduce the backlog of suspicious institutions we find more names to research.”

He’s compiled the following table that illustrates where these purveyors of fake information operate.

Location	# Unaccredited Institutions/ Unrecognized Accrediting Bodies	Location	# Unaccredited Institutions/ Unrecognized Accrediting Bodies
Hawaii	480	Missouri	108
California	410	New York	108
United Kingdom	410	New Mexico	74
Texas	174	Mississippi	71
Liberia	170	Switzerland	60
Unknown	166	Alabama	54
India	146	Idaho	54
Louisiana	145	Ireland	54
India	146	British Columbia	52
Louisiana	145	Canada	52
Wyoming	127	Oregon	52
Florida	121		

Ben Cohen also shared a story about Yorkshire College, a diploma mill in the UK which attracted hundreds of students from Pakistan. It turns out that this “legitimate” institution was established as a shell for heroin trafficking. Clearly, this problem is far more than just a national issue – it’s a global concern.

Conclusion

While the economy may finally be on the road to recovery, applicants still face a difficult job market and will do anything to get noticed. Cheap, easy, and fast is the mantra for candidates looking to cut corners. Companies need to be aware of options in the marketplace that allow applicants to acquire the academic credentials which look good on a resume. And if diploma mills weren’t bad enough, their success has led to another disturbing industry: “employment mills.” EmployeeScreenIQ envisions this as the “next new thing” and will continue to monitor this latest trend for ways that companies can identify these candidates prior to hire.

Background screening providers are an effective way to attack the growing problem of diploma mills; however, constant vigilance is the key to determining whether a job candidate is the answer to your employment needs or a product of smoke and mirrors.

EmployeeScreenIQ is a Cleveland, Ohio-based employment screening company offering a variety of employment screening services to mid- and large-cap organizations throughout the world, including those in North and South America, Europe and East Asia. For more information visit www.employeescreen.com.