

THE IMPACT OF **CREDENTIAL FRAUD**

 Accredible

FOREWORD

Thank you for downloading our latest informative resource on the impact of credential fraud. This document takes a look at the harmful world of credential fraud, including the industries affected, the repercussions of credential fraud, and who is at risk.

Who we are: Accredible is an industry-leading digital credentialing platform. Founded in 2013, Accredible believes that everyone should be able to prove their credibility with ease regardless of who you are, where you live, or how you gained your knowledge.

Our experience serving millions of credentials globally has enabled us to understand and meet the needs of organizations undergoing digital transformation. As one of the longest-serving digital credentialing platforms, our insight into the space is unique and unrivalled. We provide actionable guidance at every step from research and evaluation, through to launch, growth, and development. Our knowledge informs the best practices for organizations to start, scale, and succeed in digital credentialing.

TABLE OF CONTENTS

| | |
|----------------------------------|----|
| AN OVERVIEW | 4 |
| WHAT IS CREDENTIAL FRAUD? | 4 |
| WHY IS CREDENTIAL FRAUD HARMFUL? | 4 |
| WHO IS AT RISK? | 4 |
| EXAMPLES OF CREDENTIAL FRAUD | 6 |
| IN EDUCATION | 6 |
| IN EMPLOYMENT | 10 |
| IN HEALTHCARE | 13 |
| IN AVIATION | 15 |
| IN THE JUSTICE SYSTEM | 17 |
| IN SUMMARY | 18 |

Who is this guide for?

Any organization that is considering or currently offering a type of credential and is implementing digital credentials to provide much-needed protection against credential fraud. Organizations that are researching the risk and harm associated with credential fraud to plan an effective digital credentialing strategy to prevent future fraud.

How to use this guide

Use this guide to research:

- The industries impacted by credential fraud
- Why credential fraud is harmful to all parties
- Who is at risk of credential fraud
- How digital credentials prevent credential fraud

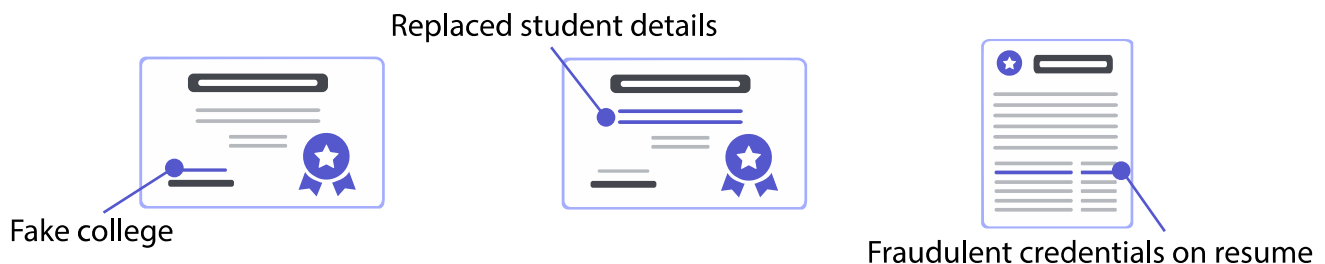
AN OVERVIEW

What is credential fraud?

Credential fraud is any situation in which an official certification or document of representation is created with the intention to falsely gain. Credential fraud occurs in many different environments and industries.

The most common examples of credential fraud in education include:

- Diplomas that are issued from non-existent educational institutions
- Real diplomas that have been recreated with false information
- False certifications recorded in educational history that lead to admissions



Why is credential fraud harmful?

There are many reasons credential fraud is harmful. It leads to under-qualified individuals being employed in high-risk roles such as surgeons, pilots, tradesmen, and other situations where health and safety is vital. Individuals that commit credential fraud to get into higher education steal the place of more deserving students. Any brand or organization that is knowingly or unknowingly mentioned in the instance of credential fraud also faces harm to their reputation. Credential fraud reflects poorly on the quality of services, training, or education offered by the affected brand.

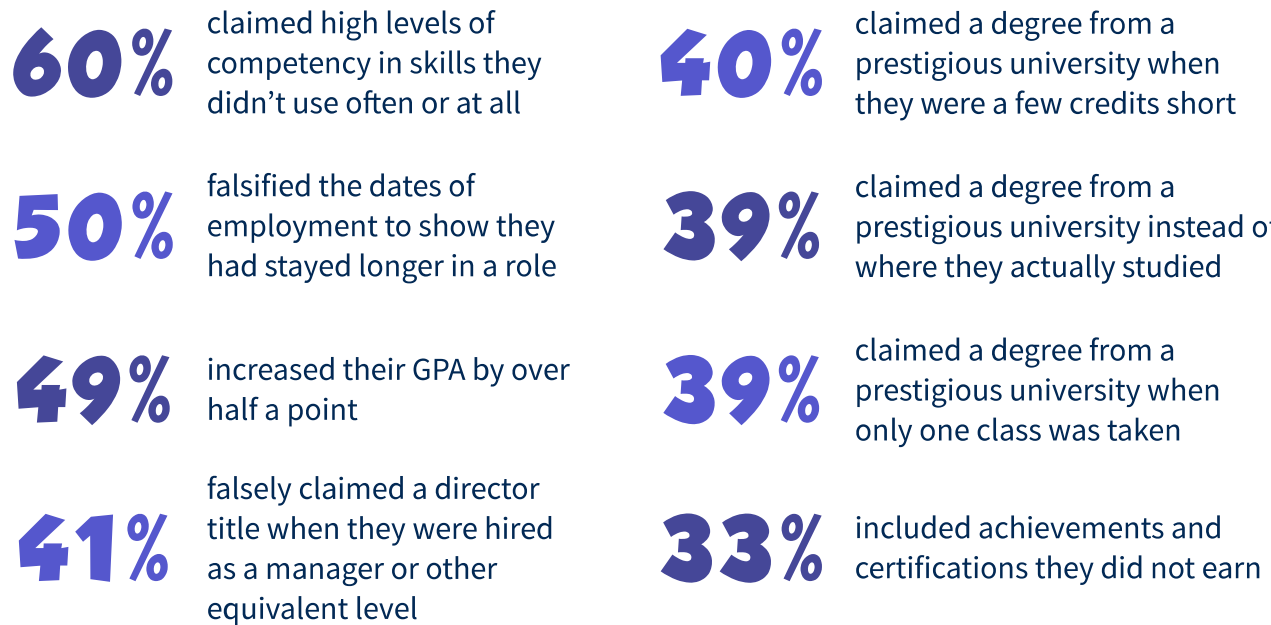
Who is at risk?

Everyone is at risk of credential fraud in some way or another:

- Individuals applying to education or employment that lose out to credential fraud committed by other applicants
- Businesses and organizations that have their name or branding used as part of credential fraud
- Innocent customers that happen to be using a service delivered by someone that has provided fraudulent credentials

AN OVERVIEW

Credential fraud is often much higher than people believe. For instance Checkster, a reference checking company, **carried out a 2020 survey** across 400 job applicants who had applied for or received a job offer within the previous 6 months. Across the 400 applicants, common lies told during the hiring process included:



EXAMPLES OF CREDENTIAL FRAUD

In the last decade, credential fraud has been featured many times in the news across many industries including education, healthcare, aviation, employment, and even in the justice system. We've collected some of the most shocking stories of credential fraud and the resulting outcomes to better understand the impact of credential fraud and who is at risk.

Credential Fraud in Education

Credential fraud in education may seem like an inconvenience rather than a harm but that is only because the harm feels more like a circumstance of application (rejection). Outside of the higher education system, academic credential fraud carries severe penalties including fines and jail time across the world.

2019 College Admissions Bribery Scandal









Codenamed "Operation Varsity Blues" by investigators, the **2019 college admissions bribery scandal** is one of the worst cases of credential fraud that has been uncovered in education. At least 53 individuals were charged with involvement and additional lawsuits were filed against the affected universities. The criminal conspiracy involved high-profile individuals and celebrities attempting to influence undergraduate admissions decisions at several prestigious American universities.

The 'mastermind' behind the scheme, William Rick Singer, was found to have accepted more than \$25 million between 2011 and 2018 from 33 college applicants' parents. The funds were then used to inflate the scores of entrance exams or bribe admissions officials. He also arranged falsified documents claiming the client's children had learning difficulties that required accommodations during testing. In some cases, he organized another individual posing as the named student to take the test in their place.

Another aspect of the scandal saw Singer bribe athletics coaches and staff and create false athletic awards and spoofed photographs. These were used to falsely admit students into specific colleges that looked favourably at candidates with high levels of sporting ability.

In some cases students were aware of the fraud taking place on their behalf while many of the other students had no idea. Although only 53 individuals were charged in this scandal, Singer himself admitted to unethically facilitating college admission for children from over 750 families.

EXAMPLES OF CREDENTIAL FRAUD IN EDUCATION

| | |
|--|--|
|  <p>William Rick Singer <i>leader of the scheme</i></p>  <p>Found guilty in March 2019</p>  <p>Sentenced to 65 years in prison</p>  <p>Required to pay a fine of \$1.2million</p> |  <p>53 individuals <i>charged with involvement</i></p>  <p>33 parents were charged</p>  <p>14 agreed to plead guilty</p>  <p>21 of the involved parents have been sentenced</p> |
|--|--|

The scandal continues to create ripples through higher education admissions and has reportedly damaged the reputations of the involved universities. Of the lawsuits filed against the universities by students and parents, claims included:

- Time and money lost by students that had applied to universities named in the scandal
- The decreased value of a degree from an involved university’s now tarnished reputation
- Harm caused by rejection from universities that admitted students with fraudulent credentials

Admission to prestigious universities is extremely competitive all over the world. This is in part due to the social stigma and discriminatory hiring practices that place greater value on applicants based on where they graduated. To solve this problem and prevent exploitation in the future, better credential protections need to be implemented and both the job market and traditional admissions processes need to be evaluated.

Learn more about the scandal in the 2021 Netflix documentary or via the dedicated Wiki entry ‘**Operation Varsity Blues: The College Admissions Scandal**’.

EXAMPLES OF CREDENTIAL FRAUD IN EDUCATION

118-Year-Old University of Wales Closes After Reputation Damaged

In early 2011, the University of Wales (UoW) was the second-largest degree-awarding body in the UK supporting 70,000 students at 130 partner colleges around the world. Later that year it would all change after a **BBC Wales investigation** revealed a visa scam involving staff at one of their validated partner schools.

The scam involved the sale of fraudulent diplomas that would make students eligible for reduced workload and information to help students cheat in exams in order to qualify for the post study work visa (PSW). The investigation further revealed that another partner college in Malaysia was being run by a pop star with two falsely claimed degrees.

UoW denied they were directly involved in any of the scams or claims of cheating and announced that it would immediately stop validating courses from partner colleges. Not long after, it was found that UoW had only recently ‘investigated’ the partner colleges named in the scams prior to the reveal, yet had still validated their courses. This was a harsh blow to the credibility of their statements and would soon lead to six out of the ten universities in Wales calling for UoW to be closed.

The University wasn’t immediately scrapped but a merger soon after between Trinity St David and Swansea Metropolitan colleges led to rebranding of the UoW which effectively saw the longstanding institution abolished. Although UoW weren’t directly involved, it was the undeniable harm to the university’s reputation through a lack of due diligence that led to its closure.

Diploma Mills, Copycat Websites, and Novelty Certificates

Online fraudsters continue to catch-out individuals and often without their realising. There has been a growing increase in professionals exploring upskill and reskill opportunities, in part due to the pandemic. Many of these individuals are searching online for access to education and retraining that ensures credibility without requiring the time-constraints or costs of traditional higher education.

Unfortunately, a number of individuals have been caught out by copycat websites or bogus degree mills offering fraudulent certifications that appear to be from a real institution. Although there are some individuals deliberately pursuing the ‘easy’ route with novelty or spoofed certificates, a number of innocent parties are spending hundreds, sometimes thousands of dollars, on education that is subsequently worthless.

EXAMPLES OF CREDENTIAL FRAUD IN EDUCATION

Examples of copycat websites included ‘Warnswick University’ and the ‘University of Wolverhampton’ intended to spoof ‘Warwick University’ and the ‘University of Wolverhampton’ in the UK. They were investigated by the Higher Education Degree Datacheck (HEDD) and soon shut down.

One of the largest instances of diploma mills was **discovered by the International New York Times** after a long investigation into software company, Axact. The investigation discovered 370 websites controlled by Axact that were associated with the credential fraud. This included 145 sites for fictitious universities, 41 for high schools, 18 for fake accreditation boards, and 121 degree portals. Many of the websites were made to look like prestigious American and British universities and resulted in unsuspected victims losing several millions in fees for falsified diplomas. Although Axact denied direct involvement, thousands of blank degree forms, authentication documents, and student ID cards were found after a raid on their head office.



215,000+ people
paid for false credentials



credentials sold to at least **120 countries**



at least **\$89 million** spent on fake degrees



3,000+ master’s degrees, doctorates, & PHDs sold



Shoaib Sheikh
CEO of Axact & 22 others



Convicted in July, 2018



Sentenced to **20 years** in prison



Required to pay a fine each of **Rs1.2million (\$17,514)**

EXAMPLES OF CREDENTIAL FRAUD IN EMPLOYMENT

Credential fraud in employment is typically the most common, with many candidates admitting to lying or ‘bending the truth’ of information presented on their resume or CV.

Lying on Resumes

In a survey of 1,051 Americans by **ResumeLab**, 93% of respondents reported they knew someone that had lied on their resume. When the question was directed at the respondent, 36% admitted that they had lied or adjusted the truth on their own resume. Of the 64% of respondents that said they didn’t lie on their resume, at least one third admitted to lying in later questions. This means that the percentage of people that lie on their resume is closer to 56%, rather than the initial 36% who admitted to lying or bending the truth on their applications.

Of the lies told in applications, the most common reasons given in the ResumeLab survey for lying break down into:

37% of applicants stated they were experiencing long-term unemployment

18% of applicants wanted to achieve a higher salary offer for the position they applied for

18% of applicants didn’t believe they would be caught

17% of applicants knew they weren’t qualified for the position

The remaining applicants stated “other reasons” without specificity as a reason for lying.

Consequences for being caught lying on a resume vary. In the survey results above, of the respondents that admitted to lying, only 30% were caught. Of those 30%:

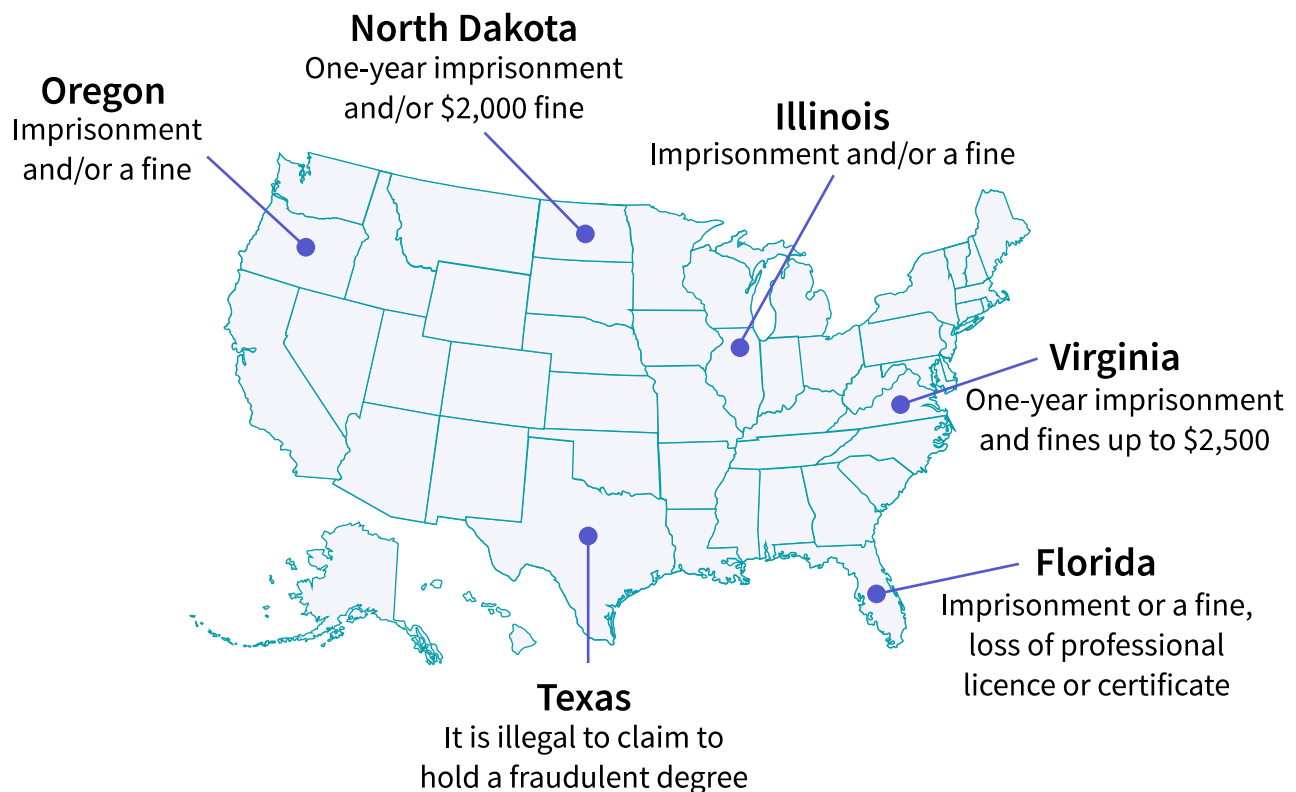


The repercussions can often go beyond losing a job or simply facing disciplinary action. An aspiring teacher created her own certificates to gain entry for a teaching qualification. She then went on to land two teaching roles and a further position as an exam marker. Her fraudulent academic history was soon discovered after she applied for a new role and the school carried out comprehensive checks into her reported ‘certifications’. Rather than simply lose her job and face suspension from teaching, she was sentenced to 18 months jail time as a result of her academic credential fraud.

EXAMPLES OF CREDENTIAL FRAUD IN EMPLOYMENT

The Consequences of Academic Credential Fraud

The laws vary regarding the level of punishment for using fraudulent credentials to gain employment but it is clear that credential fraud is considered a serious offence across the world.



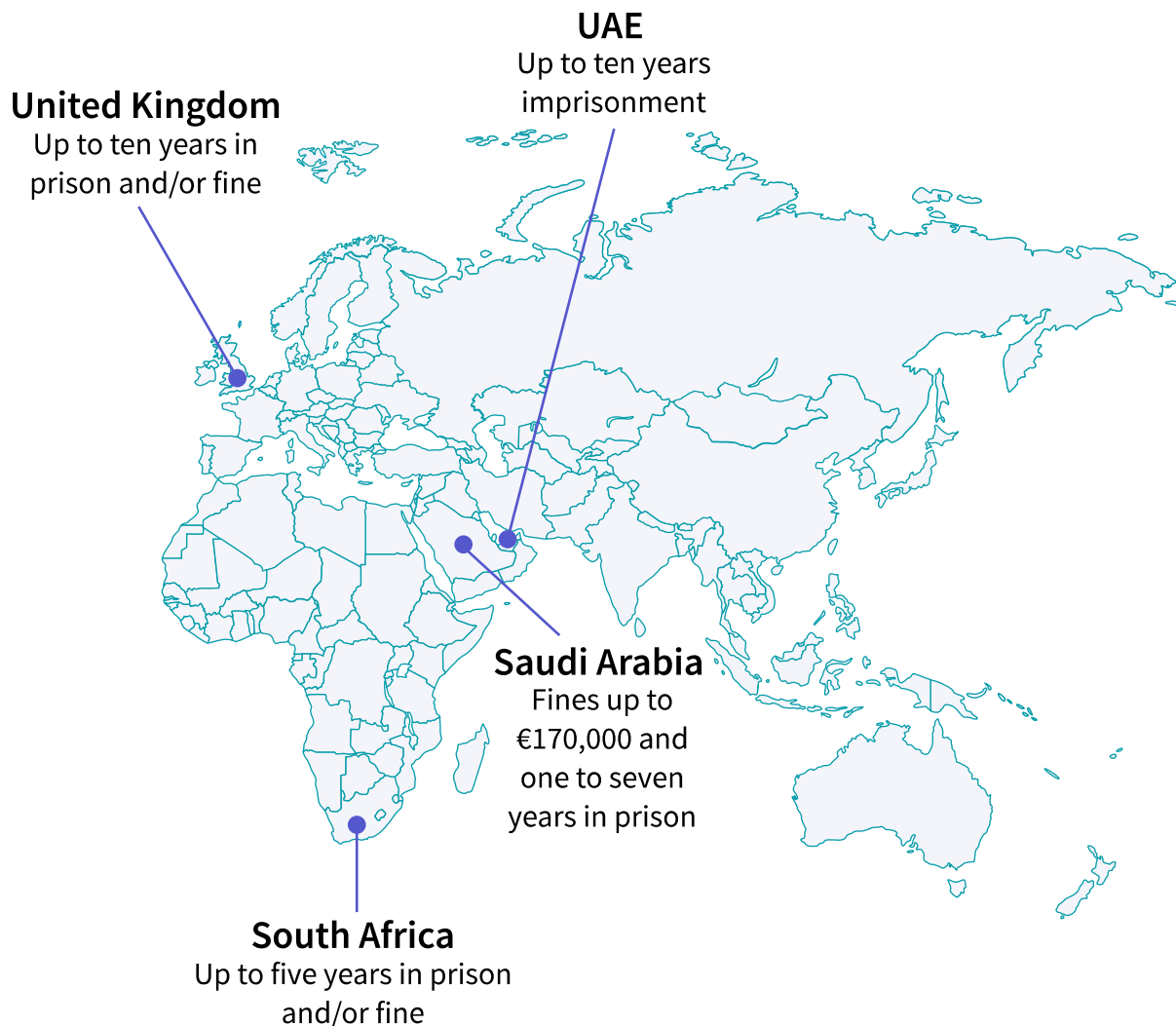
In the USA

North Dakota passed legislation in 2003 stating that anyone using false credentials in pursuit of employment could face up to a year in prison and/or a fine of \$2,000. Similar laws are also upheld across Maine, Florida, Illinois, New Jersey, Texas, Virginia, Washington, and Oregon.

Rest of the World

- In the UK, when someone lies on an application or CV, presents a fake certificate or transcript, alters a genuine university document and presents the information as real, they have committed fraud and are liable for prosecution. This could result in prison sentences of up to ten years
- South Africa passed a law that allows punishment of up to 5 years in prison, and/or an unspecified fine for presenting fraudulent credentials.

EXAMPLES OF CREDENTIAL FRAUD IN EMPLOYMENT



- In Saudi Arabia, presenting fake credentials may result in a fine of up to €170,000 and imprisonment from one to seven years, and in the case of non-nationals deportation and a life ban from entering the Kingdom of Saudi Arabia may apply.
- In the UAE, anyone convicted of academic credential fraud can be sentenced up to ten years in prison.
- In Qatar authorities have started to take the issue very seriously. There is public support for “fraudulent engineers, doctors, and accountants to be publicly named and shamed.” In one of the first strict sentences in the country, an Indian expat was sentenced up to three years in jail for faking a degree.

EXAMPLES OF CREDENTIAL FRAUD IN HEALTHCARE

Credential fraud in healthcare is one of great concern as the risk of harm goes beyond simply losing a job or facing jail time - it is the patient's health and wellbeing at stake. Patients put great trust in their healthcare providers to carry out thorough verification of an applicant's academic and professional experience.

There have been several cases of healthcare workers getting caught with false credentials and facing punishment. The consequences often go beyond the individual however, with hospitals and healthcare services facing restricted funds during the pandemic, and many patients receiving unnecessary procedures.

South Carolina's Largest Urgent Care Provider to Settle Claims for False Credentials

In April 2021, Doctors Care, P.A. and its management company, UCI Medical Affiliates of South Carolina, Inc. (UCI), **agreed to pay \$22.5 million to settle whistleblower claims** regarding false credentials. It was discovered that between 2013 and 2018, UCI had incorrectly claimed that most of their urgent care visits were delivered by properly credentialed providers. The investigation found that, not only were providers not properly credentialed, but many providers were ineligible for the credentials required to provide the specific care.

The credential fraud came about due to UCI trying to navigate the denial of federal insurance program claims from providers who had not yet received their billing credentials. Rather than delay claims and implement the correct credentials, UCI used a method of billing services under a credentialed provider. Reports and allegations stated that in fact, the care had been delivered by a non-credentialed provider. In this instance, fortunately no harm to patients was discovered and it was reported that 'all providers that delivered care were qualified to do so'.

EXAMPLES OF CREDENTIAL FRAUD IN HEALTHCARE

Fraudulent Psychiatrist Practised For 23 Years

In 1995, New Zealand psychiatrist Zholia Alemi joined the UK medical register after presenting a primary medical qualification from the University of Auckland. The qualification allowed Alemi to join the medical register without passing the standard two-part assessment of their medical knowledge and skills. There was a huge problem however, that wouldn't be discovered until over 20 years later in 2018 - Alemi's qualification was completely fake. The 'psychiatrist' had attended the University of Auckland but dropped out after failing the first year.

The credential fraud was **discovered in 2018 by the General Medical Council**, two years after Alemi had been arrested and sentenced for manipulating an elderly patient into changing their will. This prompted a large-scale investigation into over 3000 foreign doctors that used the same route to join the medical register. Known as the 'Commonwealth route', this method allowed doctors holding overseas qualifications to join the medical register without completing the two-part assessment. This route is no longer available, having been abolished in 2003 and replaced with improved procedures that include strict verification checks for credentials issued outside the UK. The resulting investigation, which was completed in 2019, found that the 3,117 doctors that had also used this route did not hold any fraudulent credentials.

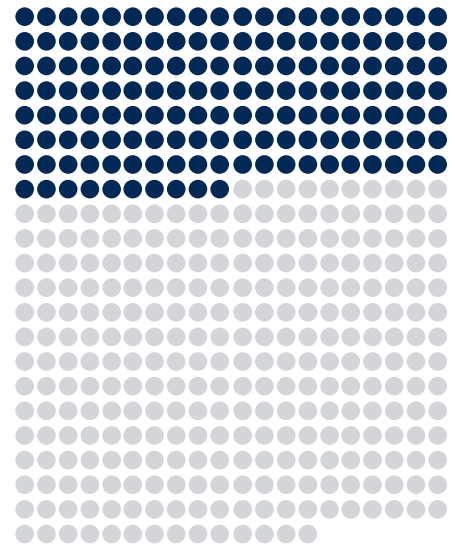
EXAMPLES OF CREDENTIAL FRAUD IN AVIATION

Credential fraud is less commonly seen in aviation than other industries, however there have been several severe examples of credential fraud in the aviation industry across the world.

Pakistan International Airlines Grounds 150 Pilots for Fraudulent Credentials

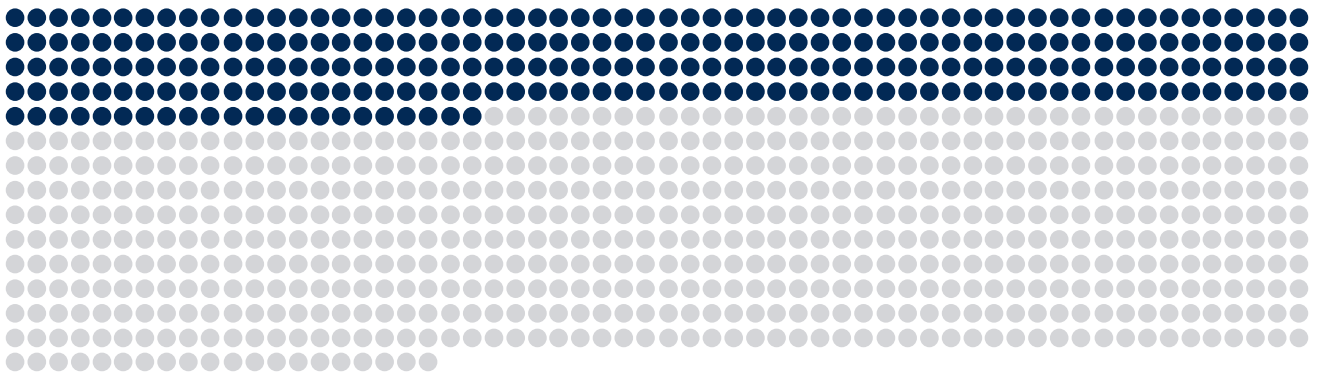
After a number of crashes caused by human error, one of which led to great loss of life, Pakistan International Airlines (PIA) **launched an investigation into their pilots** in early 2020. The investigation led to the immediate ‘grounding’ of 150 pilots, out of the 434 pilots employed at the time. The investigation followed allegations that a large percentage of pilots held fraudulent credentials achieved through cheating in their pilot exam, or had paid another individual to pass the exam on their behalf.

PIA is no stranger to credential fraud, having previously discovered 648 employees in recent years that held fake high-school diplomas and university degrees. The subsequent discovery of pilot licence fraud soon led to PIA being barred from flying into both Europe and the United States.



150 out of 434 PIA pilots grounded

The allegations prompted further investigation into all Pakistani pilot licenses and revealed 262 suspected fraudulent licenses out of the 860 active licences held. A government inquiry into the 262 resulted in criminal charges against all pilots holding fraudulent credentials and orders preventing the pilots from continuing to fly. Earlier this year in 2021, a further five people and a pilot were fired from the Civil Aviation Authority and arrested for their part in the pilot license scandal.



262 out of 860 Pakistani pilots held fraudulent credentials

EXAMPLES OF CREDENTIAL FRAUD IN AVIATION

British Airways Pilot Charged With Fraud

A British Airways (BA) pilot has been **charged with eight counts of fraud** after falsely representing his credentials between April 2016 and March 2017. The pilot, Craig Butfoy, was accused of falsely claiming: over 1,600 hours flying as a captain, more than 650 hours as a private pilot, and giving false details on his CV, including presenting a fabricated training certificate.

The prosecution brought by the Civil Aviation Authority (CAA) found that Butfoy had previously made similar claims to get a job at Irish regional airline Stobart Air. The case which hit UK headlines in October 2020 is yet to be settled but it is likely that Butfoy will face sentencing later in 2021.

EXAMPLES OF CREDENTIAL FRAUD IN THE JUSTICE SYSTEM

Responsible for maintaining law and order and ensuring victims and criminals receive justice for their involvement, the justice system should be impenetrable by fraudsters. Unfortunately this isn't the case. A number of case outcomes have been revisited in recent years due to the discovery of fraudulent expert witnesses from cases sentenced prior to 2010.

Expert Witness Discredited

The testimony of the expert witness, Saami Shaibani, has been used in a number of high-profile cases across the US. Including the infamous Michael Peterson trial featured in the 2018 Netflix documentary 'The Staircase'.

Shaibani has since come under criticism after new evidence revealed that **his credentials may not be entirely accurate**. Investigations revealed that Shaibani had lied about his affiliations and academic history. This resulted in his testimony being discredited from a number of active homicide cases across the US and considerations into new trials for previously sentenced individuals.

Con Man Expert Witness Fakes Entire Background

A web of lies spun by a Tampa businessman has led him to be arrested for a second time for **committing perjury in an official proceeding**. Chester Kwitowski was charged with lying under oath about his academic background and certifications when appearing as an expert witness. Kwitowski claimed to hold current qualifications from Cisco Software and EnCase, had worked for NASA, and that he was a certified forensic examiner in the military. His sworn testimony also claimed he held a Master's degree from the University of South Florida in computer science and engineering.

Investigations discovered that not only did Kwitowski not hold the claimed Master's degree - the degree did not even exist at the University of South Florida. Although the software companies contacted by officials could see records of training courses completed, there was no evidence of the accused reaching 'certified engineer' status. His affiliations with the military and NASA were also proved to be false, having only spent four months in the military before he was terminated.

IN SUMMARY

Credential fraud, as we have shown, can occur across any industry. In many cases credential fraud is minor, such as white-collar workers manipulating their academic background or employment history to improve their prospects. Most worryingly are the examples of major credential fraud, where individuals achieve roles that require huge amounts of trust and create serious risk of harm to health, wellbeing, and freedom.

As the adoption of digital credentials continues to grow, the chance for credential fraud to occur diminishes. Organizations that implement digital credentialing programs and strict verification processes for individuals in a position of trust contribute to eliminating future credential fraud.

Accredible is working to make digital credentials more accessible to all types of organizations and industries with support for instant verification and the portability of issued credentials. This will empower credential holders to validate their experience on the go using digital wallet cards and social shares. For issuers, the implementation of digital credentials ensures the protection and credibility of their brands and programs.

Talk to the Accredible sales team today and **book a platform demo** for more information about how we can implement and launch your digital credentialing program.



Accredible

Accredible is the industry-leading digital credentialing platform that securely issues, manages, tracks, and verifies millions of high-stakes credentials across the globe. Accredible integrates with leading learning software including Canvas, D2L Brightspace, Kajabi, Kryterion Webassessor, Moodle, Thinkific, and more. Over 1,900 leading universities, associations, and technology companies such as Google, Skillsoft, Slack, the Association of Corporate Treasurers, Chartered Banker Institute, University of Cambridge, AMPP, Hootsuite, IEEE, Cengage, MIT, Rutgers, INSEAD, IAPP, UC Berkeley, AMBA, and The Digital Marketing Institute rely on Accredible to create, deliver and manage digital certificates and open badges. Learn more at accreditable.com

accreditable.com