

**Glossary of Higher Education Corruption
with explanations¹**

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Explanatory note

Higher education corruption is an emerging sub-field of research that has yet to develop its terminological apparatus and own specific research methodologies. The interdisciplinary nature of this sub-field predetermines its dependency on other well-established fields, such as microeconomics, organizational theory, political economy, education policy, and sociology. Accordingly, most of the terminology of higher education corruption is not unique fundamentally but derived from terminologies of social sciences. A specific professional language is required to communicate major issues in the field of study that may be formulated as higher education corruption. This Glossary presents terminology used in research and discussion of higher education corruption. It contains 155 terms and offers brief definitions and explanations of the terms. Most of the terms presented in this Glossary are not operational, i.e. they are often not very formal but useful in describing the phenomenon of corruption. They carry an explanatory function rather than function of operationalization. Operationalization is the process of strictly defining variables into measurable factors. Operationalization of higher education corruption anticipates development of a set of special terms that not only describe but put them into clearly defined measurable variables ready for quantitative analysis. This terminology does not rely on any particular conceptual approach to higher education corruption. Nor does it refer to any particular country or national educational system. Different terms apply better to different national educational systems, since the systems differ significantly and so do forms of corruption that may be found in these systems. All of the terms, presented in this Glossary, refer to corruption higher education even if not mentioned so specifically. This Glossary does not offer any references, nor does it offer further readings on the topic of corruption. Finally, this Glossary may be updated periodically, new terms may be added and descriptions of terms extended.

JEL codes: I21, I22, I23, K42, O17, P37

List of terms

Actors of higher education corruption	Gross waste
Academic corruption	Hidden fees
Academic negligence	Hierarchical corruption
Accreditation mills	Horizontal corruption
Agency relationship	Hostile takeover
Annual market volume	Illicit behavior
Anonymous phone lines	Immediate costs
Asymmetric information	Impartiality
Average bribe amount	Imperfect information
Baksheesh	Incentives
Bargaining power	Index of higher education corruption
Benefit of the doubt	Inferior goods
Bilateral monopoly	Interest peddling
Breach of integrity	Kickbacks
Breach of academic integrity	Kleptocracy
Breach of intellectual integrity	Latent corruption
Bribe	Legal nihilism
Bribee	Licensing
Briber	Logrolling
Bribery	Market failure
Bureaucracy	Mediator
Cartel	Medical fraud
Clientelism	Misallocation of the resources
Coercion	Misconduct
Collusion	Money laundering
Competing officials	Monitoring
Competitive professors	Monopoly
Competitive bribery	Monopolistic professors
Confidential phone lines	Monopsony
Conflict of interest	Negligence
Controlled corruption	Nepotism
Corporate takeover	Oligarchy
Corrupt HEI	Oligopoly
Corruption	Opportunity costs
Corruption coverage	Organizational structure of contributors
Corruption in college athletics	Patronage
Corruption intensity	Payoff
Corruptor	Peer pressure
Costs to the society	Petty corruption
Cronyism	Plutocracy
Diploma fraud	Political indoctrination
Diploma mills	Predator
Discrimination	Preferential treatment

Dissertations for sale	Private tutoring
Documented evidence	Profiteering
Donor	Quality of product
Double count problem	Queuing
Economies of scale	Racism
Elasticity of demand	Raid
Elasticity of supply	Raider
Embezzlement	Raidership
Entry barriers	Reaching the entrance age
Equilibrium bribes	Recipient
Ethics committee	Reciprocity
Ethical codes	Recommendations for sale
Exchange of favors	Red tape
Expediter	Rent-seeking
Externalities	Risk of corruption
Extortion	Risk of corruptioneer
Extortionary power	Salaries of educators
Favoritism	Selective justice
Fiduciary risk	Sequential organization
Fraud	Service bundling
Friendly dissertation boards	Siphoning off
Gatekeepers	Spoilation
Gate keeping	State capture
Ghost employees	Street level corruption
Ghost HEIs	Tax evasion
Ghost instructors	Test based admissions
Ghost writers	Trading of influence
Gift	Unauthorized private tutoring
Gift giving	Uncompetitive bidding
Grade shopping	Uncontrolled corruption
Graft	Unethical behavior
Grand corruption	Vagueness of output
Gratuity	Vote rigging
Grease money	Whistleblower persecution
	White collar crime

Actors of higher education corruption are groups and institutions participating in corruption. They include: Educators: professors, administrators, staff; Students; Suppliers (business); Research contractors (business); Medical professionals: physicians in university hospitals; Government; Higher education institutions (HEIs).

Academic corruption includes illicit activities directly linked to the academic process. These activities include biasness in selection process, admissions, grading, graduation, conferral of academic degrees, failure to advise, cheating, plagiarism, research misconduct, data falsification, ghost teachers, biasness in hiring and promotion, and others. Academic corruption may be a result of negative impact of outside forces, including the state and the business. The state can impose certain changes in the academic curriculum in the interest of the ruling political regime. Businesses can influence academic curriculum as well, for instance if professors in a medical school teach their students to prescribe particular medications produced by a certain pharmaceutical company, from which these professors obtain research grants, or in which they have any shares or other benefits. This situation may constitute conflict of interest. Academic corruption is not a term substitute of higher education corruption that can be used interchangeably. Academic corruption is a certain part of higher education corruption. Corruption in the higher education sector includes many other aspects, such as corruption in construction of college facilities, corruption in profitable college sports, misallocation of public funds obtained directly or through the student financial aid, etc.

Academic negligence is a form of illicit behavior demonstrated by both faculty and administrators. This form of negligence takes place in the academic process. Faculty members conduct themselves in an irresponsible manner, neglect their functions and responsibilities in terms of teaching and advisement. Substandard teaching, unprepared classes, outdated course materials, faculty being late for class, refusal to advise students on academic matters, refusal to write letters of recommendation, refusal to participate in curriculum and program planning are all forms of academic negligence. Also see Negligence.

Accreditation mills are accrediting agencies that accredit diploma mills. Accreditation mills do not conduct proper accreditation procedures. Accreditation mills are private non-governmental entities. However, a widespread corruption in accreditation has a potential to turn state accrediting agencies into accreditation mills.

Agency relationship is the relationship between professors and the university administration. Agency relationship is the central part of the principal-agent theoretical frame, from which some corruption theories are derived. In case of higher education, college administrators are considered as principals and professors as agents. This standard approach, however, is overly simplistic. If the university is publicly funded, the relationship between the state and the university is also an agency relationship. Moreover, university faculty and administrators are agents to the society if they are assigned to assess professional qualities and qualifications of students. Accordingly, they can betray their principal by producing sub-standard quality professionals and conferring academic degree without merit. This approach substantially extends

the realm of agency relationship in higher education and moves principal-agent frame far beyond the traditional approach.

Annual market volume of higher education corruption market is the total volume of bribes paid in exchange for provision of illicit benefits annually. Also see Graft and Double count problem.

Anonymous phone lines are phone lines set by HEIs in order to collect information about illicit activities that take place within their walls. By some accounts, students in HEIs with highly developed levels of bribery oppose the practice of anonymous phone lines, because it complicates their illicit bargains with the faculty. In addition, higher risk of being detected raises the transaction costs and as the consequence, average size of a bribe. Anonymous phone lines are by definition confidential since the caller does not have to identify himself/herself. Information obtained by the university administration through the anonymous phone lines is later used against faculty members who enter into conflict with the administration. Simply put, anonymous phone lines are not set up to fight corruption but intended as a tool of administrative pressure. Also see confidential phone lines.

Asymmetric information refers to the situation when signals about offerings of illicit services, benefits, and bribes available in higher education are not clear or do not match. Asymmetric information is one of the major characteristics of the market of illicit services in higher education. The cause of asymmetric information is in the illegal nature of corrupt activities. Risks and fear of punishment along with cultural specifics cause the need to hide the information or misrepresent it. As a result, transaction costs in the corruption market of higher education may be above average for the industry. In addition to it, some of the illicit services are overvalued.

Average bribe amount is the average bribe paid in a single corruption deal in a given year.

Baksheesh is an Oriental term for a bribe. Baksheesh is usually paid by prospective and current students to professors for entrance to the academic program and in exchange for positive grades. Doctors accept baksheesh from their patients as a form of gratuity.

Bargaining power is the ability of each of the participating parties to exert influence over other parties' actions. Professors assign grades to students and can get them expelled for low grades. Students pay tuition and can make the university go bankrupt by moving to another university. The state can impose rules and regulations on a university in exchange for direct or competitive funding. Professors can vote the university president out of the office and force university administrators to resign. University administration can force a professor to retire. All of these actions are based on the parties' positional and professional powers. Bargaining power of participants plays the role of the fundament in corrupt negotiations. When corruption in a HEI is institutionalized, no negotiations are necessary. The prices on illicit offerings are largely predetermined and the procedures for transactions are set as well. However, if corruption is not institutionalized or the HEI have not reached its steady state in terms of corruption, bargaining power becomes essential. It is reflected in the complexity of negotiations. For instance, a full professor has more authority to extort bribes than assistant professor, and at the same time vulnerability of an assistant professor before the university administration is much higher than

that of a full professor. A fifth year student has a lesser probability of being expelled for low grades than a first year student. Accordingly, a bribe demanded from a fifth year student may be of a lesser value. The Ministry of Education is less likely to close a state HEI than a private HEI. Thus, a larger bribe can be demanded from a private HEI for accreditation. A faculty member whose relatives work in the state regulating agency, such as Department of Education, or a funding organization, has a higher extortory power, *ceteris paribus*, over students, because his vulnerability before the university administration is lower than that of the other faculty members.

Benefit of the doubt is a misleading concept of conduct of a controlling agency or any faculty, administrator, or peer student. Often, a faculty or a teaching assistant ignores cases of plagiarism or cheating by a student, giving him/her benefit of the doubt, i.e. expecting or hoping that this student will refrain from such conduct in the future. This way of thinking is misleading. Moreover, it is often used to entrap the student. First, a faculty let the student to repeat the misconduct several times without taking proper measures or issuing warning, and then turning the student to the honor council or any other office that deals with academic misconduct. Cases of student academic misconduct should be dealt with immediately without delay or future intentional entrapment of the student in the repetitive misconduct.

Bilateral monopoly is a situation when both negotiating parties enjoy monopolistic position. A typical situation of bilateral monopoly is when a student can only receive a pass from a specific professor. At the same time, this professor can only give passes to his/her students. If professor refuses to assign a passing grade in exchange for a bribe, he/she loses the bribe. In this sense, a grade is a perishable good, because it is a grade for a specific course for a specific student that can only be assigned by a specific professor in a specific time frame. If a student is expelled from the HEI for unsatisfactory academic progress, no benefits can be obtained by the professor for the grade.

Breach of integrity characterizes any form of misconduct that violates formal rules imposed in a certain organization.

Breach of academic integrity characterizes any form of academic misconduct in academic community, such as university.

Breach of intellectual integrity characterizes any form of misconduct in a community of scholars. Plagiarism and research misconduct are considered as classical forms of breach of intellectual integrity.

Bribe is any benefit exchanged between the agents in the higher education sector in an illegal transaction. It is not limited to cash but can be any material or non-material good or service. Bribe is intended to serve as an incentive to pervert the judgment of the bribe receiver and make a certain decision in favor of the bribe giver.

Bribee is the one who is bribed, i.e. accepts the promise of, an offer, or the bribe itself. Typically, faculty and administrators, or other people entrusted with authority or in possession of

discretionary power in HEIs and regulatory agencies are considered as bribees. Bribees are also called bribe-takers. Also see Recipient.

Briber is the one who bribes, i.e. promises, offers, or gives a bribe. Typically, students and prospective students, or other clients of HEIs are considered as bribers. Bribers are also called bribe-givers. Also see Donor.

Bribery is a common name of the phenomenon of bribe giving and bribe receiving. Despite the legal provisions set in national legislations, bribery in HEIs may be commonplace and regarded as something normal, as a norm. Depending on a particular country, some forms of bribery may be outlaw while other forms may be accepted as legal and indeed not considered as bribery. Complexity of the nation's higher education industry, including levels of centralization, coordination, control, financial flows, legislation, business structure, and human relations may create difficulties in identifying corruption.

Bureaucracy in the higher education sector may be referred to any employees, including university administrators, faculty, and employees of the regulating agencies, such as Ministry of Education, Department of Education, accreditation bodies, and other governmental and non-governmental agencies.

Cartel is a pool of few HEIs that control a significant part of a certain segment of the market of higher education services. With the help of cartels, HEIs can generate extra revenues by increasing prices. In some of the national legislations cartels are illegal and may be considered as a form of corruption.

Clientelism is a form of social organization in a university under which some students enjoy certain privileges granted to them by certain professors or university administrators in exchange for bribes. In case of clientelism, faculty and administrators serve as patrons while students are their protégés. Certain students may become a stable clientele for administrators. For instance, some students may want to solve their examinations problems not through professors but through the dean's office, moving from semester to semester and from examination session to examination session. Clientelism can exist between certain HEIs and the state regulating authorities. In this case, HEI that have clientele relations with the authorities may be granted certain privileges, such as easy accreditation, state funding, research funds, etc.

Coercion in higher education is a typical accompaniment of corruption. Faculty members coerce students in order to extort bribes. Administrators coerce faculty members in order to preserve student body and collect revenue from tuition, even though some students are academically failing. Research universities preserve the flow of state research funding by threatening faculty with dismissals if they report embezzlement, fraud, or research misconduct that takes place in the university. The ruling political regime coerces university into compliance. In exchange, the state turns a blind eye on the mild level of corruption present in universities as long as it does not threatens the regime.

Collusion is a typical form of corruption in HEIs. Collusion occurs when agents in corrupt negotiations form pools. Professors turn blind eye on each other's misconduct, students collect money from the group for a professor to present it as one bribe or one gift, administrators agree to bribe an accreditation agency, providers of educational loans collude in order to accept a bribe from a university, etc.

Competing officials are educators whose discretionary powers may overlap. Educational officials include both university administrators and bureaucrats in the Ministry of Education and other ministries. Faculty, administrators, and governmental officials compete for clients in order to maximize their pool of illicit benefits. Also see Competitive professors.

Competitive professors are professors who can assign grades interchangeably. If one professor does not assign the grade to a student, another professor can do this. This is a very unlikely situation in HEIs, since professors in most of the instances enjoy monopolistic power over their courses and grading. Sometimes chairs of departments assign themselves the right to assign grades to failing students in all courses. In this way, chairs of departments take some clients, i.e. bribe paying students, from other faculty members.

Competitive bribery is the form of organization of bribery under which educators have overlap in their authority. They compete for clients in order to increase personal illicit benefits. There is a misconception that competitive bribery leads to a decrease in corruption. Instead, competitive bribery leads to a decrease in the average size of a bribe, and thus may lead to an increase in corruption. Also see Competitive professors.

Confidential phone lines are phone lines set by HEIs in order to collect information about illicit activities that take place within their walls. Confidential phone lines guarantee confidentiality and considered as convenient means for whistle-blowers. By some accounts, students in HEIs with developed bribery oppose the practice of confidential phone lines, because it complicates their illicit bargains with the faculty. In addition, higher risk of being detected raises the transaction costs and as the consequence, average size of a bribe. The major task of confidential phone lines is not to receive information about corrupt faculty and administrators, but to create an informational trap and prevent the reporters to send this information to the law enforcement agencies. HEIs prefer to deal with corrupt activities using their own administrative resource simply because oftentimes, HEI's interests or interests for the top administrators will suffer if corruption will be investigated by prosecutors. Confidential phone lines are informational collectors and serve as an improvised cul-de-sac. Strictly speaking, confidential phone lines do not guarantee anonymity. In fact, they may refuse to accept or process information obtained from sources that refuse to identify themselves. This feature distinct confidential phone lines from anonymous phone lines. In practice, however, terms confidential phone lines and anonymous phone lines are used interchangeably. Also see anonymous phone lines.

Conflict of interest refers to situations when a faculty member or administrator is involved in decision making regarding the issue or problem where he/she has personal stakes. These stakes or personal interests are likely to jeopardize his/her professional judgment or ethical standards. An example situation of the conflict of interest is when a District Attorney refuses to investigate

a case that involves a university because he/she has a personal interest in this university: a close relative of the District Attorney studies, plans to study, or a graduate of this university; District Attorney has a share in a for-profit HEI, District Attorney or his relatives are treated in the university hospital. Similar situation rises with any other public officials and entities, including medical review boards, judges, Department of education officials, gubernatorial commissions, and such. Another example would be when a university official chooses a certain service provider or subcontractor to the detriment of the university and his/her own benefit. Private tutors who also serve on college admissions committees administer entry examinations with prospective students who they tutor. Conflict of interest is perhaps the most common form of corruption in the higher education sector. Some HEIs are literally monopolies of influence in localities, cities, territories, or states.

Controlled corruption refers to corruption regulated by the government or, if within a HEI, by the university administration. This regulation includes both the level and the existing and prevalent forms of corruption. Controlled corruption does not imply that it is on the low scale. Large scale corruption can also be controlled by the government. Also see uncontrolled corruption.

Corporate takeover refers to hostile takeovers done by educational corporations over private HEIs. Corporate takeover may be done for few reasons: for the sake of eliminating competitors, enlargement, or using a well-established HEI as an umbrella or a trade mark for accreditation purposes. Corporate takeover is a likely future of for-profit educational corporations, some of which are publically traded. The term “corporate takeover” in higher education has yet another meaning. Corporate takeover is often referred to the process of influence that the corporate world exerts on the world of academia. Such an influence may have a negative impact on the university. Research standards, academic curriculum, faculty conduct, and other aspects of education may be negatively affected by the corporate influence. All of these are often called as corporate corruption of higher education.

Corrupt HEI is any HEI with the presence of any forms of corruption during a substantial period of time, normally few years. HEIs where few faculty members or administrators are involved in illicit activities should not be considered as corrupt as long as these “bad apples” are exposed and disciplined. HEIs with the high degree of diversification are at large risk of being deemed as corrupt. For instance, HEIs that host medical centers are at risk of being deemed as corrupt simply because of the medical fraud that normally takes place in these centers.

Corruption in higher education is a system of informal relations established to regulate unsanctioned access to material and nonmaterial assets through abuse of the office of public or corporate trust. Corruption in higher education is present in both public and private sectors and extends beyond academic corruption. The clusters of higher education corruption are as follows: corruption in access to higher education, including violations in national and international educational tests, violations in entry examinations, and bribery; corruption in research and research grants, including violations of the rules of conduct, presentation of results known to be incorrect, fraud, plagiarism, and corruption in obtaining grants; corruption in academic process, including low quality of instruction, unearned diplomas, degrees, and educational certificates,

cheating, plagiarism, collusion, diploma fraud, production, distribution, sale, and usage of fraudulent certificates, diploma mills, term papers for sale, including those exchanged through the internet; corruption in higher education administration, including ghost instructors, gross waste, misallocation of university resources and public funds; corruption in auxiliary activities, including intercollegiate athletics; industry-specific corruption in higher education management and administration, including fraud, embezzlement, and provision of false information; corruption in auxiliary branches, including academic publishing, development and provision of educational software, and supply of educational services and goods.

Corruption coverage is the share of education providers and customers or clients, i.e. faculty, physicians, students, and patients captured by the corruption situation irrespective of its outcome: whether in this case they have bribed or accepted a bribe or not.

Corruption in college athletics can be found in educational systems where athletes have to go through the college sports before they are selected for professional sports teams. Colleges profit from hosting college sports and athletes are admitted to programs based on their sports achievements rather than academic promise. Grades are assigned to athletes accordingly, i.e. based on their sports results rather than academic performance. College athletics is one of the corrupting forces in higher education.

Corruption intensity is an average number of bribes paid or accepted in a certain period of time, e.g. per annum, for a single arbitrary briber or bribee, accounted for in a given year. Corruption intensity is some HEIs may be higher than in others even though the average size of a bribe may be lower. As a result, HEIs with higher level of corruption intensity may generate smaller total volume of illicit benefits.

Corruptor is the recipient of a bribe. **Corruptor** is a person entrusted with authority who abuses his/her position by accepting a bribe in exchange for an act that violates his/her responsibilities. Not only bribe recipients can be qualified as corruptors since corruption is not limited to bribery. Faculty and administrators who embezzle funds, commit fraud, research misconduct, and involve in other corrupt activities, i.e. corrupt the mission and purpose of higher education qualify as corruptors.

Costs to the society is the total cost of corruption. Costs of higher education corruption are enormous and often underestimated. In addition to economic losses due to biased decisions, low professionalism, and lost human capital, costs of higher education corruption to the society include deterioration of morale, pessimism, cynicism, deterioration in social capital, mistrust, and weakening social cohesion. Costs of corruption to the society have a time dimension and should be considered in a time perspective. Costs of higher education corruption stretch far beyond the present and may cause irretrievable damage to the future generations.

Cronyism in higher education refers to preferential treatment given to friends of university officials, faculty, and other employees in the position of authority. Distribution of benefits does not exist without cronyism. Cronyism in higher education is expressed in just about every sphere and function of the university. These include admissions, grading, graduation, accommodation,

hiring and firing, promotion, co-authorships, allocation of research grants, scholarships, travel funds, and other funds.

Diploma fraud is falsification of educational certificates issued by established HEIs. In distinction of diploma mills that produce their own educational certificates, diploma fraudsters produce and sell diplomas of HEIs that are accredited and/or have established reputation on the market. Diploma fraud is often a violation of the trade mark, copyright, and/or intellectual property rights.

Diploma mills are any firms or individuals that issue diplomas, degrees, or any other educational credentials without offering any adequate instruction. Diploma mills are often officially registered private firms, but may be branches of public HEIs as well. In some countries, diploma mills are illegal. Diploma mills may be raided and closed, but they tend to fight back in courts. Diploma mills protect their rights or move to other states. Operating a diploma mill is not a violation of the trade mark, copyright, and/or intellectual property rights.

Discrimination on the basis of gender, citizenship, nationality, social status, income, political views, and political affiliation in the university setting represents corruption. Price discrimination is not a form of higher education corruption.

Dissertations for sale is a practice of writing dissertations by so-called “ghost writers”, i.e. scholars who write dissertations for others in exchange for money or other benefits. By some anecdotal accounts, in some countries dissertations for sale can constitute up to the third of all dissertations defended.

Documented evidence in the field of higher education corruption is represented by video records, legal records, and news reports in the reliable media sources. Documented evidence of corruption should not be confused with corruption perceptions. Perceptions on higher education corruption are presented in interviews and surveys.

Donor is a bribe giver. In higher education, donors are typically students, but faculty and administrators can be in the role of donors as well. Prospective students pay bribes for admissions, including to publically funded places or places with scholarships. Students pay bribes for passes and positive grades, changes in academic records, and better dormitory accommodations. Prospective faculty pay bribes for academic positions. Faculty pay bribes for promotions. Administrators pay bribes for state or non-governmental accreditation.

Double count problem exist when one is to count same illicit benefits two or more times. For instance, in corrupt hierarchies, illicit benefits are collected by the front-line faculty and then channeled up the hierarchical ladder, including Deans and top university administrators. These illicit benefits, if counted at every stage, can create the problem of double count.

Economies of scale in higher education corruption come with students bargaining with professors as a group rather than individually. One bribe, collected by a group of students for their professor may be cheaper than the total of individual bribes paid separately by each student.

Collective gifts offered to professors by students are a common practice. Economies of scale in higher education corruption can also occur due to professionalism of the negotiator employed for this purpose by the clientele. University medical centers will prefer to use professionals to collect payments from governmental agencies. Economies of scale can also be a benefit of specialization.

Elasticity of demand is an indicator that measures responsiveness of potential bribees or donors on the prices set by the faculty and administrators on their illicit services. By prices we mean bribes.

Elasticity of supply is an indicator that measures responsiveness of the faculty and administrators, i.e. providers or suppliers of illicit services to the offers of bribees or donors.

Embezzlement refers to the misappropriation of university property or funds entrusted to administrators in their formal position of an agent or guardian. Research faculty are entrusted with research funds, both private and public. Administrators are entrusted with management of the university property.

Entry barriers are a set of obstacles, such as regulations and restrictions, created by the government and by the profession in order to regulate access to the educational services and educational segment of the economy. Entry barriers are one of the key characteristics of the higher education industry. This segment of the national economy, regulated by the state, anticipates licensing and accreditation. These entry barriers breed corruption among governmental officials who are in charge of approvals, licenses, and accreditations. Moreover, HEIs themselves use governmental officials to support their quasi-monopolistic position on the local educational markets and generate excessive profits. The same may be true for certain professions, such as medical profession. Medical professional education in some nations is a notorious monopoly, equally supported by the professionals themselves and by the government. Finally, all admissions into HEIs are a classical example of an entry barrier that breeds corruption. Also see Red tape.

Equilibrium bribes are bribes derived as a result of matching of supply and demand on corrupt services. Equilibrium bribe is effectively a price for a certain illicit service in higher education.

Ethics committee is a committee comprised of faculty and staff that pretends on investigating faculty misconduct. States also appoint such committees to investigate misconduct in public and private HEIs. Ethics committees are proven to be notoriously ineffective.

Ethical codes are codes of conduct introduced in a HEI. Ethical codes reflect the values of a HEI, professional values, and state requirements. Ethical codes outline and specify forms of ethical and unethical conduct. Universities that host medical centers suffer most of violations of ethical codes since ethical misconduct among physicians is a norm. Moreover, ethical misconduct among physicians makes HEIs more vulnerable to the state law and private legal actions.

Exchange of favors between faculty members is a situation when professor of medicine admits a protégé of professor of economics to the medical school in exchange for admission of his/her

protégé in the department of economics. Both sides abuse their authority in order to mutually benefit from the bargain. Exchange of favors is a classical form of latent corruption. Also see Logrolling.

Expediter is a person who serves the function of negotiator in order to speed up a bureaucratic process for the client. Lobbyists deal on behalf of HEIs to obtain research funding, student activists collect bribes for faculty on behalf of the class, university administrators negotiate licensing and accreditation with the governmental agencies. Also see Mediator.

Externalities are unavoidable in higher education corruption. Education in its essence is a public good. The ways HEIs produce and distribute or sell higher education services produce some externalities.

Extortion is the demand of bribe by the way of coercion. Faculty members extort bribes from prospective and current students. University physicians extort money from patients directly and from insurance companies by abusing the concept of medical necessity.

Extortory power is the ability of faculty and administrators to extract illicit benefits by the means of coercion and control. Monopolistic position, collusion, coalition formation, and hierarchical authority of faculty and administrators are means to increase the extortory power over prospective and current students.

Favoritism is a practice of giving undeserved benefits or unjustified preferences that violate the code of a HEI. Favoritism refers to preferential treatment based on friendship, kinship, personal sympathy, or any other distinctive characteristics.

Fiduciary risk is the probability of abuse of trust in higher education. Faculty, administration, and physicians are entrusted with certain functions. They abuse trust of the public, the state, students, and patients by committing corrupt acts. A typical form of the breach of fiduciary responsibility is medical negligence or fraud committed by university physicians. Patients incur fiduciary risks.

Fraud in higher education is an intentional deception. Fraud in higher education refers to such practices as educational credentials fraud, research fraud, and medical fraud.

Friendly dissertation boards or friendly dissertation committees are dissertation committees that are ready to accept for defense dissertations of sub-standard quality or dissertations not written by the candidate. Friendly dissertation committees host such dissertation defenses in exchange for bribes and other illicit benefits, including patronage from the state administrators.

Gatekeepers are faculty and administrators who regulate access to limited resources and have the discretionary power over the selection of those who receive access to these resources and the measure of their access. These resources include college places, publicly funded college places, grades, degrees, funds, research funding, accommodations, limited medical services, and other related services.

Gate keeping is a practice of control over the access to limited resources. All faculty and administrators are gate keepers and have the potential to abuse their authority. Also see gatekeepers.

Ghost employees are educators, administrators, and staff listed on the roster and the payroll who do not appear at work or do it seldom, and do not perform their duties. The problem of ghost employees is characteristic of educational systems in many developing countries.

Ghost HEIs are registered HEIs that do not offer educational services. These are on-line or one office HEIs. Ghost HEIs are registered in order to satisfy market demands on products, other than core products produced by HEIs, such as education, research, and medical treatment. Ghost HEIs may be established in order to produce diplomas, documents for foreign students in needed to obtain student visas or work permits. Ghost HEIs is not a substitute term for diploma mills. Diploma mills are in the business of producing their own diplomas. They are a part of the Ghost HEIs sector. Accordingly, all absolute diploma mills are ghost HEIs, but not all the Ghost HEIs are diploma mills.

Ghost instructors are faculty members listed on the departmental roster and on the payroll despite they do not do any real work at the HEI. Some ghost instructors share their salary with university officials who placed them on the payroll. Other value their affiliation with the university as it helps them in their professional career. In exchange, they render professional services to the university officials or the HEI at reduce cost or no cost at all. Lawyers, managers, bankers, accountants, and physicians would be a good example of this type of ghost instructors. Another category of ghost instructors consists of local public officials who provide certain favors to the HEI, including cover up or turning blind eye on minor law violations committed by the HEI in exchange for a “ghost place” on the university faculty roster.

Ghost writers are professionals and scholars who write academic works for clients in exchange for money or other benefits. Depending on qualifications and market demands, ghost writers prepare homework assignments, term papers, theses, and dissertations.

Gift, given in an expectation is a bribe. Gift given in a hope is not a bribe. The judge knows how to distinct the two.

Gift giving is a form of bribery. In some countries gifts given after the corrupt act took place are not considered legally as a bribe.

Grade shopping is a classical form of corruption under which students bribe their professors in exchange for positive grades. This phrase is somewhat similar to the US “I am class shopping.” Class shopping refers to selection of elective courses. In highly corrupt universities, where bribery is commonplace, students are grade shopping, especially during the examination session.

Graft is illicit benefits obtained by recipients from donors. Graft is a convenient term to denote a total amount of illicit benefits collected by faculty and administrators during a certain period of time.

Grand corruption refers to corruption with high average size of a bribe or embezzled resources. A typical example of grand corruption is a bribe for admission. Unlike bribes for course examinations, bribes for admissions can be higher than professor's annual salary. Embezzlement of public or university funds in significant amount and tax evasion also constitute grand corruption. Other forms of grand corruption include fraud in research and medical fraud. Grand corruption in higher education is characteristic of both developed and developing countries.

Gratuity is an ex-post bribe. Gratuity is a classical form of kickback, but unfortunately it is often not prosecuted legally. A bucket of flowers to the examiner is a typical and mildest form of gratuity. Despite flowers is a perishable good that has esthetical value, it may also constitute bribe. Gratuity may violate principles of impartiality and professional conduct and result in biasness and violation of academic merit as a major criterion for academic assessment. Professional bribe-takers in universities often do not accept flowers in order to demonstrate their highest level of honesty and adherence to professional and ethical standards. The principle is on losing something of little or no material value while accepting secretly bribes of monetary or material value. Gratuities such as flowers may be accepted only in case of anonymity and confidentiality of knowledge assessment, i.e. when examinations and grading are done by the faculty without identification of students.

Grease money is a bribe paid in order to speed up the process that otherwise may be delayed by bureaucratic obstacles, either set by the law or artificially created by the education bureaucrats. Grease money is an unlikely or rare form of corruption in higher education.

Gross waste is allocation of funds that brings losses or unreasonably low returns. Gross waste, if done intentionally, may be considered as a form of corruption. Construction of expensive auxiliary facilities at the expense of educational facilities is a typical example of gross waste.

Hidden fees are charges masqueraded in bundles of fees. Overpriced student housing is a typical form of hidden fees. Pricing in university hospitals may be filled with hidden fees as well.

Hierarchical corruption in higher education is a form of corruption where illicit benefits are channeled up the hierarchical ladder.

Horizontal corruption in higher education is a form of corruption where illicit benefits are collected by each educator individually and often independently.

Hostile takeover is a situation when a HEI is occupied by a hostile force. This force may be the HEIs competitors or alternative owners. For publically traded HEIs, such as private for-profit educational corporations in the US, a hostile takeover may be done through stock accumulation and concentration of voting rights by corporate raiders. Also see Raidership.

Illicit behavior is any corrupt behavior, i.e. behavior not allowed by law, custom, or regulation.

Immediate costs of education corruption account for the total sum of bribes paid by students, educators, and HEIs.

Impartiality is the principle according to which all students are treated equally in accordance to university and state rules and regulations and no preference is given to any students by the faculty.

Imperfect information refers to lack of reliable information about services available and prices in the market of corrupt services in higher education. Imperfect information leads to an increase in transaction costs and results in higher average size of bribes. University hospitals artificially create an environment of imperfect information in order to generate excessive demand on their medical services and overcharge patients and insurance companies. HEIs intentionally misinform their employees, students, and patients about their rights and available services or conceal this information in order to cut the cost of service and generate extra profits.

Incentives of corrupt behavior in higher education are reasons for which educators, students, researchers, government, and businesses violate existing laws and formal rules in the higher education sector. Incentives are often expressed in terms of material and immaterial benefits obtained or promised by the participants of corrupt negotiations. Students have incentives to pass the examinations and to do this in time. For these reasons they can decide to pay bribes to the examiners. Researchers always have material incentives to embezzle from research grants and falsify the data in order to obtain better results. Physicians have an incentive to misreport and misdiagnose medical conditions and make unnecessary referrals in order to maximize profits of the university hospital.

Index of higher education corruption has not been developed yet. Index of higher education corruption would measure the level of corruptness of national systems of higher education. Such an index would allow for international comparisons.

Inferior goods may be found in higher education in form of low level educational services sold to consumers at dumping prices. Same may be true for medical services offered in university hospitals. Inferior good is a good that decreases in demand when consumer income rises, unlike normal goods, for which the opposite is observed. Inferiority, in this sense, is an observable fact relating to affordability rather than a statement about the quality of the good. As a rule, too much of a good thing is easily achieved with such goods, and as more costly substitutes that offer more pleasure or at least variety become available, the use of the inferior goods diminishes. In many countries, a decrease in personal income due to economic fluctuations moves more people to enroll in colleges. This move is explained by lower opportunity costs of consuming education services. In this sense, higher education reflects the functionality of an inferior good.

Interest peddling refers to the practice of faculty and administrators to solicit illicit benefits in exchange for using their authority. Faculty offer higher grades in exchange for bribes.

Governmental officials offer research funds in exchange for kickbacks. Physicians offer drug companies to prescribe their drugs in exchange for an interest or a share in the company's revenue.

Kickbacks are bribes paid post ante. State funds allocated to a HEI may require a bribe for the state official who made the allocation decision. Ghost teachers on the payroll can pay a percentage of their salary to the university administrator who listed them on the payroll. Kickbacks are not fixed at 10 percent of the total contract value but vary and may reach to 90 percent of the total value.

Kleptocracy is the system dominated by stealers, i.e. faculty and administrators who collect bribes and embezzle funds. Kleptocracy is the system of informally authorized corruption.

Latent corruption includes forms of corruption that do not involve exchange of money as a bribe. Nepotism, cronyism, and favoritism are classical forms of latent corruption. Also see Exchange of favors.

Legal nihilism is a situation when laws that regulate academic process and educators' conduct are ignored. Widespread corruption and unwillingness of the administration to deal with it is an indication of legal nihilism.

Licensing is the process of granting a permission to provide educational services. It is illegal for HEIs to operate without proper licensing. Licensing is used by state officials as the red tape for collecting bribes from HEIs. Licensing is also used in raidership that involves state officials. Also see Red tape and Raidership.

Local monopoly refers to HEIs that monopolize educational markets in certain cities or in certain disciplines. As a result, HEI can raise prices. Internationalization of higher education breaks the local monopoly. University hospitals can be local monopolies as well. Also see Monopoly.

Logrolling refers to the trading of favors among educators. This quid pro quo practice is a best form of hiding corruption in higher education from legal watch. Professors and administrators in one department or HEI, or in different HEIs exchange favors based on the principle of reciprocity. Logrolling as a latent form of corruption is possible to identify but is difficult to prove and prosecute, unless explicitly banned by the law. Also see Exchange of favors and Reciprocity.

Market failure refers to inability of market mechanisms to deliver educational product of the demanded quality in a certain amount and time. Corruption fills out the gaps left unattended by the market or created by the government due to market distortion.

Mediator is a student who serves the role of negotiator and transfer of money in cases when students negotiate with professors their examination grades. A mediator in illicit bargaining can represent one student or a group of students. HEIs use mediators in negotiating accreditation

with state agencies. Political lobbyists that represent interests of HEIs at the governmental level are considered as mediators. Certified or licensed lobbyists are professional mediators.

Medical fraud takes place in those HEIs that host medical centers and hospitals. Forms of medical fraud that can be found in HEIs are no different from those found in non-university affiliated medical facilities. These forms include charge for medical services not rendered to patients, discharge of patients in medical need, abandonment of patients in medical need, falsification of medical records, issue of prescriptions in exchange for bribes, embezzlement from governmentally funded medical programs through the means of fraud, etc.

Misallocation of the resources is a dubious or inappropriate spending of university budget. A typical example is when university funds, be it public or private money, are spend on the rector's mention renovation instead of repair of student dormitories.

Misconduct is any type of behavior that violates formal rules and regulations set by the HEI.

Money laundering refers to the process of legalization of illegally collected money or revenues obtained in an illegal way. Money laundering is a form of corruption that can most often be found in HEIs with significant external funding.

Monitoring is a form of control over corruption in higher education. Monitoring involves regular systemic collection of information from all or randomly selected units of the higher education system with the goal of identification of corrupt activities. Monitoring is also intended to serve an early prevention strategy. Monitoring can be done by university administration, governmental bureaucracy, law enforcement, public groups, and watchdog agencies. Effectiveness of monitoring of corruption in HEIs is unknown.

Monopoly refers to HEIs that fully control prices on certain local educational markets or certain disciplines. Corruption comes when HEIs, by being monopolies, violate state antitrust laws. Monopoly in higher education also characterizes position of university administrators and professors setting prices for admissions and examinations.

Monopolistic professors are professors who enjoy the exclusive right of assigning a grade for a certain course. No other professors can give student a grade for this course. This situation is typical for HEIs, since each professor teaches a certain course and administers examinations.

Monopsony is a monopoly of the consumer. A group of students can negotiate a price for an examination with their professor from the monopsony position. The government can negotiate prices with university health care provides regarding governmentally funded medical services and programs. Ministry of defense and major research institutes can negotiate prices on university research services. All of these negotiations can be conducted from a monopsonistic position.

Negligence in higher education may be manifested on the side of the faculty and administrators. Professors neglect their duties regarding students. This type of negligence, called academic

negligence, includes being unprepared for class, being late for class, missing classes, refusal of professors to write letters of recommendation, and writing letters of recommendation pass the deadline. Medical negligence is another form of negligence that can be found in universities with medical centers. Negligence constitutes corruption in higher education.

Nepotism in higher education refers to preferential treatment given to relatives of university officials, faculty, and other employees in the position of authority. Also see cronyism and favoritism.

Oligarchy in higher education is a merger of HEIs and the state. Such a merger allows HEIs to violate state laws and abuse public trust.

Oligopoly refers to the near-monopolistic position of educators. Because of the small number of educators authorized to perform certain operations and estimates regarding certain groups of students, these educators can enter a monopolistic agreement or form a pool. Also see monopoly.

Opportunity costs are one of the moving forces of faculty corruption. If opportunity costs of faculty are low, they agree on low salaries in academia and then collect bribes in order to compensate for low salaries and afford a decent standard of living. For instance, opportunity costs of university physicians are very low, since they do not represent much value outside medical profession and are paid in university hospitals more than they would be paid in private practice.

Organizational structure of contributors to higher education corruption may be hierarchical or horizontal.

Patronage refers to the system when clients, such as students, have their patrons among faculty and/or administrators. Patrons have more or less established relations with their clients and help them solve academic problems on the basis of kinship, friendship, or bribes. Patronage is a latent form of corruption, when illicit relations are well set. Patronage may be found in faculty hiring and promotion as well. Patronage violates principles of academic meritocracy and competition.

Payoff is a pay of a certain share or a fixed sum to the educator in authority who allocated funds to the payer of the bribe. Also see kickbacks.

Peer pressure refers to the negative influence that corrupt colleagues have on their peers. In corrupt departments, faculty members are forced to involve in corrupt activities. Same is true for corrupt administrations and medical units.

Petty corruption is a form of corruption that involves small size bribes and/or embezzled funds. A typical example of petty corruption would be collection of small bribes by faculty from students in exchange for positive grades on examinations. Petty corruption is often mistakenly identified with small scale or small scope corruption. In fact, the opposite may be true. Petty corruption may well constitute the bulk of corrupt activities resulting in the most of the graft collected by faculty and administrators.

Plutocracy is a power of money. The modus operandi in corrupt HEIs may be defined as plutocracy, when “everything is for sale,” including grades, placements, promotions, academic degrees, office space, accommodations, funding, etc.

Political indoctrination in a HEI or a specific class is a form of violation of neutrality and objectivity in teaching. HEIs, including those suffering of high levels of corruption, often use political indoctrination of their students in order to earn an indulgence for corruption from the ruling political regime. This may relate to particular professors as well. In this way, corruption perpetuates itself, extending from one form to the other. A widespread bribery in a university results in a heavy political indoctrination of the student body. A classical example of political indoctrination in a HEI or a classroom is when university administrators and/or professors encourage students to vote for particular candidates, advance certain political agenda, or impose their political views on students. This form of misconduct can be found in any majors, not necessarily political science courses. It is also true that university administrators and/or professors can encourage students for certain political actions in opposition to the regime.

Predator is a faculty member, an administrator, or a physician who extorts or embezzles on a regular basis and considers his/her position primarily as a source of illicit income rather than a set of duties and responsibilities. Faculty predators often seek larger number of students as they consider them as potential donors and victims of extortion. Faculty predators also seek research and other grants in order to embezzle funds. The same is true for physicians who work in HEIs.

Preferential treatment is an unjustified biasness in treatment of students, faculty members, and entire HEIs to the benefit of those in the preference pool. The practice of assigning higher grades by faculty to their protégés on admissions examinations, coursework, and examination sessions is a typical form of preferential treatment. Faculty can get promotions based on their kinship, friendship, or involvement in some preferred research or developmental projects. Similarly, some HEIs can receive preferential treatment in receiving accreditation from state or non-governmental accrediting agencies. Authors from certain universities or departments can have unmerited advantage over other authors in peer-reviewed journals. Some universities or research units can receive better treatment by grant-giving authorities and foundations. Preferential treatment of selected patients in university hospitals and medical centers may be commonplace. Race, gender, socio-economic status, nationality and other distinctive characteristics may also play a role in preferential treatment.

Private tutoring is a practice of tutoring students privately, i.e. outside the HEI. Private tutoring can be done by the faculty, students, or non-affiliated specialists. The issue of private tutoring as a part of higher education corruption normally refers to unauthorized private tutoring. Also see unauthorized private tutoring.

Profiteering refers to the situation when HEIs disregard their major purpose of education and research, focusing instead on profit making activities. Profiteering is equally applied to for-profit and non-profit HEIs. Rarely profiteering is not accompanied by the violation of laws that regulate higher education and non-profit organizations. A typical example of profiteering is an

artificial increase in prices on medical services that goes above customary and reasonable. Another widespread form of profiteering is admission of students based solely on their ability to pay high tuition and make donations now and in the future in lieu of their academic abilities.

Quality of product in higher education is often below declared. Higher education is distinct by the vagueness of the product, be it education, research, or healthcare. Quality of educational services, research, and medical treatment is extremely hard to measure. Similarly, the output of the system is undetermined in quality as well. Vagueness of the product quality is a fundamental condition for corruption in higher education.

Queuing refers to waiting periods based on restricted access to resources. Queuing may constitute a base for certain forms of corruption in higher education. Bias in allocation of resources in time constitutes corruption queuing. Donors pay bribes in order to speed up the process of accessing demanded resources. Any academic and non-academic practice or procedure that involves potential waiting period is a subject to corruption queuing.

Racism is a corrupt practice of discriminating on the basis of race. Racism in higher education is illegal in many countries, but remains a generally accepted practice in its hidden forms.

Raid in higher education is an active phase of the hostile takeover. Also see Raidership.

Raider in higher education is an active participant in raidership, including raidership attack. Also see Raidership.

Raidership is a hostile takeover that manifests a fight for property that often involves corruption and fraud. On the functional level, raidership is possible in systems where there are loopholes in the current or changing legislation. Privatization of earlier nationalized systems of higher education can also be used for raidership. Fundamentally, raidership is a form of manifestation of property redistribution in the higher education sector. Most takeover hypotheses make the natural presumption that economic benefits will flow from the corporate combination. Potential sources of hostile takeover gains include the following: monopoly, information, synergy, elimination of inferior management of the target HEI, and financial motivation. Monopoly on the local market of educational services may result in an increased market power from a corporate combination that comes from merger of few local HEIs. Information benefit comes when the current market price does not contain all relevant information about the value of the target HEI. This information is revealed, and the revelation results in an upward market revaluation, during the process of a takeover. This situation is possible for publically traded for-profit HEIs. The synergy factor refers to possible reduction in production or distribution costs. Elimination of inferior management of the target HEI may be done in order to generate larger revenue from the currently available resources. Financial motivation of a hostile takeover can include an increased utilization of tax shields, lower expected bankruptcy costs, etc. This situation, again, refers to publically traded for-profit HEIs. Sometimes a hostile takeover in the higher education industry may be done without an expectation of financial gain. Non-financial motivations may include management self-interest and hubris. Under the management self-interest hypothesis, a hostile takeover brings members of the university administration an increase in bonuses and other

benefits and psychological satisfaction. Psychological satisfaction in this case comes from the knowledge of takeover over the competitor's HEI. According to the hubris hypothesis, bidders overvalue targeted HEIs and pay in excess of the fair market price. In this case, the takeover may be a mere transfer of wealth from bidder to the target HEI. Raidership does not refer to publically traded HEIs only. Nor does it restricted to privatization or occupation of buildings. State licensing and accreditation may also be used as tools for raidership in higher education. Corruption in licensing and accreditation is not limited to HEIs that bribe state officials and pay kickbacks so that they can obtain approvals and permits to establish HEIs and branches that sell educational services of substandard quality. Licensing and accreditation may be used as means to gain the market shares of the HEI's competitors. The struggle for customers results in new forms of corruption. These new forms can easily be mistaken for state measures trying to combat corruption in higher education. One of the forms of such a struggle or raidership is an attempt to deprive a certain HEI of a part of its business through the state orchestrated or supported raidership. There are cases when presidents of HEIs accuse top state officials of attempting to take large numbers of tuition-paying students from their HEIs and transfer them to another HEI. Such accusations suggest that state officials and some HEIs can collude in an attempt to oust their competitors from the market. Also see Hostile takeover.

Reaching the entrance age is a practice of familiarizing faculty-colleagues with children in order to secure their future placement in the university. University faculty bring their children and grandchildren to the department periodically, so all the faculty will be familiar with them when the time comes to grant them admission to publicly funded places. Reaching the entrance age is a practice point to institutionalization of nepotism in a given HEI.

Recipient is a bribe receiver. All participants of the higher education sector who enjoy certain authority or access to limited resources and accept bribes may qualify as recipients. University officials accept bribes from research corporations, the government, prospective faculty and prospective students. Faculty members accept bribes from prospective students in exchange for admissions. Faculty members also accept bribes from students in exchange for positive grades.

Reciprocity is the fundamental principle of corrupt exchanges in the higher education sector. The ideal form of reciprocity is proportional exchange.

Recommendations for sale is a form of education corruption that takes place when professors sell recommendation letters to students.

Red tape is a restriction either simply used for or set specifically by the faculty and administrators to collect illicit benefits. All restrictions and regulations set by the interested party in authority can be considered as red tape. HEIs cannot operate without a license obtained from the governmental agency. HEIs cannot issue state approved diplomas without state accreditation. Students cannot move to the next academic year without passing the examination session. All of these requirements constitute red tape and are used to collect bribes. Often it is nearly impossible to satisfy all of the requirements and detailed specifications in order to receive state accreditation without bribes.

Rent-seeking behavior is a typical form of corrupt behavior in HEIs. Faculty, administrator, and physicians derive benefits from their privileged authoritative position without making an adequate effort. Monopolistic position over access to the resources allows them to collect rent from students and patients.

Risk of corruption is the probability of facing corruption in the higher education industry. Risk of corruption is linked to extortion and necessity to bribe.

Risk of corruption is the probability for corruption of being exposed, disciplined, charged, prosecuted, sentenced, or punished in any other way for corruption. Risk of corruption in higher education is closely linked to the effectiveness of HEI administration and state law enforcement. If these entities ignore, encourage, or participate in corruption, the risk of corruption is low.

Salaries of educators are considered as one of the major variables that influence level of corruption. It is assumed that low salaries work as incentives for faculty members to seek illicit benefits. The empirical evidence to support such hypotheses has yet to be found.

Selective justice is a selective application of disciplinary measures to corrupt faculty and administrators. In corrupt HEIs, disciplinary measures may be applied not to those especially active in corruption, but to those who do not comply with the demands of administration. Similarly, the practice of selective justice may be used by the governmental agencies against HEIs that do not provide favorable political outcomes. Anonymity in admissions, examinations, and grading may be used to reduce the practice of selective justice.

Sequential organization is a typical form of organization of education process. Students have to take the courses and pass the examinations one by one, in a predetermined sequence. Without passing an examination session, a student cannot continue to the next semester. Accordingly, professors can block student from proceeding to the next semester and extort bribes.

Service bundling refers to practices of selling auxiliary services along with educational services. This allows HEIs to generate extra profits on doubtful moral grounds. A classical example of service bundling is overpriced student dormitory accommodations combined with the requirements of on-campus housing for all students. Such practice is corrupt and violates antitrust provisions. Another example of corrupt service bundling is setting prices for medical services in universities above those recognized as reasonable and customary. Universities earn excess profits on regular medical procedures in order to channel them into research and unusual medical cases. This practice is typical for research hospitals, hosted by HEIs.

Siphoning off is the practice of “soft” embezzlement of money by HEIs or through HEIs. State and federal funds, initially transferred to HEIs for research, are then misappropriated and misallocated and used by HEIs for other purposes. The fact is that these funds are initiated by the officials at the federal and state levels while already keeping in mind the scheme of siphoning them off through research laboratories and other projects in HEIs.

Spoilation in the narrow sense is destruction of evidence. Spoilation in a broad sense is destruction of the main purpose of higher education, including teaching and research.

State capture is the extent to which HEIs influence the state through corrupt means, including legally permitted lobbying. HEIs fight for distribution and redistribution of state funding by using illicit means, including bribery of state officials. Both direct and competitive state funding is at stake. State capture often serves as a response to the state influence over HEIs.

Street level corruption refers to corrupt activities done by those educators who are on the front line working with clients. A typical example of street level corruption is the exchange of high grades for money that takes place between students and faculty. Also see petty corruption.

Tax evasion is a practice of not paying taxes on false premises. Some HEIs abuse their non-profit status; others misreport their revenues.

Test based admissions are admissions to HEIs on competitive basis, based on the results of independently administered computer graded examinations or standardized tests. These tests are anticipated to become a major tool in fighting corruption in admissions. The empirical evidence of any reduction in corruption in admissions due to the introduction of tests is non-existent.

Trading of influence in higher education refers to the practice of informal bargaining about the possible exchange of favors. This exchange of favors is illicit in its nature and anticipates abuse of formal authority by one of the parties in exchange for a bribe.

Unauthorized private tutoring is private tutoring that contradicts the laws. Laws that regulate private tutoring include laws of higher education, small entrepreneurship laws, regulations imposed by the Ministry of Education and HEIs. Some HEIs do not allow their faculty to tutor their students privately in order to avoid inevitable conflict of interest.

Uncompetitive bidding is a case when university administrators contract services to providers that are not best possible option to the university. This is done by keeping some providers away from the open bidding process. Violations in competitive bidding often expose the problem of conflict of interest.

Uncontrolled corruption refers to the situation when corruption is not controlled by the state or HEIs themselves. Uncontrolled corruption is not a characteristic of the high level of corruption. Low level petty corruption can be uncontrolled while a highly corrupt higher education sector may follow clearly determined informal rules within a certain organizational structure. Uncontrolled corruption is often named as such because it cannot be dealt with effectively by the state. In this sense, a large scale corruption is referred to as corruption that got out of control, i.e. uncontrolled.

Unethical behavior refers to any illicit behavior and corrupt activities in the higher education sector. Corruption remains a form of unethical behavior even if there are no formal ethical codes of conduct in a HEI.

Vagueness of output is a fundament for corruption in the higher education sector. Quality of educational services, research, and medical treatment is extremely hard to measure. Similarly, the output of the system is undetermined in quality as well.

Vote rigging is a practice of falsifying the results of elections with confidential voting. Vote rigging takes place in HEIs that have the right to elect their top officials.

Whistleblower persecution is just about any form of retaliation against whistleblowers in HEIs. The specifics of whistle blowing is not in reporting misconduct per se, but in that whistleblowers are not protected from retaliation by the formal rules or even if they are protected, these rules are applied partially or on case by case basis. Whistle-blowing always implies risk. Subordinates reporting on their superiors risk their places, promotions, and many other benefits.

White collar crime is just about any corrupt activity that takes place in HEIs. The term “white collar crime” was coined by Edwin Sutherland at the American Sociological Society meeting in 1939. Sutherland defined the term as “crime committed by a person of respectability and high social status in the course of his occupation.” White collar crime anticipates high skills of a criminal and sophistication of the criminal act. The Federal Bureau of Investigation (FBI) has adopted the narrow approach, defining white-collar crime: “...as those illegal acts which are characterized by deceit, concealment, or violation of trust and which are not dependent upon the application or threat of physical force or violence.” White collar crime does not contradict the definition of corruption and can be linked to corruption through the legal concept of commercial bribery. People tend to use area-specific stamps and clichés, such as corporate fraud, political graft, abuse of public property, embezzlement from state funds, breach of academic integrity, etc. Accordingly, white collar crime is attached to the corporate world, but in fact most of the corrupt activities that take place in HEIs may be qualified as white collar crime.