



Allen Ezell discusses Education Scams with Carol Osborn



Carol S. Osborn: Good Afternoon. I'm Carol Osborn, Deputy Director of DANTES, in Pensacola, Florida. We are currently attending the Department of Defense 2006 Worldwide Education Symposium in Orlando, Florida. It's my pleasure to be with Allen Ezell today. He is a retired FBI agent and also co-author with Dr. John Bear of a new book, which is called '*Degree Mills*'. I would like to ask you Allen, what caused your interest in degree mills?

Allen Ezell: In late 1979 or early 1980, I received a telephone call from an individual in Charlotte, North Carolina, who I knew from prior cases and he told me that the president of a university in Greenville, South Carolina, was selling college degrees and transcripts. I had no experience whatsoever in the sale of college degrees. The one degree I have, I earned, traditionally, accredited school, so this was a new concept for me. I worked white-collar crime, I worked scams, swindles and those things, but I hadn't worked a school before. So, I went to the Assistant U.S. Attorney, there in the Western District of North Carolina, laid out what the allegation was and he said that it had potential, he could see harm to society. So with that we opened an investigation. This individual introduced me over the interstate telephone to the president of the school in Greenville, South Carolina, Southeastern University. We negotiated for the purchase of our Bachelor's, Master's and Doctorate degrees with no

work whatsoever, and had the degrees backdated. We then presented that to the Assistant U.S. Attorney, he liked it. I then brought in a second agent, introduced him in, and we negotiated over the interstate telephones and we were recording the calls, of course. And then our degrees arrived via the United States mail. So, we had wire fraud, mail fraud right off the bat. The president of the school invited us to come down and a take a tour. We went down as graduates, he recruited us to raise funds for the school and keep one-third for ourselves.

Carol S. Osborn: Oh, gosh!

Allen Ezell: He showed us around the school, showed us the filing system, showed us our files. We then had our pictures taken, he wanted us to wear cap and gowns. The U.S. Attorney thought that would be hot-dogging a little bit but, if it went to trial, someone could look adverse that way. So we were in suits and he was in his regalia. We then came back to Charlotte and applied for jobs ostensibly at North Carolina National Bank, now Bank of America. They sent a letter to the college to verify our education. The President of the school then verified the education back to the bank. So, now we had all the pieces that we needed for prosecution. He was also operating a theological seminary. The U.S. Attorney wanted to show that the theological

seminary was as crooked as the rest. So, we now brought in a third agent and he then negotiated to buy his Master's in Divinity for \$5,000. On the day and time that we had agreed to arrive with \$5,000 for the degree, we now came as FBI agents with a federal search warrant. Anything that was not green, glued or nailed down, that fit the criteria of the search warrant, we took it. We took all the degrees, the seals, the stamps, all the student files. We gave him a receipt. He was sullen, he was very quiet, needless to say we had the element of surprise. He had a legitimate Doctorate degree, he had been in the field of education for 20 or 30 years and retired. We then left and went back to Charlotte, put all of our stuff in the evidence locker and went home. Next morning we got a call from law enforcement of South Carolina telling us that Dr. Jerred had gone out that evening with a lady friend for dinner, gave away some of his possessions and then went in the bathroom and committed suicide.

Carol S. Osborn: Oh gosh!

Allen Ezell: We had not even read the first file, we did not know what we were sitting on. When we read 'em, we found that he had been in business for 11 years. We had 671 graduates, about 171 Federal, State and County employees. So that was our beginning of what later became known as DIP Scam, Diploma Scam. And, for about 11 years, we went from school to school to school, we followed the flock wherever the flock went. You know, we answered their ads like a regular person would, we bought our degrees, went and visited our alma mater, used all that in the federal search warrants, and that was how I became interested in it. It's now 26 years later. With the advent of the Internet, like Dr. Bear was saying, it has just exploded.

Carol S. Osborn: Once again.

Allen Ezell: Yeah. In my day, \$2 million gross was the highest I had. Now that's not even pocket change. It's worldwide.

Carol S. Osborn: Profoundly sad, profoundly sad. Do some states have better laws than others to prevent degree mills?

Allen Ezell: Yes, and conversely there are certain states that are known for being weak and therefore the flock heads their way. As one state tightens up - California tightens up, they go to Arizona. Arizona passes new laws, they are embarrassed, they go to Utah. Utah passes new laws, they go to Wyoming, they go to Louisiana, they go to Mississippi, they go to Alabama and we just follow. I mean, there are certain states now where the use of a degree that's not approved by the state can lead to your arrest. From what I recall, they're all misdemeanors. Except for one state, I believe North Dakota is the first felony state. So, if you use a degree that is not approved by the state that is fraudulently obtained without you having done the work for it, then it's a felony.

Carol S. Osborn: Do you think we should have more federal laws on the books? And how hard would that be?

Allen Ezell: I was asked that question several years ago when I appeared before the House Education Committee. I think that the wire fraud, mail fraud statutes that we now have, if they are used by Federal Law Enforcement can do the job. But then one of the Congressmen suggested a law dealing with the Internet Service Providers that would be unlawful for them to house a virtual degree mill. I think that would be a good idea. I believe that Washington is probably not the answer because I don't think that's going to happen.

Everyone is so much concerned with usurping the state's rights, on the states controlling education. I think the place to do it is grass roots in the states. If you can outlaw the diploma mill at the state level, outlaw the credential mill at the state level... I'm sorry, the accreditation mill that accredits the diploma mill. And then if you can attack the Credential Evaluation Services on the state level, if you can attack the degree mill at the same time you are going after the users of the paper. It's sort of like supply and demand, if you can slow down the demand and take on the supply sooner or later, you should meet in the middle. Like we should be doing in narcotics.

Carol S. Osborn: It sounds like something that we should give to our military councils. In all the states where we have many military we have a Military Advisory Board.

Allen Ezell: Certainly. They need to be on top of it because I assume it's the military person that comes to them before they enroll. So many of the schools are look-alikes and sound-alikes.

Carol S. Osborn: Absolutely.

Allen Ezell: More than one person, I have seen one person that graduated from Southeastern University, my alma mater in Greenville. And there are probably six, eight, ten real Southeasterns. They took a Southeastern transcript to a legitimate accredited college. That college was fooled, accepted that for transfer credit, every bit of it. They took one course and then asked for a new transcript. So, it was issued with all of that garbage loaded into the new letterhead now of the real school. That's a real problem, you must do your homework upfront or be willing to take the price later, pay the price, the embarrassment that comes

with it. You must look at the school all the way down to the address and its accreditation, the fact that it's (quote) accredited. Well, you must remember that there is real and unreal accreditation, you must do your homework, and I'd suggest using a state of Oregon Office of Degree Authorization website as the benchmark, because they call a spade a spade there. And they list what you can be arrested for, what schools if you use those as academic credentials in Oregon, you can be arrested. It's not acceptable, you can't use it for government job, you can't use it in education. So, I suggest that Oregon be used.

Carol S. Osborn: We need to make sure that our military members know that.

Allen Ezell: Correct. Office of Degree Authorization.

Carol S. Osborn: Thank you very much for your valuable information.

Allen Ezell: You are welcome. Thank you. Appreciate it. Thank you.

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