

CASE 6

National Collegiate Athletic Association Ethics and Compliance Program*

INTRODUCTION

Perhaps no sport at American colleges is as popular, or as lucrative, as college football. College football often has a significant impact on the school's culture. This is especially true for the more successful and prolific football programs, such as Texas A&M or Notre Dame. Football has increasingly become a big money maker for many colleges, with a significant amount of sports revenue coming from their football programs. Within the past two years, the sports channel *ESPN* made deals with certain teams to gain rights to air more games than usual. Because of this influx of revenue, the duties of coaches have evolved beyond just coaching. In many ways, they became the face of the team. Programs that show positive returns have coaches working hard to fill seats on game day and encourage college alumni to donate to the school. The more successful the football team, the more visibility it is given in the media. This visibility leads to greater awareness of the college or university among the public, and schools with the best football programs can see a greater influx of applications.

The collegiate football programs have an intangible influence within and outside their immediate surroundings. This is mainly seen in their fan base, composed of current students, alumni, staff, faculty, and local businesses. For example, when the University of Alabama won its 15th national championship, the victory was celebrated by an enormous crowd, fireworks, and a parade. Texas A&M University is one example of a football program that generates not only profits but also a sense of loyalty among its fans. Texas A&M is spending over \$485 million to expand its Kyle Field stadium so that it will seat up to 102,500 spectators. Table 1 shows the value of some of the most successful college-football programs. These games also help local businesses generate more revenues.

Because of the financial support and widespread influence of the football program, the players, coaches, and football administrators have to deal with a lot of pressure to fundraise, sell tickets, and win games. These pressures open up opportunities for misconduct to occur, and it is increasingly important that university administrators and football program officials directly acknowledge opportunities for misconduct. While the university is ultimately responsible for the operation of each department and the behavior of its employees, it can be difficult for the administrators to have an objective view of incidents that occur, especially when it involves a successful football program that

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benefits the entire university. The university administrators are often subject to the same pressures as those in the football program to increase the level of revenue and reputation. This led to the development of a more objective institution to set and enforce rules and standards: the National Collegiate Athletic Association (NCAA). The NCAA views ethical conduct as a crucial component to a college football program and works to promote leadership and excellence among student-athletes and the universities to which they belong. It also serves to protect the interests of student-athletes, ensure academic excellence, and encourage fair play.

TABLE 1 Value of Major-Conference College-Football Programs (in Millions)

Rank	School	Intrinsic Value
1	Ohio State	\$1,127.6
2	Michigan	\$999.1
3	Texas	\$972.1
4	Notre Dame	\$936.4
5	Florida	\$815.4
6	Oklahoma	\$776.5
7	Alabama	\$760.6
8	Georgia	\$710.9
9	LSU	\$659.2
10	Nebraska	\$536.0
11	Penn State	\$520.6
12	Iowa	\$491.3
13	Tennessee	\$437.1
14	S. Carolina	\$422.0
15	Washington	\$418.6
16	Wisconsin	\$415.9
17	Texas A&M	\$382.1
18	Oregon	\$358.7
19	Auburn	\$340.4
20	Arkansas	\$327.8
21	Florida State	\$325.7
22	Oklahoma St.	\$319.5
23	Virginia Tech	\$308.5
24	S. California	\$303.6
25	Texas Tech	\$289.8
26	Kansas St.	\$286.1
27	Arizona St.	\$277.4
28	Michigan State	\$260.8
29	Clemson	\$255.1
30	California Berkley	\$252.1
31	Stanford	\$232.5
32	Mississippi	\$226.9

TABLE 1 (Continued)

33	UCLA	\$225.6
34	Oregon St.	\$220.3
35	Kentucky	\$217.5
36	Colorado	\$208.3
37	Miami (Fla.)	\$204.1
38	Minnesota	\$202.4
39	Utah	\$198.9
40	North Carolina St.	\$182.6
41	Iowa St.	\$182.3
42	Georgia Tech	\$180.5
43	Arizona	\$163.7
44	Virginia	\$159.3
45	Northwestern	\$156.5
46	Indiana	\$149.4
47	Purdue	\$140.1
48	Syracuse	\$137.6
49	Washington St.	\$135.3
50	North Carolina	\$134.0

Source: Ryan Brewer, Indiana University-Purdue University Columbus, 2015.

In this case, we provide a brief history of the NCAA and examples of the rules they have regarding college football. We then view how these rules relate to ethics. The next section covers some of the major college football scandals within the past few years, how these scandals were handled by the schools and the NCAA, and the community impact resulting from the scandals. It is crucial to note, however, that these scandals are not common to college football as a whole. The majority of football teams receive no NCAA infractions during the year, and those reported are usually minor in nature. Universities have their own set of expectations for student-athletes, including showing up on time to practice and behaving responsibly, that go above and beyond NCAA rules. However, when NCAA violations occur, universities have a responsibility to report them in a timely manner. Therefore, the next section covers examples of ways universities address unethical behavior in their football programs through self-imposed sanctions, which signifies that they consider compliance to be an important component of their football programs. We conclude by analyzing how effective the NCAA appears to be in curbing misconduct and preventing future unethical behavior from occurring. This case demonstrates that ethics and compliance is just as important for nonprofit organizations and educational institutions as it is for businesses.

OVERVIEW OF NCAA

The NCAA was formed in 1906 under the premise of protecting student-athletes from being endangered and exploited. The Association was established with a constitution and set of bylaws with the ability to be amended as issues arise. As the number of competitive

college sports grew, the NCAA was divided into three Divisions, I, II, and III, to deal with the rising complexity of college athletic programs. Universities are given the freedom to decide which division they want to belong to based on their desired level of competitiveness in collegiate sports.

Each Division is equipped with the power to establish a group of presidents or other university officials with the authority to write and enact policies, rules, and regulations for their Divisions. Each Division is ultimately governed by the President of the NCAA and the Executive Committee. Under the Executive Committee are groups formed in each Division, such as the Legislative Committee, as well as Cabinets and Boards of Directors.

In the early 1980s, questions began to arise concerning the level of education student-athletes received. Some thought these students were held to lower academic standards so they could focus more on their sport, which could be detrimental to the students' education and negatively impact future career success. As a result, the NCAA strengthened the academic requirements of student-athletes to ensure academics were taken just as seriously as athletics. It also established the Presidents Commission, composed of presidents of universities in each Division that collaboratively set agendas with the NCAA. Table 2 provides a list of six of the Principles for Conduct of Intercollegiate Athletics that can be found in Article 2 of the Constitution.

Throughout the Constitution, the NCAA emphasizes the responsibility each university has in overseeing its athletics department and being compliant with the terms established by its conferences. The NCAA establishes principles, rules, and enforcement guidelines to both guide the universities in its oversight of the athletics department as well

TABLE 2 Principles for Conduct of Intercollegiate Athletics

The Principle of Institutional Control and Responsibility

- Puts the responsibility for the operations and behaviors of staff on the president of the university.

The Principle of Student-Athlete Well-Being

- Requires integration of athletics and education, maintaining a culturally diverse and gender equitable environment, protection of student-athlete's health and safety, creating an environment that is conducive to positive coach/student-athlete relationships, coaches and administrative staff show honesty, fairness, and openness in their relationships with student-athletes, and student-athlete involvement in decisions that will affect them.

The Principle of Sportsmanship and Ethical Conduct

- Maintains that respect, fairness, civility, honesty, and responsibility are values that need to be adhered to through the establishment of policies for sportsmanship and ethical conduct in the athletics program which must be consistent with the mission and goals of the university. Everyone must be continuously educated about the policies.

The Principle of Sound Academic Standards

- Maintains that student-athletes need to be held to the same academic standards as all other students.

The Principle of Rules Compliance

- Requires compliance with NCAA rules. Notes that the NCAA will help institutions develop their compliance program and explains the penalty for noncompliance.

The Principle Governing Recruiting

- Promotes equity among prospective students and protects them from exorbitant pressures.

Source: Adapted from National Collegiate Athletic Association, *2014-2015 NCAA® Division II Manual* (Indianapolis, IN: National Collegiate Athletics Association, 2014).

as penalize those schools that fail to regulate and address misconduct. In article 10 of the bylaws, a description of ethical and unethical conduct among student-athletes is provided, along with corresponding disciplinary consequences if any of the conditions are violated. Honesty and sportsmanship are emphasized as the basis of ethical conduct, while wagering, withholding information, and fraud are among the unethical behaviors listed. Article 11 describes the appropriate behavior for athletics personnel. Honesty and sportsmanship are again the basis for ethical behavior, but with an added emphasis on responsibility for NCAA regulations. Article 11 cites the Head Coach as responsible for creating an atmosphere of compliance and monitoring the behavior of his or her subordinates, including assistant coaches and players.

The NCAA takes the enforcement of rules seriously and tries to ensure the penalties fit the violation if misconduct does occur. The organization also makes sure the penalties are handed down in a timely manner, not only to indicate the seriousness of the infraction but also to maintain a credible and effective enforcement program. This method tries to correct or eliminate deviant behavior while maintaining fairness and objectivity toward those members of the Association not involved in violations. Employees (coaches and other administrative staff) are exhorted to have high ethical standards since they work among and influence students. The NCAA makes it a requirement that each employee engage in exemplary conduct so as not to cause harm to the student-athletes in any way. They are also given a responsibility to cooperate with the NCAA.

The NCAA lays out three types of violations and corresponding penalties, depending on the nature and scope of the violation. Secondary violations are the least severe and can result in fines, suspensions for games, and reduction in scholarships. For major violations, some of the penalties are the same as secondary violations, but the scope is far more severe. For example, suspensions will be longer and fines larger. However, some penalties are specific only to major violations, such as a public reprimand, a probationary period for up to five years, and limits on recruiting. The last type involves repeat violations that occur within a five-year period from the start date of the initial violation. The penalties for repeat violations are the most severe, including elimination of all financial aid and recruiting activities and resignation of institutional staff members who serve on boards, committees, or in cabinets. Table 3 lists some of the more prominent unethical practices the NCAA lists specifically concerning college football.

The NCAA incorporates a compliance approach to ethics by developing and enforcing rules to keep the games fair and respectful of student-athletes' rights. The NCAA Committee on Sportsmanship and Ethical Conduct identified respect and integrity as two critical elements in the NCAA 2013 and 2014 Football Rules and Interpretations. The NCAA strives to keep football games fun and entertaining without sacrificing the health and safety of the student-athletes participating. As previously mentioned, the NCAA places emphasis on the level of education student-athletes receive and encourages athletes to focus on their grades to ensure they have career opportunities post-athletics. The core of the NCAA concerns ethics. This organization takes not only key players into consideration, but also other stakeholders, such as the college community and the sports society as a whole.

Aside from its involvement with student-athlete academics, the NCAA is likewise involved with other off-the-field activities to protect the best interests of student-athletes. According to NCAA guidelines, college football coaches are not permitted to actively begin recruiting prospective players to their school until the prospective player is at least a junior in high school. These coaches have a limit on the number of phone calls and off-campus visits they are permitted to make to prospective students. These rules are in place to ensure student-athletes do not feel pressured by these colleges. Once the student-athletes are in