

# 'University's' diploma recipients could get 3rd degree

## 23 'doctorates' are in question after judgment in fraud lawsuit

By Brent Whiting  
Republic Staff

The University of Central Arizona, an obscure Tempe-based institution accused of fraud, issued 23 doctoral degrees during its four-year existence.

Toni McClory, an assistant Arizona attorney general, said most of the recipients were educators who parlayed the degrees into higher pay and other financial benefits.

She said some of the educators may face a day of reckoning with

their employers now that the operators of the school have agreed to a consent judgment in a lawsuit alleging multiple violations of the Arizona Consumer Fraud Act.

The university operated from a leased office at 500 W. Broadway. Its operators, Charles L. Palermo and Chester M. Wright, were accused by the state in a 1977 lawsuit of fraud in the operation of the school.

The two men, without admitting any

wrongdoing, agreed to a consent judgment in order to end the legal battle.

As part of the judgment, Palermo and Wright agreed, among other things, to stop issuing doctoral degrees and to stop using the word "university."

The judgment was approved last week by Maricopa County Superior Court Judge David Perry.

Palermo and Wright accused the state in court papers of harassing them. Neither could be reached for comment on the consent judgment despite re-

peated efforts to talk to them.

It could not be determined whether their school will remain in business.

According to Ms. McClory, most of the graduates of the University of Central Arizona were out-of-state educators teaching at high schools or community colleges.

"Many of them, according to our records, have sought varying forms of recognition from their employer as a result of the degree," she said.

She said the recognition has included higher pay, reimbursement for tuition expen-

ses and other compensation for having completed graduate-level courses.

"Some of the employers already have taken action, while others have said they were awaiting the outcome of the lawsuit before deciding what action, if any, should be taken," Ms. McClory said.

Court records show that one graduate, an instructor for a Harrisburg, Pa., community college, received about \$1,200 from his school to help finance his tuition

The man was asked

to repay the money after college officials determined the university was not accredited, not a candidate for accreditation and unlikely to receive accreditation in the future.

court records show.

The records show that other degree recipients live in Washington, Massachusetts, Virginia, New York, Texas, Tennessee, New Mexico and Iowa.

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