

110TH CONGRESS  
1ST SESSION

# H. R. 773

To reduce and prevent the sale and use of fraudulent degrees in order to protect the integrity of valid higher education degrees that are used for Federal purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2007

Ms. MCCOLLUM of Minnesota (for herself, Mr. BISHOP of New York, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Energy and Commerce, Oversight and Government Reform, Judiciary, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To reduce and prevent the sale and use of fraudulent degrees in order to protect the integrity of valid higher education degrees that are used for Federal purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Diploma Integrity Pro-  
5       tection Act of 2007”.

1 **SEC. 2. PURPOSE; DEFINITIONS.**

2 (a) PURPOSE.—The purpose of this Act is to protect  
3 institutions of higher education, businesses and other em-  
4 ployers, professional licensing boards, patients and clients  
5 of degree holders, taxpayers, and other individuals from  
6 any person claiming to possess a legitimate academic de-  
7 gree that in fact was issued by a fraudulent or nonexistent  
8 school, by a non-educational entity posing as a school, or  
9 by any entity in violation of Federal or State law.

10 (b) DEFINITIONS.—In this Act:

11 (1) DEGREE-GRANTING INSTITUTION.—The  
12 term “degree-granting institution” means any entity  
13 that offers or confers an academic, professional, or  
14 occupational degree, diploma, or certificate, if such  
15 degree, diploma, or certificate may be used to rep-  
16 resent to the general public that the individual pos-  
17 sessing such degree, diploma, or certificate has com-  
18 pleted a program of education or training beyond  
19 secondary education.

20 (2) DIPLOMA MILL.—The term “diploma mill”  
21 means any entity that—

22 (A) lacks valid accreditation by an agency  
23 recognized by a Federal agency, a State govern-  
24 ment, or the Council for Higher Education Ac-  
25 creditation as a valid accrediting agency of in-  
26 stitutions of higher education; and

(B) offers degrees, diplomas, or certifications, for a fee, that may be used to represent to the general public that the individual possessing such a degree, diploma, or certification has completed a program of education or training beyond secondary education, but little or no education or course work is required to obtain such a degree, diploma, or certification.

(3) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given such term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

**SEC. 3. FINDINGS.**

The Congress finds as follows:

(1) Diploma mills (entities that sell fraudulent degrees, diplomas, or certifications), have proliferated in recent decades due to inconsistent law enforcement and technological advances such as the Internet and electronic mail.

(2) Diploma mills take many different forms but often share common characteristics, such as—

(A) lack of accreditation or false claims of accreditation by agencies not recognized by the Department of Education or by the Council for Higher Education Accreditation;

1 (B) no previous academic records are re-  
2 quired for admission;

3 (C) tuition is charged based on the number  
4 of degrees purchased, rather than the number  
5 of credit hours or courses taken;

6 (D) credits for degrees are offered based  
7 on life experience rather than academic work;

8 (E) students can receive degrees in far less  
9 time than at legitimate, accredited institutions  
10 of higher education;

11 (F) faculty do not have degrees or creden-  
12 tials from accredited institutions;

13 (G) the use of foreign or post office box  
14 addresses for the entity, without a physical per-  
15 manent address in the United States; and

16 (H) names that are very similar to legiti-  
17 mate, accredited institutions of higher edu-  
18 cation.

19 (3) Several hundred diploma mills are operating  
20 at any given time, with revenues estimated to total  
21 more than \$500,000,000 each year.

22 (4) Rapidly growing commerce in fraudulent  
23 academic credentials imperils the national security of  
24 the United States.

1           (5) The safety of the American public is par-  
2           ticularly endangered by the sale of fraudulent med-  
3           ical, engineering, science, and education degrees.

4           (6) The preeminence of the United States in  
5           science and engineering, as well as the prestige and  
6           reputation of American universities, is threatened by  
7           the trafficking of fraudulent degrees, diplomas, and  
8           certifications.

9           (7) Some individuals who obtain degrees from  
10          diploma mills are conspirators in fraudulent behav-  
11          ior, but others are innocent consumers who have be-  
12          come victims of financial scams.

13          (8) Efforts to shut down diploma mills have  
14          been weak and erratic due to variations in—

15                 (A) the laws of Federal, State, and local  
16                 jurisdictions;

17                 (B) available enforcement mechanisms;  
18                 and

19                 (C) political priorities.

20          (9) In 2004, a Government Accountability Of-  
21          fice investigation revealed weaknesses in the Depart-  
22          ment of Education's administration of the student  
23          loan programs for higher education, including the  
24          possibility that a diploma mill could participate in  
25          the Federal Family Education Loan Program

1 (FFELP) under title IV of the Higher Education  
2 Act of 1965.

3 (10) The 2004 Government Accountability Of-  
4 fice investigation included an examination of the cre-  
5 dentials of a sampling of Federal employees, and re-  
6 vealed that, of the Federal employees selected for  
7 the examination, 463 Federal employees held de-  
8 grees from diploma mills and other unaccredited uni-  
9 versities, including 12 employees for the Department  
10 of Homeland Security, 13 for the Department of  
11 Justice, and 29 for the United States Postal Service.  
12 The investigation also found that Federal agencies  
13 have paid more than \$150,000 in tuition payments  
14 to diploma mills and other unaccredited universities  
15 on behalf of Federal employees.

16 (11) Recent investigations of suspected diploma  
17 mills have exposed a tangled web of fraudulent be-  
18 havior that spans across State lines and the United  
19 States border.

20 (12) The regulation of education in the United  
21 States is, in general, a State responsibility, and the  
22 development and regulation of academic standards  
23 in higher education is the responsibility of institu-  
24 tions of higher education.

1           (13) The Federal Government should have uni-  
 2           form standards to determine, for Federal purposes,  
 3           the legitimacy of degrees, diplomas, certifications,  
 4           and degree-granting institutions.

5           (14) This Act is necessary to prevent the use of  
 6           fraudulent degrees for Federal purposes, and to ex-  
 7           pand Federal authority to investigate and penalize  
 8           operators of diploma mills.

9   **SEC. 4. RECOGNIZED ACCREDITING AGENCIES AND INSTI-**  
 10                           **TUTIONS.**

11       (a) LISTS MAINTAINED BY THE DEPARTMENT OF  
 12   EDUCATION.—Not later than 30 days after the date of  
 13   the enactment of this Act, the Secretary of Education  
 14   shall make available (in a regularly updated, electronic  
 15   format) to the Secretary of Homeland Security and the  
 16   heads of other appropriate Federal agencies, a list of—

17           (1) accrediting agencies and associations, recog-  
 18           nized by the Secretary of Education under section  
 19           496 of the Higher Education Act of 1965 (20  
 20           U.S.C. 1099b), or by the Council for Higher Edu-  
 21           cation Accreditation;

22           (2) eligible institutions, as defined under section  
 23           435(a) of the Higher Education Act of 1965 (20  
 24           U.S.C. 1085(a)); and

25           (3) foreign degree-granting institutions that—

1           (A) have degree-granting authority, as  
2           granted by the appropriate agency or ministry  
3           of jurisdiction in the home country of such in-  
4           stitution;

5           (B) issue degrees that are accepted for  
6           professional licensure, public employment, and  
7           admission into graduate programs of degree-  
8           granting institutions in the home country (as  
9           determined by the Secretary of State);

10          (C) are determined by the Secretary of  
11          Education to be academically equivalent to an  
12          eligible institution, as defined in section 435(a)  
13          of the Higher Education Act of 1965 (20  
14          U.S.C. 1085(a)); and

15          (D) are located in a home country that is  
16          capable of performing an effective academic  
17          evaluation of the degree-granting institutions to  
18          which it issues degree-granting authority, as de-  
19          termined by the Secretary of State, in consulta-  
20          tion with the Secretary of Education,

21 for the purposes of allowing the Secretary of Homeland  
22 Security and the heads of such Federal agencies to deter-  
23 mine, for immigration and Federal employment and hiring  
24 purposes, the legitimacy of degree-granting institutions  
25 and degrees issued by such institutions.



1       (b) REVISIONS TO LISTS.—The Secretary of Edu-  
2 cation shall modify and maintain the lists described in  
3 subsection (a) as necessary to ensure that the lists and  
4 the information contained in the lists are accurate and up-  
5 to-date, based on the most recent information available to  
6 the Secretary.

7       (c) NOTICE OF RECOGNITION.—To be eligible to re-  
8 ceive funds under title IV of the Higher Education Act  
9 of 1965, each eligible institution described in subsection  
10 (a)(2) shall, not later than 60 days after the date of the  
11 enactment of this Act, prominently display on the institu-  
12 tion’s Internet website a notice indicating that the institu-  
13 tion is recognized by the Secretary of Education as a le-  
14 gitimate degree-granting institution for immigration and  
15 Federal employment and hiring purposes. If the Secretary  
16 of Education determines that an institution no longer  
17 qualifies as a legitimate degree-granting institutions de-  
18 scribed in subsection (a)(2), and removes the institution  
19 from the list maintained under such subsection, the insti-  
20 tution shall, not later than 15 days after the removal of  
21 the institution from such list, delete the notice required  
22 by this subsection from the institution’s Internet website.

23 **SEC. 5. ACCREDITING AGENCIES.**

24       No accrediting agency or association may be consid-  
25 ered to be a reliable authority as to the quality of edu-

1 cation or training offered by a degree-granting institution  
2 for any purpose related to immigration, Federal employ-  
3 ment and hiring practices, or for any other Federal pur-  
4 poses, unless the agency or association is on the list of  
5 accrediting agencies and associations recognized by the  
6 Secretary of Education or the Council for Higher Edu-  
7 cation Accreditation and provided to the Secretary of  
8 Homeland Security under section 4(a).

9 **SEC. 6. STUDENT VISAS.**

10 No nonimmigrant visa under subsections (F), (J), or  
11 (M) of section 101(a)(15) of the Immigration and Nation-  
12 ality Act (8 U.S.C. 1101(a)(15)) shall be issued to any  
13 alien unless the established college or university described  
14 in such section is on the list of eligible institutions recog-  
15 nized by the Secretary of Education and provided to the  
16 Secretary of Homeland Security under section 4.

17 **SEC. 7. FEDERAL EMPLOYMENT.**

18 For purposes of applying any civil service law, rule,  
19 or regulation that requires or takes into consideration a  
20 degree from an institution of higher education for pur-  
21 poses of appointment or promotion of, or improved pay  
22 for, a Federal employee, only a degree from a degree-  
23 granting institution that is on the list of eligible institu-  
24 tions recognized by the Secretary of Education and pro-

1 vided to the appropriate Federal agencies under section  
2 4 shall be acceptable.

3 **SEC. 8. TASK FORCE.**

4 (a) TASK FORCE ESTABLISHED.—The Secretary of  
5 Education shall establish within the Department of Edu-  
6 cation the Diploma Mill Task Force (referred to in this  
7 Act as the “Task Force”).

8 (b) MEMBERSHIP.—

9 (1) NUMBER AND APPOINTMENT.—The Task  
10 Force shall, if practicable, be composed of 19 mem-  
11 bers, as follows:

12 (A) The Assistant Secretary of Education  
13 for Postsecondary Education.

14 (B) A representative of the Department of  
15 Education with experience related to the deter-  
16 mination of the legitimacy and quality of de-  
17 grees from foreign institutions of higher edu-  
18 cation, selected by the Secretary of Education.

19 (C) A representative of the Department of  
20 Justice, selected by the Attorney General.

21 (D) A representative of the Federal Trade  
22 Commission, selected by the Chairman of such  
23 agency.

24 (E) A representative of the Secret Service,  
25 selected by the Director of the Secret Service.

1 (F) A representative of the Department of  
2 State, selected by the Secretary of State.

3 (G) A representative of the Department of  
4 Homeland Security, selected by the Secretary of  
5 Homeland Security.

6 (H) A representative of the Office of Per-  
7 sonnel Management, selected by the Director of  
8 such Office.

9 (I) A representative of the Council for  
10 Higher Education Accreditation.

11 (J) A representative of the American Asso-  
12 ciation of Collegiate Registrars and Admissions  
13 Officers.

14 (K) Two representatives of State degree  
15 approval agencies, selected by agreement of at  
16 least 3 of the Speaker of the House of Rep-  
17 resentatives, the Senate Majority Leader, the  
18 House Minority Leader, and the Senate Minor-  
19 ity Leader.

20 (L) Two representatives from regionally  
21 accredited institutions of higher education, se-  
22 lected by agreement of at least 3 of the Speaker  
23 of the House of Representatives, the Senate  
24 Majority Leader, the House Minority Leader,  
25 and the Senate Minority Leader.

1 (M) One representative from a nationally  
2 accredited institution of higher education, se-  
3 lected by agreement of at least 3 of the Speaker  
4 of the House of Representatives, the Senate  
5 Majority Leader, the House Minority Leader,  
6 and the Senate Minority Leader.

7 (N) Four individuals from the general pop-  
8 ulation with experience in higher education, the  
9 detection of fraudulent degrees and degree-  
10 granting institutions, or law enforcement re-  
11 lated to credential fraud, selected as follows:

12 (i) One individual selected by the  
13 Speaker of the House of Representatives.

14 (ii) One individual selected by the Mi-  
15 nority Leader of the House of Representa-  
16 tives.

17 (iii) One individual selected by the  
18 Majority Leader of the Senate.

19 (iv) One individual selected by the Mi-  
20 nority Leader of the Senate.

21 (2) CRITERIA FOR MEMBERSHIP.—All members  
22 of the Task Force shall be persons who are espe-  
23 cially qualified to serve on the Task Force by virtue  
24 of their education, training, or experience, particu-  
25 larly in the fields of higher education, accreditation

1 of institutions of higher education, foreign higher  
2 education standards, State regulation of institutions  
3 of higher education, immigration, Federal employ-  
4 ment requirements and hiring practices, or fraud  
5 prevention, detection, or enforcement.

6 (3) TERMS.—Each member shall be appointed  
7 for the life of the Task Force.

8 (4) VACANCIES.—A vacancy in the Task Force  
9 shall be filled in the manner in which the original  
10 appointment was made.

11 (5) CHAIR.—At the first meeting of the Task  
12 Force, the members of the Task Force shall elect a  
13 member of the Task Force to serve as Chair.

14 (c) DUTIES.—

15 (1) GUIDELINES.—The Task Force shall de-  
16 velop guidelines, to be used for the development of  
17 Federal legislation, to identify degree-granting insti-  
18 tutions as legitimate or fraudulent degree-granting  
19 institutions for Federal purposes. In developing such  
20 guidelines, the Task Force shall consider—

21 (A) characteristics of degree-granting insti-  
22 tutions that help determine the legitimacy of  
23 the institution, such as whether an entity—

24 (i) offers or confers degrees, diplomas,  
25 or certificates—

1 (I) for little or no meaningful  
2 academic work;

3 (II) without requiring an appro-  
4 priate level of academic achievement  
5 for the attainment of such degrees, di-  
6 plomas, or certificates; or

7 (III) without imposing academic  
8 or other requirements for admittance  
9 into the institutions or programs of-  
10 fering such degrees, diplomas, or cer-  
11 tificates;

12 (ii) has fiscal and administrative  
13 structures and capacity appropriate to the  
14 specified scale of educational operations;

15 (iii) has resources to support claims  
16 as a degree-granting institution, including  
17 curricula, qualified faculty, facilities, equip-  
18 ment, and supplies, student support serv-  
19 ices, objectives of the degrees or creden-  
20 tials offered, admissions practices, aca-  
21 demic calendars and catalogs, and a grad-  
22 ing system; and

23 (iv) has degree-granting authority  
24 issued by the States in which degrees, or  
25 instruction leading to degrees, are offered,

1           and is recognized by such States as an ap-  
2           proved institution of higher education;

3           (B) the feasibility of defining the term  
4           “fraudulent degree-granting institution” (com-  
5           monly referred to as “diploma mills”), and if  
6           feasible, shall define such term for use in Fed-  
7           eral laws and regulations;

8           (C) issues related to—

9                   (i) the detection of new and existing  
10           fraudulent degree-granting institutions;

11                   (ii) recognition and prevention of the  
12           practices used by such fraudulent degree-  
13           granting institutions to avoid detection;

14                   (iii) the enforcement of laws and regu-  
15           lations prohibiting such fraudulent degree-  
16           granting institutions and practices and the  
17           use of fraudulent degrees; and

18                   (iv) the prosecution of such fraudulent  
19           degree-granting institutions and practices  
20           and the use of fraudulent degrees;

21           (D) difficulties in identifying fraudulent  
22           degree-granting institutions located in foreign  
23           countries, or that claim recognition or degree-  
24           granting authority from foreign countries;



1           (E) means to alert and educate the public  
2           about fraudulent degree-granting institutions  
3           and the use of fraudulent degrees;

4           (F) laws, regulations, and other means  
5           used by States to address fraudulent degree-  
6           granting institutions and the use of fraudulent  
7           degrees;

8           (G) the potential need for coordination and  
9           cooperation among various Federal agencies to  
10          investigate and prosecute suspected fraudulent  
11          degree-granting institutions, and the detailed  
12          recommendations of the Task Force regarding  
13          such coordination and cooperation;

14          (H) the study and the report to the Task  
15          Force required under section 11; and

16          (I) the purposes for which various agencies  
17          of the United States need to identify fraudulent  
18          degree-granting institutions, and identify, pro-  
19          hibit, and prevent the use of degrees issued by  
20          such fraudulent institutions, and the ability of  
21          such agencies to implement any guidelines con-  
22          sidered by the Task Force.

23          (2) DEVELOPMENT OF FEDERAL PLAN.—The  
24          Task Force shall develop a strategic diploma integ-  
25          rity protection plan (referred to in this section as

1 the “Plan”) to address the sale and use of fraudu-  
2 lent degrees for Federal purposes. The Plan shall in-  
3 clude the following:

4 (A) Recommendations to Congress regard-  
5 ing the implementation by Federal agencies of  
6 the guidelines developed under paragraph (1).

7 (B) Recommendations to the Federal  
8 Trade Commission regarding the application of  
9 the guidelines developed under paragraph (1) to  
10 the rulemaking required under section 9 and to  
11 the enforcement of the rules promulgated under  
12 such section.

13 (3) SUBMISSION OF REPORT TO CONGRESS.—

14 Not later one year after the date of the enactment  
15 of this Act, the Task Force shall submit to the ap-  
16 propriate congressional committees a report, includ-  
17 ing—

18 (A) the guidelines developed under para-  
19 graph (1);

20 (B) the Plan developed under paragraph  
21 (2); and

22 (C) legislative language in the form of a  
23 qualified bill to effectuate such Plan.

24 (4) QUALIFYING BILL.—For the purposes of  
25 this section, a “qualifying bill” means a bill—

1 (A) the title of which is the following: “A  
2 bill to establish and implement a strategic di-  
3 ploma integrity protection plan to address the  
4 sale and use of fraudulent degrees for Federal  
5 purposes.”;

6 (B) the text of which consists of the text  
7 of the bill included in the report submitted  
8 under paragraph (3); and

9 (C) the provisions of which shall apply to  
10 applicable Federal agencies not later than the  
11 date that is 180 days after the date of the en-  
12 actment of such bill.

13 (d) EXPEDITED CONGRESSIONAL CONSIDERATION  
14 OF LEGISLATIVE PROPOSAL.—

15 (1) INTRODUCTION.—The majority leader of  
16 each House or his designee shall (by request) intro-  
17 duce a qualified bill as defined in subsection (c)(4)  
18 not later than the tenth day of session of that House  
19 after the date of receipt of the report transmitted to  
20 the Congress under subsection (c)(3). If a qualified  
21 bill is not introduced as provided in the preceding  
22 sentence in either House, then, on the eleventh day  
23 of session of that House after the date of receipt of  
24 such report, any Member of that House may intro-  
25 duce the qualified bill.

1           (2) REFERRAL AND REPORTING IN THE HOUSE  
2       OF REPRESENTATIVES.—Any committee of the  
3       House of Representatives to which a qualified bill is  
4       referred shall report it to the House not later than  
5       the 30th day after the date of its introduction. If a  
6       committee fails to report the bill within that period  
7       or the House has adopted a concurrent resolution  
8       providing for adjournment sine die at the end of a  
9       Congress, it shall be in order to move that the  
10      House discharge the committee from further consid-  
11      eration of the bill. Such a motion shall be in order  
12      only at a time designated by the Speaker in the leg-  
13      islative schedule within two legislative days after the  
14      day on which the proponent announces his intention  
15      to offer the motion. Such a motion shall not be in  
16      order after a committee has reported a qualified bill.  
17      The previous question shall be considered as ordered  
18      on the motion to its adoption without intervening  
19      motion except twenty minutes of debate equally di-  
20      vided and controlled by the proponent and an oppo-  
21      nent. If such a motion is adopted, the House shall  
22      proceed immediately to consider the qualified bill.

23      (e) TERMINATION.—The Task Force shall terminate  
24      60 calendar days after the date on which the Task Force  
25      submits the report under subsection (c)(3).

1 **SEC. 9. SENSE OF THE CONGRESS REGARDING USE BY**  
2 **STATES OF THE FEDERAL PLAN AS GUIDE-**  
3 **LINES.**

4 It is the sense of the Congress that—

5 (1) each State should implement a strategic di-  
6 ploma integrity plan similar to any such plan en-  
7 acted by Congress in accordance with section 8, to  
8 the extent practicable and as soon as practicable  
9 after the date of the enactment of such a plan under  
10 such section; and

11 (2) States may adopt more stringent standards  
12 than those standards contained in the Federal stra-  
13 tegic diploma integrity plan and used by agencies of  
14 the United States to identify fraudulent degree-  
15 granting institutions operating within such State,  
16 except that State law does not preempt Federal law  
17 as applied to the employment and hiring practices of  
18 Federal employees working in such State.

19 **SEC. 10. UNFAIR AND DECEPTIVE ACTS AND PRACTICES**  
20 **REGARDING DIPLOMAS AND PROFESSIONAL**  
21 **CERTIFICATIONS.**

22 (a) **CONDUCT PROHIBITED.**—Not later than 180  
23 days after the date of enactment of this Act, the Federal  
24 Trade Commission shall initiate a rulemaking to define  
25 as an unfair and deceptive act or practice under section

1 18 of Federal Trade Commission Act (15 U.S.C. 57a) the  
2 following:

3 (1) The issuing of a degree, diploma, certificate,  
4 or any similar document by an entity that is not rec-  
5 ognized as a legitimate degree-granting institution  
6 by the Secretary of Education, if such degree, di-  
7 ploma, certificate, or similar document misrepres-  
8 ents, directly or indirectly, the subject matter, sub-  
9 stance, or content of the course of study or any  
10 other material fact concerning the course of study  
11 for which such degree, diploma, certificate, or simi-  
12 lar document was awarded.

13 (2) The offering or conferring of an academic,  
14 professional, or occupational degree if the entity of-  
15 fering or conferring the degree—

16 (A) is not an institution of higher edu-  
17 cation;

18 (B) has not been accredited by an accred-  
19 iting agency or association that is recognized  
20 for any purpose by any appropriate Federal  
21 agency, or by the Council for Higher Education  
22 Accreditation; or

23 (C) is not recognized by the Secretary of  
24 Education as an eligible institution under sec-  
25 tion 4(a)(2),

1 unless the entity offering or conferring such a de-  
2 gree clearly and conspicuously discloses, in all adver-  
3 tising and promotional materials that contain a ref-  
4 erence to such a degree, that the awarding of the de-  
5 gree has not been so authorized or that the entity  
6 offering or conferring the degree has not been so ap-  
7 proved or recognized.

8 (3) The claiming or asserting in any advertise-  
9 ments or promotional material of an entity offering  
10 or conferring an academic, professional, or occupa-  
11 tional degree, that such entity has—

12 (A) an accredited status unless it holds ac-  
13 creditation from an accrediting agency that is  
14 recognized by the Secretary of Education or the  
15 Council for Higher Education Accreditation, or  
16 is recognized for any purpose by any appro-  
17 priate Federal agency or, for foreign sources of  
18 accreditation, unless it holds accreditation from  
19 an accrediting agency that is recognized by the  
20 appropriate agency or ministry of jurisdiction in  
21 the country of the accrediting agency; or

22 (B) an unaccredited, but approved status  
23 that misrepresents, directly or indirectly, the  
24 nature, extent, or credibility of such approval.

1           (4) The issuing of any accreditation, including  
2           institutional, programmatic, or specialized accredita-  
3           tion, to any degree-granting institution by any entity  
4           that is not recognized for accreditation purposes by  
5           the Secretary of Education, any other appropriate  
6           Federal agency, or the Council for Higher Education  
7           Accreditation, or, for foreign accreditors, any entity  
8           that is not recognized for accreditation purposes by  
9           the appropriate agency or ministry of jurisdiction in  
10          the country of the accrediting agency.

11          (b) GUIDELINES FOR LEGITIMATE DEGREE-GRANT-  
12          ING INSTITUTION.—For purposes of defining a legitimate  
13          degree-granting institution in the rule required under sub-  
14          section (a), the Federal Trade Commission shall adopt the  
15          guidelines developed by the Task Force and submitted in  
16          its report to Congress as required by section 8(c).

17          (c) FINAL RULE.—The Commission shall issue final  
18          rules under this section not later than 90 days after the  
19          Task Force submits its final report containing such guide-  
20          lines to Congress pursuant to section 8(c)(3).

21          (d) REPORTING REQUIREMENT.—

22                (1) FEDERAL TRADE COMMISSION.—In admin-  
23                istering and enforcing the rule required under sub-  
24                section (a), the Federal Trade Commission shall re-  
25                port regularly to the Secretary of Education any in-



1       formation regarding entities which the Commission  
2       knows or suspects to be in violation of such rule.

3               (2) SECRETARY OF EDUCATION.—The Sec-  
4       retary of Education shall make available to the gen-  
5       eral public, in paper and electronic forms, the infor-  
6       mation reported to the Secretary in accordance with  
7       paragraph (1).

8   **SEC. 11. STUDY.**

9       (a) STUDY.—The Comptroller General shall conduct  
10   a study to gather the following information:

11               (1) A determination of the numbers and types  
12       of degree-granting institutions that are enrolling stu-  
13       dents or otherwise operating within the United  
14       States as of the date of the enactment of this Act  
15       that are not accredited by an accrediting agency or  
16       association recognized by the Secretary of Education  
17       under section 496 of the Higher Education Act of  
18       1965 (20 U.S.C. 1099b) that—

19                       (A) are legitimate degree-granting institu-  
20       tions; and

21                       (B) are fraudulent degree-granting institu-  
22       tions.

23               (2) An analysis of why legitimate degree-grant-  
24       ing institutions do not obtain accreditation by an ac-  
25       crediting agency or association described in para-

1 graph (1), and specifically why some such institu-  
2 tions voluntarily elect not to obtain such accredita-  
3 tion.

4 (3) An analysis of any steps taken by the De-  
5 partment of Education to repair the vulnerabilities  
6 in the Federal Family Education Loan Program re-  
7 vealed by the Office of Special Investigations of the  
8 Government Accountability Office, as reported to the  
9 Subcommittee on 21st Century Competitiveness of  
10 the Committee on Education and the Workforce of  
11 the House of Representatives on September 23,  
12 2004.

13 (b) REPORT.—Not later than 180 days after the date  
14 of enactment of this Act, the Comptroller General shall  
15 submit to the Diploma Mill Task Force established under  
16 section 8 a report on the study conducted under subsection  
17 (a) together with recommendations for such legislation  
18 and administrative action as the Comptroller General de-  
19 termines to be appropriate.

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