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DEPUTY
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8 UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF WASHINGTON

10 UNITED STATES OF AMERICA,

11 Plaintiff,

12 vs.

13 ROBERTA LYNN MARKISHTUM,

14 Defendant.

CR-05-180-7-LRS

Plea Agreement

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17 Plaintiff United States of America, by and through James A. McDevitt,
18 United States Attorney for the Eastern District of Washington, and George J.C.
19 Jacobs, III, Assistant United States Attorney for the Eastern District of
20 Washington, and Defendant ROBERTA LYNN MARKISHTUM and her counsel,
21 Richard D. Wall, agree to the following:

22 1. Waiver of Indictment, Guilty Plea and Maximum Statutory Penalties:

23 Pursuant to Fed.R.Crim.P. 11(c)(1)(C), ROBERTA LYNN MARKISHTUM
24 agrees to plead guilty to the Information Superseding Indictment dated April 9,
25 2008. This Information Superseding Indictment charges the Defendant with
26 Misprision of a Felony, in violation of 18 U.S.C. § 4. The Defendant agrees to
27 waive presentation of a superseding indictment to a grand jury, to execute in open
28 court a written waiver to that effect, and to proceed by way of an Information

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2 Superseding Indictment. The Defendant understands that this charge is a Class E
3 felony offense that carries a maximum statutory penalty of: not more than a three-
4 year term of imprisonment; not more than a \$250,000 fine; not more than a one-
5 year term of supervised release; the payment of restitution; and a \$100 special
6 penalty assessment.

7 The Defendant and the United States acknowledge that this Plea Agreement
8 is entered pursuant to Fed.R.Crim.P. 11(c)(1)(C) and that the parties agree that a
9 sentencing range of zero to six months imprisonment is an appropriate disposition
10 of the case. The Defendant and the United States further acknowledge that the
11 Defendant will have the option to withdraw from this Plea Agreement if the Court
12 imposes a sentence greater than six months.

13 2. Violation of Supervised Release:

14 The Defendant understands that a violation of a condition of supervised
15 release carries an additional penalty of re-imprisonment for all or part of the term
16 of supervised release, without credit for time previously served on post-release
17 supervision.

18 3. The Court is Not a Party to the Agreement:

19 The Defendant and the United States acknowledge that the Court is not a
20 party to this Plea Agreement and may accept or reject it. The Defendant
21 understands: that sentencing is a matter solely within the discretion of the Court;
22 that the Court is under no obligation to accept any recommendations made by the
23 United States and/or by the Defendant; that the Court may obtain an independent
24 report and sentencing recommendation from the U.S. Probation Office; and that
25 the Court will, in its discretion, determine the sentence it deems appropriate, up to
26 the statutory maximum penalty, notwithstanding the Rule 11(c)(1)(C) nature of
27 this Plea Agreement. However, if the Court accepts this Plea Agreement under
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2 Rule 11(c)(1)(C), the Court is bound by the sentencing range recommended by the
3 parties contained herein.

4 The Defendant acknowledges that no promises of any type have been made
5 to the Defendant with respect to the sentence the Court will impose in this matter.
6 The Defendant understands that the Court is required to consider the applicable
7 sentencing range under the Sentencing Guidelines, but that the Court may depart
8 upward or downward from the range if the Court rejects this Rule 11(c)(1)(C) plea
9 and the Defendant nevertheless persists with a guilty plea. The Defendant
10 understands that if the Court rejects this Rule 11(c)(1)(C) Plea Agreement and the
11 Defendant persists with a guilty plea, the parties are free to recommend whatever
12 sentence they deem appropriate, up to an including the statutory maximums. The
13 Defendant and the United States acknowledge, however, that this Plea Agreement
14 is entered pursuant to Fed.R.Crim.P. 11(c)(1)(C).

15 4. Waiver of Constitutional Rights:

16 The Defendant understands that by entering this plea of guilty she is
17 knowingly and voluntarily waiving certain constitutional rights, including: (a.)
18 The right to a jury trial; (b.) The right to see, hear and question the witnesses; (c).
19 The right to remain silent at trial; (d.) The right to testify at trial; and (e.) The right
20 to compel witnesses to testify.

21 While the Defendant is waiving certain constitutional rights, she also
22 understands that she will retain the right to be assisted through the sentencing
23 process and any direct appeal by an attorney, who will be appointed at no cost if
24 she cannot afford to hire an attorney. She acknowledges that pending pretrial
25 motions, if any, are waived.
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2 5. Elements of the Offenses:

3 The Defendant acknowledges and agrees that, in order to be found guilty of
4 Misprision of a Felony, in violation of 18 U.S.C. § 4, the United States must prove
5 the following elements beyond a reasonable doubt:

6 First, On or about January 24, 2005, the crime of conspiracy to commit wire
7 and mail fraud was committed by someone other than ROBERTA
8 LYNN MARKISHTUM; and

9 Second, ROBERTA LYNN MARKISHTUM had actual knowledge of that
10 fact; and

11 Third, ROBERTA LYNN MARKISHTUM failed to notify authorities of the
12 offense; and

13 Fourth, ROBERTA LYNN MARKISHTUM deliberately took an
14 affirmative step to conceal the crime.

15 6. Factual Basis and Statement of Facts:

16 The Defendant acknowledges and agrees that, in proving the elements of the
17 crime to which she is pleading guilty, the United States can establish the following
18 facts beyond a reasonable doubt, that these facts constitute an adequate factual
19 basis for her plea of guilty, and that for sentencing purposes neither party is
20 precluded from presenting additional facts and arguing the relevance of the facts
21 to the Sentencing Guidelines computation or to sentencing generally, unless
22 otherwise prohibited by this Plea Agreement.

23 *A. Overview*

24 From on or about August 4, 1999, until on or about August 11, 2005, Dixie
25 Ellen Randock, Steven Karl Randock, Sr., Heidi Kae Lorhan, Kenneth Wade
26 Pearson, Richard John Novak, Blake Alan Carlson, Amy Leann Hensley and
27 others known and unknown, conspired to operate a so-called internet-based
28 "diploma mill" through which materially false and fraudulent academic products

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2 were sold to individual consumers. These products included high school degrees,
3 college and graduate-level degrees (e.g., Bachelor of Arts, Bachelor of Sciences,
4 Master of Arts, Master of Sciences, and Doctor of Philosophy), fabricated
5 academic transcripts, and "Professorships." During this period, the diploma mill
6 sold approximately \$1,485,026.07 in fraudulent academic products to thousands of
7 individual consumers located in the United States and elsewhere.

8 At least seven different locations were being used to operate the diploma
9 mill, including: (1) the residence of Dixie Ellen Randock and Steven Karl
10 Randock, Sr. located in Colbert, Washington; (2) the residence of Heidi Lorhan
11 located in Veradale, Washington; (3) the residence of Amy Hensley located in
12 Spokane, Washington; (4) the residence of Richard Novak located in Peoria,
13 Arizona; (5) office space within "Home Boys", a business located at 14525 North
14 Newport Highway located in Mead, Washington; (6) office space rented at Suite
15 8-B, 601 East Seltice Way in Post Falls, Idaho; and (7) the residence of Ken
16 Pearson located in Spokane, Washington. In addition, at least two mail
17 forwarding boxes located in Washington, D.C. and Wilmington Delaware, were
18 being used in connection with the operation of the diploma mill.

19 The conspirators created and used internet websites to advertise diplomas
20 and academic products for sale. These websites purported to be legitimate
21 academic "entities" that sold legitimate academic products based on legitimate
22 academic assessments. The conspirators created numerous "entities" using names
23 such as:

24 Saint Regis University; James Monroe University; Robertstown University;
25 Holy Acclaim University; Ameritech University; Fort Young University;
26 Pan America University; All Saints American University; American Capital
27 University; Blackstone University; Capital America University; Hampton
28 Bay University; Hartland University; Intech University; Nation State
University; New Manhattan University and Graduate Institute; North United
University; Port Rhode University; St. Lourdes University; Saint Renoir
University; Stanley State Graduate University; Van Ives University; West
American University; International MBA Institute; Apollo Certification

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2 Institute; James Monroe High School; Liberty Academy Preparatory High
3 School; Trinity Christian High School; Mission College Preparatory High
4 School; and Bradford Academy College Preparatory High School.

5 The conspirators also used the websites to sell counterfeit diplomas and academic
6 products purporting to be from legitimate academic institutions, such as the
7 University of Maryland, George Washington University, Missouri University, and
8 Texas A&M University.

9 Conspirators communicated with consumers on behalf of the "entities"
10 using e-mail transmittals (which affected interstate commerce) using materially
11 false names, credentials, pretenses, promises, and representations. Unbeknownst
12 to the defrauded consumers, however, these entities were nonexistent shells that
13 conducted no academic business whatsoever. Nonetheless, the conspirators
14 falsely represented that they were representing legitimate, on-going, degree-
15 conferring institutions.

16 Generally, the cost of a high school diploma was \$350-\$400 and an
17 undergraduate or graduate "degree" was \$500 -\$1,200. As directed by
18 conspirators, defrauded consumers sent payment for the academic products
19 through the U.S. mails and over the wires via credit card payment. Defrauded
20 consumers paid for the academic products using: checks sent through the United
21 States Postal Service; electronic money transfers via a PayPal account, which is an
22 online bill paying service; Western Union wire transfer service; and Worldpay,
23 which is a company used to receive credit card payments.

24 Once payment was received from a defrauded consumer, the conspirators
25 manufactured the academic product(s) purchased. For example, using an
26 electronic template a diploma, transcript, and other documents would be
27 individualized for a consumer. The documents would be printed, packaged, and
28 mailed via the U.S. Postal Service or commercial interstate carrier.

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2 ROBERTA LYNN MARKISHTUM resided in Spokane, Washington, and
3 beginning in or about 2002, was employed at AEIT, Inc. by Dixie Ellen Randock
4 and Steven Karl Randock, Sr. ROBERTA LYNN MARKISHTUM attended high
5 school until the ninth grade. ROBERTA LYNN MARKISHTUM printed false
6 and fraudulent academic products that the defendants sold to consumers.

7 ROBERTA LYNN MARKISHTUM printed degrees and transcripts that were
8 backdated for consumers. The transcripts ROBERTA LYNN MARKISHTUM
9 printed indicated the academic credential, graduation date, and academic course
10 work could be verified by contacting the Official Transcript Verification Center or
11 the Official Transcript Archive Center at (202)-478-0699 or (877)-736-0812. She
12 used the email address, printer@university-services.net. ROBERTA LYNN
13 MARKISHTUM printed false and fraudulent academic products on a daily basis.

14 ROBERTA LYNN MARKISHTUM used the aliases "Jennifer Greene" and
15 "Roberta Greene" when communicating with schools, businesses, and employers
16 in the private and public sectors who would contact the Official Transcript
17 Verification Center or the Official Transcript Archive Center (two businesses
18 owned by Dixie Ellen Randock and Steven Karl Randock, Sr.) who were seeking
19 to "verify" a Saint Regis University, James Monroe University, Robertstown
20 University, degree, or a degree issued in the name of another university, that Dixie
21 Ellen Randock and her staff had sold. ROBERTA LYNN MARKISHTUM also
22 concealed from employers and prospective employers who were attempting to
23 verify the legitimacy of a degree that had been purchased from Dixie Ellen
24 Randock and Steven Karl Randock, Sr.'s diploma mill business the true nature and
25 location of Dixie Ellen Randock and Steven Karl Randock, Sr.'s Official
26 Transcript Verification Center (OTVC) and Official Transcript Archive Center
27 (OTAC). OTVC and OTAC were not independent and legitimate entities that had
28 offices and a staff in Washington, D.C. or Wilmington, Delaware. In reality, the

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2 Wilmington, Delaware and Washington, D.C. addresses for the Official Transcript
3 Verification Center and the Official Transcript Archive Center were nothing more
4 than mail forwarding addresses established and used by Dixie Ellen Randock and
5 Steven Karl Randock, Sr.

6 *B. ROBERTA LYNN MARKISHTUM's Statements*

7 On August 11, 2005, Federal and State law enforcement officers executed a
8 search warrant at Suite 8-B of the Post Falls Professional Center, 601 East Seltice
9 Way, Post Falls, Idaho. She spoke to officers that day, and again on August 23,
10 2005, about her knowledge concerning the diploma mill. She estimated that Dixie
11 Ellen Randock and Steven Karl Randock, Sr.'s diploma mill business sold
12 between 12,000 - 15,000 degrees.

13 ROBERTA LYNN MARKISHTUM stated that in November 2002 she
14 began working for AEIT, a business owned by Steven Karl Randock, Sr. and
15 Dixie Ellen Randock. Initially, she worked in the diploma mill's office on 14525
16 North Newport Highway, until Steven Karl Randock, Sr. moved it to Suite 8-B on
17 601 East Seltice Way, Post Falls, Idaho. ROBERTA LYNN MARKISHTUM
18 stated that Dixie Ellen Randock hired her to work as a "printer." In addition to
19 printing academic products sold by the diploma mill, her duties included receiving
20 payments (checks) for degrees that consumers had mailed in and giving those
21 payments (checks) to Steven Karl Randock, Sr., and communicating with
22 consumers via email and the U.S. Mail.

23 ROBERTA LYNN MARKISHTUM stated that before she printed a degree,
24 one of the diploma mill's "advisors" would email a degree and transcript
25 "template" to her. She stated that the "advisor" would complete the templates as
26 to the type of degree, the school, the academic courses and grades taken, the
27 student's name, and the graduation date. ROBERTA LYNN MARKISHTUM
28 knew that the advisors created transcripts for consumers by searching for

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2 transcripts from schools on "Google," and then copying the courses into a
3 manufactured transcript. ROBERTA LYNN MARKISHTUM printed the
4 academic products, affixed "school" seals, and, using one or more ink stamps,
5 affixed a signature of a fictitious "school" official. ROBERTA LYNN
6 MARKISHTUM stated that the diploma mill's "advisors" included Amy Hensley
7 as "Advisor Tim," Heidi Lorhan as "Advisor James," an individual identified by
8 the initials "P.M." as "Advisor Pat," Blake Carlson as "Advisor Blake," and an
9 individual identified by the initials "C.C." as "Advisor Carlin." She knew that
10 Dixie Ellen Randock used the aliases, "Dr. Thomas Carper" and "Tia Roberts,"
11 when communicating with consumers.

12 ROBERTA LYNN MARKISHTUM stated that all the "advisors" received
13 commissions on the degrees they sold. ROBERTA LYNN MARKISHTUM stated
14 that from 2002 to May 2005, she received a commission on high school degrees
15 that she printed, but received no commissions on college-level degrees. In
16 addition to her hourly wage, she estimated receiving a monthly commission of
17 \$600 during this period.

18 ROBERTA LYNN MARKISHTUM became suspicious that Steven Karl
19 Randock, Sr. and Dixie Ellen Randock's diploma mill business might be illegal
20 when a reporter from a local newspaper "started knocking on the door."

21 Dixie Ellen Randock instructed ROBERTA LYNN MARKISHTUM to tell
22 consumers that Saint Regis University, Robertstown University, and James
23 Monroe University were located in Liberia. At the same time, Dixie Ellen
24 Randock told ROBERTA LYNN MARKISHTUM that there really were no
25 "schools" in Liberia. Dixie Ellen Randock told ROBERTA LYNN
26 MARKISHTUM that Saint Regis University, Robertstown University, and James
27 Monroe University were online universities which have an office in Liberia.
28 Based on what Dixie Ellen Randock told her, ROBERTA LYNN MARKISHTUM

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2 told consumers that Saint Regis University, Robertstown University, and James
3 Monroe University were accredited in Liberia and that was equivalent to a U.S.
4 accreditation. ROBERTA LYNN MARKISHTUM used ink-stamp signatures on
5 the academic products she printed. Most of the signatures she used were in the
6 names of Blake Carlson, Richard Novak, and an individual identified by the
7 initials, "J.F." On at least one occasion, she was instructed to use an unreadable
8 signature that Dixie Ellen Randock and Amy Hensley called the "dragonfly"
9 signature. ROBERTA LYNN MARKISHTUM answered the diploma mill's, and
10 related entities', telephone numbers using the aliases, Jennifer Greene or Roberta
11 Greene. ROBERTA LYNN MARKISHTUM estimated that 1,000 businesses,
12 schools, and employers called the toll-free telephone number established by Dixie
13 Ellen Randock and Steven Karl Randock, Sr., inquiring about the following details
14 of an individual's academic background: the type of degree awarded; the
15 graduation date; and information, e.g., grade point average, set forth on the
16 individual's transcript. ROBERTA LYNN MARKISHTUM also estimated that
17 approximately 600 employers contacted her to verify a degree that had been
18 awarded.

19 Dixie Ellen Randock instructed ROBERTA LYNN MARKISHTUM not to
20 ship degrees to consumers in the States of Washington, Idaho, Illinois, Oregon, or
21 Georgia. Dixie Ellen Randock instructed her not to ship degrees to Georgia
22 because of the bad press Saint Regis University had received in Georgia in
23 connection with the degrees Dixie Ellen Randock had sold to several teachers.
24 Dixie Ellen Randock instructed her not to ship degrees to the States of
25 Washington and Idaho because Dixie Ellen Randock and Steven Karl Randock,
26 Sr.'s diploma business was located in those two states. Dixie Ellen Randock
27 instructed ROBERTA LYNN MARKISHTUM not to ship degrees to Oregon
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2 because there were laws prohibiting what they sold. She also was instructed not to
3 ship degrees to Illinois.

4 ROBERTA LYNN MARKISHTUM was aware that several consumers
5 complained that the degrees they had purchased from Dixie Ellen Randock and
6 Steven Karl Randock, Sr. and their staff were “no good” and the consumers
7 wanted a refund. Dixie Ellen Randock instructed ROBERTA LYNN
8 MARKISHTUM to offer the consumer a free credential evaluation by the
9 Academic Credential Assessment Corporation (ACAC) instead of giving the
10 consumer a refund. ACAC’s “free evaluation” would state the degree was
11 equivalent to a U.S. degree.

12 In early August 2005, Dixie Ellen Randock gave ROBERTA LYNN
13 MARKISHTUM a box containing the following diploma mill paraphernalia: gold
14 notary seals; rolls of “Panama Canal University” and “James Monroe University”
15 seals; self-inked signature stamps with unreadable signatures; an ACAC seal
16 embossing tool; a “Marquis Open University” seal embossing tool; a “Berkeley
17 Professional University” seal embossing tool; a “Riviera University” seal
18 embossing tool; a “Miranda International University” seal embossing tool; and a
19 “Kings University International” seal embossing tool. Dixie Ellen Randock
20 instructed ROBERTA LYNN MARKISHTUM to mail these items to an individual
21 identified by the initials “E.C.” in Florida. Dixie Ellen Randock was going to
22 close down the diploma mill printing operations that were located in the basement
23 office (Suite 8-B) rented at 601 East Seltice Way in Post Falls, Idaho, so “E.C.”
24 could begin printing the false and fraudulent academic products in Florida.

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2 C. *ROBERTA LYNN MARKISHTUM Affirmatively Conceals Her*
3 *Knowledge of a Crime to the United States Department of*
4 *Veterans Affairs and, Concealing Her True Identity, She*
5 *Verifies a University of Maryland Degree which Dixie Ellen*
6 *Randock and Steven Karl Randock, Sr.'s Diploma Mill*
7 *Business Manufactured and Sold to "D.F."*

8 On September 10, 2001, an individual in Bamberg, Germany, and identified
9 by the initials "D.F." submitted an application form to evalu@advancedu.org for
10 the purpose of having his life experiences "evaluated" and to determine if those
11 experiences qualified him for a Bachelor of Arts degree in Criminal Justice,
12 Business Education, Physical Education, Accounting, and General Studies. On
13 September 11, 2001, "D.F." sent by facsimile from Germany to "Fr. Patrick" in the
14 State of Washington, several documents setting forth "D.F.'s" military experience
15 and academic background. On September 15, 2001, Amy Hensley using the false
16 identity "Fr Timothy" and the email address FR.Timothy@advancedu.org
17 transmitted the following email captioned "Degree Evaluation Results" to "D.F.'s"
18 email address, notifying "D.F" that:

19 Based on information provided by you, and by Virtue of their
20 Authority, The Regents of the Peer Advisory have determined that
21 knowledge and proficiency has been demonstrated to meet this
22 institution's equivalency of required curriculums to confer any or all
23 of the following Degree, Rank and Academician Status of:

24 Bachelor of Science in General Studies
25 Bachelor of Administration in Accounting
26 Master of Business Administration in Public Administration
27 Master of Science in Criminal Justice

28 Our Peer Advisors are pleased to inform you that the evaluation of
your experience has resulted in the equivalency of required
curriculum for the following Certificates in:

Professor of Criminal Justice
Crime Prevention Consultant
Organizational Management Counselor
Youth Leadership & Guidance Policy Consultant
Crime Reduction & Property Loss Prevention Counselor

Includes professional engraved and sealed 14 x 11 Diploma,
Laminated Wallet Diploma, Transcript, Matriculation History,
Graduation Letter, "Thank you Award," Document Portfolio and US
Verification Service.

**YOU MAY BEGIN USING YOUR PEER DEGREE TITLES
IMMEDIATELY UPON ACCEPTANCE.
PRINTING & PREPARATION FEES:**

1
2 You may have Documents professionally engraved and sealed, plus
3 you may archive and activate your verification service ONLINE or by
4 FAX at <https://secure5.marketrends.net/advancedu>
5 OR to receive directions for Bank/Wire Transfer or Phone Payment,
6 by email to admin@advancedu.org

7 DOCUMENT PRINTING & PREPARATION FEES ARE ALSO
8 POSTED AT THE PAYMENT SITE:

9 \$290 Certificate Level Degree
10 \$390 Associate Level Degree
11 \$390 Bachelor Level Degree
12 \$525 Master Level Degree
13 \$950 Doctorate, PhD Level Degree
14 \$850 Combination Bachelor/Master Degree
15 \$1,290 Combination Master/PhD Degree
16 \$1,500 Combination Bachelor/Master/PhD Degree
17 \$390 Adjunct Professor - *Bachelor Degree req.
18 \$400 Junior (Associate) Professor - *Master Degree req.
19 \$500 Full Professorship - *Doctorate Degree req.
20 \$450 High School Diploma/Home School Diploma

21 This fee is for document production and verification service. There
22 are no other fees other than shipping.

23 Shipping

24 + \$36.00 for one degree or certificate

25 + \$15.00 for each additional degree or certificate

26 If you have further questions, please feel free to contact us at anytime
27 at evalu@advancedu.org

28 Respectfully,

Fr Timothy

On November 6, 2001, "D.F." submitted an online form to Dixie Ellen
Randock and Steven Karl Randock, Sr.'s diploma mill internet site notifying them
that he agreed to purchase a Bachelor of Science degree in Criminal Justice for
\$426, including \$36 for shipping, that his "advisor" "Fr. Timothy" could select the
month of graduation, and in the form's "comments" section, that he wanted the
degree to be issued in the name of the University of Maryland. On December 3,
2001, Amy Hensley received a check (# 1010) from "D.F." in the amount of \$426
at AEIT, Inc.'s business address at N. 14525 Newport Highway, Mead,
Washington. On March 15, 2002, Dixie Ellen Randock, Steven Karl Randock, Sr.,
and Amy Hensley manufactured for "D.F.'s" use a counterfeit transcript bearing
the name of the University of Maryland, listing academic courses "D.F." had never
taken and grades he had never received. The counterfeit transcript that the

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2 defendants manufactured contained the printed representation "Accredited
3 ADLP." The counterfeit transcript was backdated to reflect a graduation date of
4 June 5, 1998.

5 On August 1, 2002, "D.F." completed an online form and requested Dixie
6 Ellen Randock, Steven Karl Randock, Sr., and Amy Hensley, using the email
7 addresses request@transcriptrecords.com and admin@advancedu.org, to mail a
8 counterfeit University of Maryland transcript to his employer, the United States
9 Army, at Groveton, Georgia, so the counterfeit transcript could be included in his
10 official military personnel records for educational credit. On August 1, 2002,
11 Dixie Ellen Randock, Steven Karl Randock, Sr., and Amy Hensley processed a
12 \$35 credit card payment to A+ Institute, 14525 N. Newport Highway, Mead,
13 Washington, for the printing and mailing of a counterfeit University of Maryland
14 transcript to "D.F.'s" employer, the United States Army.

15 On November 15, 2004, "D.F." represented on a Questionnaire For Non-
16 Sensitive Positions (U.S. Office of Personnel Management Standard Form 85)
17 submitted in support of his application for employment with the United States
18 Department of Veterans Affairs (VA) that, in 1998 he had received a Criminal
19 Justice degree from the "University of Maryland, 611 Pennsylvania Avenue, S.E.,
20 # 211, 20005-4303." On December 9, 2004, "D.F." filled out a Credential
21 Verification Form and submitted it to the United States Department of Veterans
22 Affairs representing that he had graduated from the University of Maryland on
23 June 5, 1998, had been awarded a Bachelor of Science degree in Criminal Justice,
24 that the University of Maryland could be contacted at the following address, 611
25 Pennsylvania Avenue, S.E. # 211, Washington, D.C. 20003-4303, and at the
26 following telephone numbers, 877-736-0812 or 202-478-0699, or at the following
27 fax number, 410-455-1141. On December 9, 2004, "D.F." signed VA Form 10-
28 2850 (Authorization For Release of Information) authorizing the United States

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2 Department of Veterans Affairs to make inquiries to educational institutions
3 concerning his educational background and permitting those institutions to release
4 information to VA officials. ROBERTA LYNN MARKISHTUM affirmatively
5 concealed her true identity and the fact that she was not an employee of the
6 University of Maryland to the United States Department of Veterans Affairs. On
7 January 24, 2005, the Regional Manager, Southeast Region 3A, Veterans Affairs
8 Medical Center ("VAMC"), Bay Pines, Florida, transmitted by facsimile to
9 "Jennifer" a letter that was addressed to the "University of Maryland, Office of
10 Registrar, 611 Pennsylvania Avenue, S.E. # 211, Washington, D.C. 20003-4303"
11 requesting "Jennifer" to verify the information "D.F." had provided to the United
12 States Department of Veterans Affairs about his University of Maryland
13 education. On January 24, 2005, ROBERTA LYNN MARKISHTUM concealed
14 her true identity to the United States Department of Veterans Affairs when she
15 ink-stamped the signature "Jayne W. Johnson" on the "Official Completing
16 Request" line on a Credential Verification Form and sent the Credential
17 Verification Form to the United States Department of Veterans Affairs.
18 ROBERTA LYNN MARKISHTUM also handwrote the word "Verifications"
19 underneath the name "Jayne W. Johnson" and hand-dated the Form, January 24,
20 2005. As a result, the United States Department of Veterans Affairs was led to
21 believe that "Jayne W. Johnson" had verified "D.F.'s" education and academic
22 credentials. In doing so, she deliberately took affirmative steps to conceal the
23 crime of conspiracy to commit wire and mail fraud.

24 D. *Statements STEVEN KARL RANDOCK, SR. Made to United States*
25 *Secret Service on August 11, 2005*

26 On August 11, 2005, United States Secret Service, Resident-Agent-In-
27 Charge, Kevin Miller, and Senior Special Agent John Neirinckx interviewed
28 Steven Karl Randock, Sr., while a Federal search warrant was being executed at

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2 14525 North Newport Highway, Mead, Washington. Steven Karl Randock, Sr.
3 stated that he and his wife, Dixie Ellen Randock, owned Saint Regis University,
4 James Monroe University, and other online distance education schools. Steven
5 Karl Randock, Sr. stated that initially he and his wife intended to operate the
6 "schools" in a legitimate manner but that the schools "did not end up that way."
7 As part of the scheme, Steven Karl Randock, Sr. stated that he set up the mail
8 forwarding boxes located at 611 Pennsylvania Avenue, Washington, D.C. and at
9 1812 Marsh Road, Wilmington, Delaware in order to receive mail addressed to the
10 "Official Transcript Verification Center" ("OTVC") and the "Official Transcript
11 Archive Center" ("OTAC").

12 On August 11, 2005, Steven Karl Randock, Sr. stated that he and Dixie
13 Randock were the owners of Saint Regis University, James Monroe University
14 and other "on-line distance education schools." Steven Karl Randock, Sr. stated
15 that initially he and Dixie Ellen Randock intended to operate the "schools" in a
16 legitimate manner but that the schools "did not end up that way." Steven Karl
17 Randock, Sr. stated that he used the fictitious name "Fr. Frendock," Dixie
18 Randock used the alias of "Thomas Carper", and Heidi Lorhan used the alias of
19 "Advisor James." Steven Karl Randock, Sr. stated that Dixie Randock used many
20 different e-mail addresses when she conducted business for their "schools," but
21 that most of her e-mail addresses started with "info@." Steven Karl Randock, Sr.
22 then asked that he not be questioned further until he was transported from 14525
23 North Newport Highway, Mead, Washington, to his residence in Colbert,
24 Washington. The Secret Service Agent attempted to continue the interview with
25 Steven Karl Randock, Sr. in the presence of Dixie Randock at their Colbert,
26 Washington, residence, however, Steven Karl Randock, Sr. became less
27 forthcoming to answering the agent's questions.
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2 When the agent questioned Steven Karl Randock, Sr. if he thought it was
3 acceptable for the "buyers" of their diploma business' degrees to obtain
4 employment or job promotions for positions they clearly were not qualified to
5 obtain or gain illegal entry into the United States via an H1B Visa, which Dixie
6 Randock and Steven Karl Randock, Sr. advertised on their websites, Dixie
7 Randock voluntarily interjected that "if the employers or Immigration believe
8 something that is not true, then it is their fault." When the agent questioned
9 Steven Karl Randock, Sr. if he thought it was acceptable that their "schools"
10 advertised that they were "accredited," and that the "degrees" were "Equivalent to
11 U.S. Regionally Accredited degrees," when in fact none of their "schools" were
12 recognized by the United States Department of Education or Council for Higher
13 Education (CHEA) as being "accredited;" Dixie Randock voluntarily interjected
14 that, "We just say they are accredited, but not say by who."

15 Steven Karl Randock, Sr. stated that he and Dixie Randock created and
16 owned the "Academic Credential Assessment Corporation" (ACAC) in Casper,
17 Wyoming. Dixie Randock and Steven Karl Randock, Sr. advertised on the
18 internet that ACAC "helped many graduates of non-U.S. schools get their degrees
19 evaluated as equivalent to . . . U.S. accredited degrees" and that "[m]any
20 employers need this type of evaluation to understand that the graduate is qualified
21 for a job that requires an accredited degree." Steven Karl Randock, Sr. stated that
22 they created ACAC in order to "evaluate" "degrees" that were issued by Dixie
23 Randock and Steven Karl Randock, Sr.'s "schools" and claim that their "degrees"
24 were equivalent to U.S. regionally accredited degrees.

25 The Secret Service agent asked Steven Karl Randock, Sr. if he thought it
26 was misleading to the buyers of the degrees that ACAC was actually Steven Karl
27 Randock, Sr. And Dixie Randock, and not an independent company that is
28 qualified to assess whether or not a degree is "equivalent to a U.S. regionally

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2 accredited degree.” Dixie Randock interjected by stating, “all the degrees are
3 issued based on prior learning experience.”

4 The Secret Service Agent asked Steven Karl Randock, Sr. what made him
5 believe that he, Dixie Randock or any of their sales staff were qualified in any way
6 to assess if a buyer of a degree was qualified to have a Masters or PhD even
7 though no one affiliated with their schools had a recognized legitimate Bachelors
8 degree. Dixie Randock voluntarily interjected that “we are not selling degrees.”

9 *E. Roles of Conspirators*

10 Dixie Ellen Randock was in charge of all the diploma mill’s operations.
11 Steven Karl Randock, Sr. opened mail forwarding boxes for the diploma mill’s
12 use, purchased supplies and advertising, received checks, signed checks to pay for
13 expenses, incorporated AEIT, Inc. and the Academic Credential Assessment
14 Corporation, and opened foreign and domestic bank accounts. Heidi Kae Lorhan,
15 like Amy Hensley, participated in the conspiracy as an advisor, using the identity
16 “Advisor James,” to sell false and fraudulent degrees based on materially false
17 promises, statements or representations. Amy Hensley used the identity “Advisor
18 Tim.” Blake Alan Carlson participated in the conspiracy as an advisor, using the
19 identity “Professor Blackwell” to sell false and fraudulent degrees based on
20 materially false promises, statements or representations. He also manufactured
21 many of the ink-stamps that were used on the academic products that the diploma
22 mill sold to consumers. Kenneth Wade Pearson participated in the conspiracy by
23 knowingly hosting false and fraudulent websites used by the diploma mill and by
24 printing fraudulent academic products. Richard John Novak participated in the
25 conspiracy by knowingly obtaining legitimate apostilles and other attestations,
26 which were thereafter affixed to unrelated fraudulent academic products sold by
27 the diploma mill, and by paying bribes to Liberian nationals.
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2 7. Waiver of Inadmissibility of Statements:

3 The Defendant agrees that, if she withdraws her guilty plea, she waives the
4 inadmissibility of statements, if any, made in the course of plea discussions with
5 the United States, pursuant to Fed. R. Crim. P. 11(f). The Defendant agrees
6 further that any such inadmissible statements also include those statements made
7 at the change of plea hearing to establish facts sufficient for the Court to accept
8 her plea of guilty. The Defendant agrees that this waiver permits the United States
9 to introduce any such inadmissible statements in its case-in-chief. However, if the
10 Court rejects this Rule 11(c)(1)(C) Plea Agreement, this waiver is void.

11 8. The United States Agrees to File No Additional Charges:

12 The United States Attorney's Office for the Eastern District of Washington
13 agrees not to bring any additional charges against the Defendant based upon
14 information in its possession at the time of this Plea Agreement and arising out of
15 the Defendant's conduct involving illegal activity charged in Indictment, unless
16 the Defendant breaches this Plea Agreement any time before or after sentencing.

17 9. The Defendant Agrees to Participate in Debriefings:

18 The Defendant agrees to participate in full debriefings by federal and local
19 investigative agencies and identify the source, location, and nature of any and all
20 domestic and foreign assets, including bank accounts, controlled directly or
21 indirectly, owned, transferred, hidden, placed in the name of a nominee, held in
22 the name of a corporation, trust, third party, or other entity, including Children's
23 Future Trust, at times and places to be decided by these agencies. The Defendant
24 agrees to provide complete, accurate and truthful information to these agencies.
25 The Defendant agrees to voluntarily produce any and all documents, records, or
26 other tangible evidence relating to assets, including bank accounts, about which
27 the law enforcement agencies inquire. The Defendant agrees to not protect any
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2 person or entity through false information or omission. It is understood that the
3 Defendant may have an attorney present at any or all such debriefings.

4 The Defendant agrees that the United States may, at its option and upon
5 written notice to the Defendant, withdraw from this Plea Agreement or modify its
6 recommendation for sentence if the Defendant fails to provide truthful, complete
7 and honest information during any such debriefings.

8 **10. Effect of Breach:**

9 If the Defendant breaches this Plea Agreement, she agrees: that the
10 agreement is null and void; that she expressly waives the right to challenge the
11 initiation of additional charges against her for any criminal activity; and that the
12 United States may make derivative use of and may pursue any investigative leads
13 suggested by her.

14 **11. United States Sentencing Guideline Calculations:**

15 The Defendant and the United States acknowledge that the final Sentencing
16 Guidelines calculations will be determined by the Court. If the Court orders a
17 Presentence Investigation Report, the Defendant and the United States
18 acknowledge that the Court will receive input from the United States Probation
19 Office on the appropriate sentencing Guidelines calculation. The Defendant and
20 the United States reserve the right to advise the Court about the law and facts
21 applicable to any sentencing issues. If the Court orders a Presentence
22 Investigation Report, the Defendant and the United States reserve the right to
23 advise the Court and the United States Probation Officer about the law and the
24 facts applicable to any sentencing issue.

25 **a. Base Offense Level:**

26 The Defendant and the United States agree that the base offense level for
27 Misprision of Felony is nine levels lower than the offense level for the underlying
28 offense but in no event less than four, or more than 19. USSG § 2X4.1(a).

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2 **b. Offense Level for the Underlying Offense:**

3 The United States and the Defendant agree that the base offense level for
4 the underlying offense, Conspiracy to Commit Wire and Mail Fraud, in violation
5 of 18 U.S.C. §§ 371, 1341 and 1343, is 6. *See* USSG § 2B1.1(a)(2).

6 **c. Specific Offense Characteristics:**

7 The Defendant acknowledges that the United States contends that the base
8 offense level should be increased based on the reasonably foreseeable loss
9 resulting from the Defendant's involvement in the conspiracy, which involvement
10 began on approximately January 1, 2003, and continued through August 11,
11 2005. USSG § 2B1.1(b)(1) and USSG § 1B1.3 (relevant conduct). The Defendant
12 acknowledges that the United States contends that the loss is more than
13 \$1,000,000, but less than \$2,500,000, which loss amount results in a sixteen-level
14 increase in the Defendant's base offense level. USSG § 2B1.1(b)(1)(I). The
15 United States acknowledges that the Defendant contends that the reasonably
16 foreseeable loss amount is less than \$1,000,000, which will result in a smaller
17 increase in her base offense level, if any.

18 The Defendant acknowledges that the United States contends that her base
19 offense level should be increased by an additional six levels because the
20 conspiracy involved a scheme to defraud 250 or more victims. *See* USSG §
21 2B1.1(b)(2)(C). The United States acknowledges that Defendant contends there
22 should be no such increase.

23 The Defendant also acknowledges that the United States contends that her
24 base offense level should be increased by an additional two levels because the
25 conspiracy involved misrepresentations that the Defendant was acting on behalf of
26 one or more educational or religious organizations. *See* USSG § 2B1.1(b)(8)(A).
27 The United States acknowledges that Defendant contends there should be no such
28 increase.

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2 The Defendant acknowledges further that the United States contends that
3 her base offense level should be increased by an additional two levels because the
4 Defendant relocated, or participated in relocating, the fraudulent scheme to
5 another jurisdiction to evade law enforcement or regulatory officials or otherwise
6 involved sophisticated means. *See* USSG § 2B1.1(b)(9)(A), (B). The United
7 States acknowledges that Defendant contends there should be no such increase.

8 **d. Vulnerable Victim:**

9 The Defendant acknowledges that the United States contends that her base
10 offense level should be increased by an additional two levels because the
11 Defendant knew or should have known that a victim of the offense was a
12 vulnerable victim. *See* USSG § 3A1.1(b). The United States acknowledges that
13 Defendant contends there should be no such increase.

14 **e. Acceptance of Responsibility:**

15 If Defendant pleads guilty and demonstrates a recognition and an
16 affirmative acceptance of personal responsibility for her criminal conduct,
17 provides complete and accurate information during the sentencing process, and
18 does not commit any obstructive conduct, the United States will recommend a
19 two-level reduction of her adjusted offense level for acceptance of responsibility
20 and move for a one-level reduction for timely entering a plea of guilty. *See* USSG
21 § 3E1.1(a) and (b). As a condition of this recommendation, the Defendant agrees
22 to pay the \$100 mandatory special penalty assessment (*see* 18 U.S.C. §
23 3013(a)(2)(A)) to the Clerk of the Court for the Eastern District of Washington, at
24 or before sentencing, in accordance with paragraph 17 herein. *See infra*.
25 Furthermore, the Defendant and the United States agree that the United States
26 may, at its option and upon written notice to the Defendant, not recommend a
27 reduction for acceptance of responsibility if, prior to the imposition of sentence,
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2 she is charged with or convicted of any criminal offense whatsoever and/or if she
3 tests positive for any controlled substance.

4 **f. Criminal History:**

5 The Defendant and the United States understand that her criminal history
6 computation will be determined by the Court. However, if the Court orders a
7 Presentence Investigation Report, her criminal history computation will be
8 determined by the Court, based on input from the United States Probation Office
9 and the Presentence Investigation Report. The Defendant and the United States
10 acknowledge they have made no agreement and have made no representations as
11 to the Criminal History Category within which the Defendant falls.

12 **12. Incarceration:**

13 The Defendant and the United States agree that, pursuant to this Rule
14 11(c)(1)(C) Plea Agreement, a sentencing range of zero to six months
15 imprisonment is an appropriate disposition of the case. The Defendant
16 understands that the United States will recommend that the Court impose a six
17 month term of imprisonment, to be followed by a one-year term of supervised
18 release. The United States understands that the Defendant will recommend that
19 the Court impose a sentence of probation and no term of imprisonment. The
20 United States acknowledges further that, if the Court imposes a term of
21 imprisonment, the Defendant will recommend that any such imprisonment be
22 served by a term of home detention or community confinement. The Defendant
23 acknowledges that the United States will oppose any such recommendation.

24 In the event that the Court orders the Defendant to report to prison, the
25 United States acknowledges that the Defendant will ask the Court to permit the
26 Defendant to self-surrender. The United States reserves the right to object to the
27 Defendant's request to self-surrender.

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2 The United States acknowledges that the Defendant will request the Court
3 to proceed to sentencing without input from the United States Probation Office
4 and a Presentence Investigation Report, pursuant to Fed.R.Crim.P. 32(c)(1)(A)(ii).
5 The Defendant acknowledges that the United States will oppose this request.

6 13. Withdrawal from Plea Agreement:

7 If the Court accepts this Plea Agreement, the Defendant and the United
8 States understand that, pursuant to this Rule 11(c)(1)(C) Plea Agreement, the
9 Court is bound by the recommended zero to six month sentencing range. If the
10 Court rejects this Plea Agreement, the Defendant and the United States understand
11 that the Defendant may withdraw her plea of guilty pursuant to the provisions of
12 Fed.R.Crim.P 11(c)(5).

13 14. Criminal Fine:

14 The Defendant and the United States agree to recommend that the Court
15 impose no criminal fine.

16 15. Supervised Release:

17 The Defendant and the United States agree to recommend that the Court
18 impose a one-year term of supervised release to include the following special
19 conditions, in addition to the standard conditions of supervised release:

20 a. that the Defendant's person, residence, office, vehicle, and
21 belongings shall be subject to search at the direction of her designated Probation
22 Officer;

23 b. that the Defendant shall provide financial information
24 (including the filing of periodic financial reports), provide copies of Federal
25 income tax returns, and allow credit checks, at the direction of her designated
26 Probation Officer;

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2 c. that the Defendant shall disclose all assets and liabilities and
3 shall not transfer, sell, give away, or otherwise convey or secret any asset, without
4 the advance approval of her designated Probation Officer;

5 d. that the Defendant shall be prohibited from incurring any new
6 debt, opening new lines of credit, or entering any financial contracts or obligations
7 without the prior approval of her designated Probation Officer;

8 e. that the Defendant shall be prohibited from working in the
9 educational field, with the exception of selling real estate courses if approved by
10 her designated Probation Officer; and

11 f. that the Defendant shall allow her designated Probation Officer
12 to conduct random inspections, including retrieval and copying of data from any
13 computer, and any personal computing device that the Defendant possesses or has
14 access to, including any internal or external peripherals. This may require
15 temporary removal of the equipment for a more thorough inspection. The
16 Defendant shall not possess or use any data encryption technique or program. The
17 Defendant shall purchase and use such hardware and software systems that
18 monitor the Defendant's computer usage, if directed by her designated Probation
19 Officer.

20 16. Restitution:

21 The Defendant and the United States agree to recommend that, pursuant
22 to 18 U.S.C. § 3663A(c)(3), the Court not order restitution to the victims of the
23 wire/mail fraud conspiracy offense because: (1) the number of identifiable victims
24 is so large as to make restitution impracticable; or (2) determining complex issues
25 of fact related to the cause or amount of the victim's losses would complicate or
26 prolong the sentencing process to a degree that the need to provide restitution to
27 any victim is outweighed by the burden on the sentencing process.
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2 17. Mandatory Special Penalty Assessments:

3 The Defendant agrees to pay the \$100 mandatory special penalty assessment
4 to the Clerk of Court for the Eastern District of Washington, at or before
5 sentencing, pursuant to 18 U.S.C. § 3013, and shall provide a receipt from the
6 Clerk to the United States before sentencing as proof of this payment.

7 18. Payments While Incarcerated:

8 If the Defendant lacks the financial resources to pay any monetary
9 obligations imposed by the Court, and if the Defendant is incarcerated, she agrees
10 to participate in the Bureau of Prisons' Inmate Financial Responsibility Program.

11 19. Additional Violations of Law Can Void Plea Agreement:

12 The Defendant and the United States agree that the United States may at its
13 option and upon written notice to the Defendant, withdraw from this Plea
14 Agreement or modify its recommendation for sentence if, prior to the imposition
15 of sentence, the Defendant is charged or convicted of any criminal offense
16 whatsoever or if the Defendant tests positive for any controlled substance.

17 20. Integration Clause:

18 The United States and the Defendant acknowledge that this document
19 constitutes the entire Plea Agreement between the United States and the
20 Defendant, and no other promises, agreements, or conditions exist between the
21 United States and the Defendant concerning the resolution of the case. This Plea
22 Agreement is binding only upon the United States Attorney's Office for the
23 Eastern District of Washington, and cannot bind other federal, state or local
24 authorities. The United States and the Defendant agree that this agreement cannot

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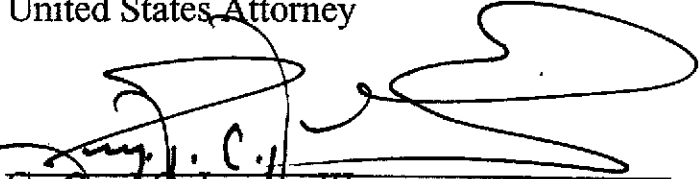
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be modified except in a writing that is signed by the United States and the Defendant.

Approvals and Signatures

Agreed and submitted on behalf of the United States Attorney's Office for the Eastern District of Washington.

James A. McDevitt
United States Attorney



George J.C. Jacobs, III
Assistant U.S. Attorney

4/9/08
Date

I have read this Plea Agreement and have carefully reviewed and discussed every part of the agreement with my attorney. I understand and voluntarily enter into this Plea Agreement. Furthermore, I have consulted with my attorney about my rights, I understand those rights, and I am satisfied with the representation of my attorney in this case. No other promises or inducements have been made to me, other than those contained in this Plea Agreement, and no one has threatened or forced me in any way to enter into this Plea Agreement. I am agreeing to plead guilty because I am guilty.




Roberta Lynn Markishtum
Defendant

04-09-08
Date

I have read the Plea Agreement and have discussed the contents of the agreement with my client. The Plea Agreement accurately and completely sets

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forth the entirety of the agreement between the parties. I concur in my client's decision to plead guilty as set forth in the Plea Agreement. There is no legal reason why the Court should not accept the Defendant's plea of guilty.


Richard D. Wall
Attorney for the Defendant

7/09/08
Date