

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.

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

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 sessed 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

1 (B) offers degrees, diplomas, or certifi-
2 cations, for a fee, that may be used to represent
3 to the general public that the individual pos-
4 sessing such a degree, diploma, or certification
5 has completed a program of education or train-
6 ing beyond secondary education, but little or no
7 education or course work is required to obtain
8 such a degree, diploma, or certification.

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

13 **SEC. 3. FINDINGS.**

14 The Congress finds as follows:

15 (1) Diploma mills (entities that sell fraudulent
16 degrees, diplomas, or certifications), have pro-
17 liferated in recent decades due to inconsistent law
18 enforcement and technological advances such as the
19 Internet and electronic mail.

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

22 (A) lack of accreditation or false claims of
23 accreditation by agencies not recognized by the
24 Department of Education or by the Council for
25 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 sents, 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.

○