



## **News Release**

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**[Penalties III-A-2 and III-B-4 of this report were revised as a result of a mutual agreement between the university and the NCAA Division I Committee on Infractions]**

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### **UNIVERSITY OF MICHIGAN** **PUBLIC INFRACTIONS REPORT**

#### **I. INTRODUCTION.**

On February 14, 2003, officials from the University of Michigan appeared before the Division I Committee on Infractions to address allegations of NCAA violations in the university's athletics programs. The violations involved the men's basketball program and centered on the provision of more than \$600,000 in cash and other benefits to at least four men's basketball student-athletes by a now deceased representative of the university's athletics interests (henceforth, "the athletics representative"). The athletics representative's funds were derived from an illegal gambling enterprise he operated for many years at Detroit automobile assembly plants, where he was employed.

Although there had been rumors for years regarding the possible involvement of the athletics representative in violations of NCAA legislation, the genesis of this case is considered to have been a February 17, 1996, automobile accident involving five Michigan men's basketball student-athletes and one prospective student-athlete who was making an official visit to the institution's campus. The accident drew the attention of the media, and questions were raised about the ownership of the involved vehicle (an expensive late model sport utility vehicle), a prospect's official visit entertainment beyond the 30-mile radius of the institution's campus, and the potential involvement of the athletics representative with the Michigan basketball program. In March 1996 the NCAA enforcement staff made a written request to the university's director of athletics for information related to the automobile ownership and accident. In June 1996 a report

of a joint investigation by representatives of the institution and the Big Ten Conference was submitted to the NCAA enforcement staff. In February 1997 the institution submitted a supplemental report responding to additional questions posed by the enforcement staff. Approximately one month later (March 1997), frustrated by the athletics representative's lack of cooperation in resolving these issues, the institution formally disassociated the athletics representative. Shortly thereafter, the institution and the Big Ten Conference submitted to the enforcement staff a "Joint Inquiry to the NCAA in Response to Allegations Involving the Men's Basketball Program."

On March 17, 1997, following the provision of further information from unnamed sources, the university's president determined that an independent investigation into the men's basketball program was warranted. The university announced the hiring of an outside law firm to reinvestigate the information relating to the athletics representative and his activities involving the Michigan men's basketball program, including his relationships with student-athletes. On October 9, 1997, the outside law firm submitted the report of its investigation to the NCAA enforcement staff and it was released to the public by the university. Shortly thereafter, the university terminated its head men's basketball coach. In December 1997, despite some frustration by all parties in developing complete information on the situation, the NCAA enforcement staff notified the university that it had accepted the university's report and determined that there was insufficient information to conclude that any major violations of NCAA legislation occurred. The enforcement staff agreed that three secondary violations associated with the athletics representative had occurred.

Nearly a year and a half later, in May 1999, the university announced that it had been informed of a Federal Bureau of Investigation (FBI) investigation into allegations of improper payments by the athletics representative to former Michigan men's basketball student-athletes. The culmination of the government's initial investigation occurred three years later, in May 2002, when the athletics representative pled guilty to conspiracy to launder money (Title 18, United States Code; Section 1956(h)). His plea agreement included the stipulation that he participate and cooperate fully "in any investigation and debriefings conducted by the University of Michigan." In late July 2002, NCAA enforcement staff members and representatives of the institution met with attorneys for the athletics representative, an FBI agent, and an Assistant United States Attorney in order to obtain information regarding the activities of the athletics representative relative to Michigan student-athletes. During the summer and fall of 2002, the enforcement staff concluded its inquiry and on October 25, 2002, a letter of official inquiry was sent to the institution. The university's response was received on November 7, 2002, and, as indicated, the university appeared before the committee on February 14, 2003.

The University of Michigan is a member of the Big Ten Conference and has an enrollment of approximately 37,000 students. The university sponsors 13 men's and 14

women's intercollegiate sports. This was the university's second major infractions case; its prior appearance before the committee was in 1991 for a case involving the baseball program.

## **II. FINDINGS OF VIOLATIONS OF NCAA LEGISLATION.**

### **A. VIOLATION OF AMATEURISM REGULATIONS; PROVISION OF IMPERMISSIBLE RECRUITING INDUCEMENTS AND EXTRA BENEFITS BY AN ATHLETICS REPRESENTATIVE. [NCAA Bylaws 12.1.1(a), 13.02.11, 13.1.2.1, 13.2.1, 13.2.2, 16.02.3 and 16.12.2.1]**

From the spring of 1992 and continuing through the spring of 1999, the athletics representative provided recruiting inducements and extra benefits in the form of cash, clothing, jewelry, transportation, lodging, meals and other like benefits totaling approximately \$616,000 in value to at least four then student-athletes (henceforth, "student-athletes A, B, C and D" respectively) and members of their families and at least one other unnamed former student-athlete. In accepting these benefits while student-athletes, these individuals nullified their amateur status. The athletics representative characterized these inducements and benefits as loans. The representative intended that the student-athletes would repay him the value of these inducements and benefits upon their becoming well-paid professional basketball players following their Michigan careers. Student-athletes B and C received recruiting inducements from the athletics representative as prospective student-athletes and extra benefits after becoming student-athletes, while student-athletes A and D received extra benefits while they were student-athletes. Specifically:

1. Student-athlete A and his family received a total of approximately \$280,000 in extra benefits from the representative between 1988 and 1993, a significant portion of which was received after the athletics representative became a representative of the university's athletics interests in the spring of 1992.
2. Student-athlete B and his family received a total of approximately \$160,000 in extra benefits from the athletics representative between 1994 and 1998.
3. Student-athlete C and his family received a total of approximately \$105,000 in inducements and benefits from the athletics representative between 1995 and 1998.

4. Student-athlete D and his family received a total of approximately \$71,000 in extra benefits from the athletics representative between 1995 and 1999.

### **Committee Rationale**

There was universal agreement with regard to the facts of this finding. The only questions for the committee were the extent, if any, of institutional culpability and responsibility relative to these violations, and if any additional sanctions against the university were warranted.

The athletics representative, who died on February 14, 2003, was a retired autoworker. He was a self-described "basketball fanatic" who was actively involved with Detroit area high schools and the University of Michigan. On May 28, 2002, the athletics representative agreed to plead guilty to one federal count of conspiracy to launder money. As indicated in the introduction of this report, the athletics representative ultimately confessed that, for many years, he operated an illegal gambling business (primarily in automobile assembly plants in the Detroit area). He stated that he conspired to conceal the nature, source and location of the money (hundreds of thousands of dollars) generated through his illegal gambling business in a variety of ways. His efforts to conceal this money included loaning a total of approximately \$616,000 of the illegally gained moneys to the student-athletes and their families.

One condition of the athletics representative's plea agreement was that he would cooperate with the university and the NCAA in the university's investigation into long-standing rumors and allegations brought by the sports media that he had been providing cash and other benefits to Michigan men's basketball student-athletes. On July 26, 2002, the athletics representative and his attorneys answered questions from the NCAA enforcement staff and the university's outside investigators. During the meeting, the athletics representative's attorneys confirmed specific information, including that the athletics representative provided the benefits detailed in the above finding. They also responded to numerous questions about the athletics representative's background, his relationships with the University of Michigan and its coaches and student-athletes, his relationships with other universities and their coaches and student-athletes, his relationships with Detroit area high schools and their coaches and athletes, and his motivations for providing benefits to young athletes and other people. The investigation revealed the following:

- The athletics representative did feel some "loyalty" to the institution as a fan and because one of his sons had attended the university.

- The athletics representative provided money and benefits to numerous high school and college basketball players (and members of their families) in the Detroit area.
- The reason the athletics representative was more likely to stay involved with a high-school player who went to Michigan than with one who enrolled at another university was that the proximity of Michigan's campus to the athletics representative's home in Detroit made maintaining a relationship much easier.
- When the athletics representative provided a significant sum of money to high school and college student-athletes and their families, he intended it as a "loan," repayable once the student-athlete became a well-paid professional basketball player. Some of the money "loaned" had in fact been repaid by at least one of the student-athletes. However, because of the illegal source of the funds, no formalized arrangements existed for repayment.
- In part, the athletics representative's motivation for providing these loans was to establish relationships with outstanding athletes, particularly basketball players. As a basketball "fanatic," the athletics representative wanted to be a part of the world of big-time college and professional basketball. Also, according to the athletics representative's attorneys, he viewed the anticipated future repayments of his "loans" as his retirement "social security system."
- The student-athletes who received loans and other benefits from the athletics representative understood that he did not want anyone to know of the assistance he was providing.
- The university asserts that it was unaware of the athletics representative providing benefits until a former head men's basketball coach learned in the late summer of 1996 that the athletics representative had placed a deposit to hold an apartment for student-athletes B and D and that he had purchased airline tickets for student-athlete D's parents. The former head men's basketball coach told the athletics representative to retrieve his deposit and told the players to make their own apartment arrangements.

The former head men's basketball coach did not report these issues to the appropriate officials at the university. The director of athletics learned of the matter in early September 1996 when an NCAA enforcement representative informed him of these allegations. Over the course of the next several months, the director of athletics attempted to get the athletics representative to talk with him. After the athletics representative refused repeated attempts by the university

to speak with him, the director of athletics sent a March 3, 1997, letter of disassociation to him.

It was clear from the evidence that, for many years, the athletics representative was a well-known and highly visible figure within the Detroit high-school basketball community. He sought out and attempted to ingratiate himself with the most talented basketball prospects and their families, particularly in Detroit City School District. He also cultivated the friendship of high-school coaches, most notably the former head boy's basketball coach at Southwestern High School, who later became an assistant men's basketball coach at Michigan (henceforth, "the assistant coach").

The fact that the athletics representative was influential with talented men's basketball recruits in the Detroit area was not lost on the men's basketball coaching staff at the university. The following is a chronology of events documenting the relationship between the athletics representative and the men's basketball program at Michigan:

Early 1980s – The athletics representative became involved with the boy's basketball program at Southwestern High School in Detroit. In that context, the athletics representative befriended the head boy's basketball coach, who later became an assistant coach at Michigan. During this time frame, the athletics representative provided meals, clothing, money and other benefits to athletes, their families (and others) at the high school. Also during this time, the athletics representative was present at a visit to the home of a prospective student-athlete (henceforth, "prospect 1") by a former Michigan head men's basketball coach (henceforth, "former head coach 1"). It was noted that the prospect's father and the athletics representative were friends and co-workers.

Mid 1980s - After prospect 1 enrolled at Michigan, the athletics representative and the prospect's father began attending Michigan home basketball contests and practices, and the athletics representative became a fixture at Michigan's basketball arena. In addition to his support of Southwestern High basketball, the athletics representative also became a close personal friend of the head boy's basketball coach at the high school, and this friendship lasted for approximately eight years with the two spending time at each other's homes. During this friendship, the athletics representative traveled to several college campuses with the Southwestern boy's basketball coach when the coach worked at those institutions' summer basketball camps. Additionally, the athletics representative accompanied the coach to Michigan basketball practices and games, and also occasionally accompanied the coach into the Michigan men's basketball locker room after games and practices. It was during this time that the athletics representative became better acquainted with former head coach 1 and the two developed a cordial relationship.

- Late 1980s - The athletics representative established a relationship with student-athlete A (then a prospect) after the athletics representative had watched student-athlete A compete in a middle school basketball game. The athletics representative described student-athlete A as the "biggest and best" young player he had ever seen. To solidify a relationship with student-athlete A's family and thus to gain personal access to him, the athletics representative began to attend the student-athlete's church, where the student-athlete's father served as a deacon. The athletics representative also began to visit the young man's home with frequency, and almost always brought a gift, such as baked goods. This relationship also included providing significant benefits, including large sums of cash, to the student-athlete and his family both before the student-athlete enrolled at Michigan and after enrollment. Also during this time frame, the relationship between the athletics representative and the basketball coach at Southwestern became strained, due to the coach's fear that the athletics representative was becoming "too close" to members of the team and their families.
- 1989 - Former head coach 1 left Michigan and one of his assistants was elevated to the head coach position (henceforth, "former head coach 2"). With this change in leadership, the athletics representative began providing gifts (most often food) to former head coach 2 and his family on special occasions.
- Early 1990s - The athletics representative continued his effort to establish a relationship with former head coach 2 and his family, and in that context, the athletics representative occasionally brought items (primarily food) to the coach's home and spoke with the coach's wife and family members at home basketball games. The athletics representative recalled specifically on the occasion of the death of former head coach 2's father, the athletics representative provided barbecue to those who had gathered at former head coach 2's home for the wake. In 1991, during student-athlete A's freshman year, the athletics representative's name began to regularly appear on the Michigan coaches' complimentary admission list. The athletics representative either received complimentary admissions or was provided the opportunity to purchase additional tickets to men's basketball contests on 13 occasions during the 1991-92 basketball season, on 16 occasions during the 1992-93 basketball season, on three occasions during the 1993-94 basketball season. The investigation, which included handwriting analysis, determined that former head coach 2 arranged complimentary admissions for the athletics representative.
- 1991 - The former head boy's basketball coach at Southwestern High School was hired as an assistant men's basketball coach at Michigan by former head coach 2. Also that year, the athletics representative began a relationship with student-athlete B,

who was then a high school freshman at a Detroit area high school. The investigation revealed that the athletics representative attended many of student-athlete B's basketball contests, often drove the young man's grandmother to his high-school contests and visited one another's homes. The investigation also revealed that the athletics representative had been present when former head coach 2 made an in-home recruiting visit to student-athlete B and his family during the 1994-95 academic year. Student-athlete B enrolled at Michigan in the fall of 1995. As set forth above, the FBI's investigation revealed that the athletics representative provided approximately \$160,000 in inducements and extra benefits to student-athlete B and his family.

1992 -

From March to April 1992, the Michigan men's basketball team progressed through the NCAA Division I Men's Basketball Championship to the Final Four, held in Minneapolis, Minnesota. At the Final Four, the university was provided an allotment of hotel rooms in downtown Minneapolis for team members, coaches and support personnel. There were also a limited number of additional rooms at the hotel for use by men's basketball program. These additional rooms were made available to family members of coaches and players and select supporters of the program. These individuals were personally responsible for payment of their hotel room rates, taxes and incidental charges. They also were required to provide the men's basketball office staff with a credit card number to hold their room reservations until time of check in. In this regard, the athletics representative was permitted by the basketball staff to reserve two of these coveted rooms in April 1992, using his personal credit card. One room was reserved for the father of student-athlete A and one room for the athletics representative. The evidence revealed that the authorization for the athletics representative to receive these rooms came directly from a member of the men's basketball coaching staff. The athletics representative reported that he merely contacted the men's basketball offices to secure the rooms and provided the person on the other end of the phone with his credit card information. All of the assistant men's basketball coaches have denied authorizing or even knowing the athletics representative reserved rooms for himself and for the father of student-athlete A through the basketball office. However, telephone records indicate that former head coach 2 made a four-minute telephone call to the athletics representative on April 2, 1992, two days prior to Michigan's national semifinal game of the 1992 Final Four. Based on this evidence, coupled with the relationship between the athletics representative and former head coach 2, including the coach's actions in securing complimentary tickets to Michigan basketball games for the representative, the committee concluded that the former head coach 2 arranged for the representative to receive the rooms at the 1992 Final Four. Further, the securing of the rooms by the athletics representative for the father of a student-athlete established him as a representative of Michigan's



athletics interests under NCAA legislation. Specifically, the evidence demonstrated that former head coach 2 knew, or had reason to know, the athletics representative was providing a benefit - the use of his personal credit card to secure a hotel room - to the father of an enrolled student-athlete.

1993-94 - During the 1993-94 academic year, the athletics representative was introduced to student-athlete C (a prospective student-athlete at the time), who was attending an inner city Detroit high school. Shortly thereafter, the athletics representative began attending student high-school basketball contests and also formed a relationship with the young man's aunt, who was his guardian. Student-athlete C enrolled at Michigan in the fall of 1994. As previously mentioned, federal documents indicate that the athletics representative provided approximately \$105,000 in extra benefits to student-athlete C and his family after he enrolled at Michigan.

1995 - In either the spring or summer of 1995, the athletics representative met student-athlete D (a prospective student-athlete at the time). The young man attended high school in Maryland, and had already signed a National Letter of Intent (NLI) with Michigan by the time the two had met. The athletics representative had no additional contact with student-athlete D until the young man enrolled at Michigan in the fall of 1995. As previously set forth, federal records indicate that the athletics representative provided approximately \$71,000 in gifts and cash to the student-athlete and his family after he enrolled at Michigan.

Feb. 1996 - On February 17, 1996, five Michigan men's basketball student-athletes, and one prospective student-athlete making his official paid visit to Michigan visited the athletics representative in his home in the Detroit area. The athletics representative reported that he had no knowledge of this visit beforehand but indicated that he provided cash to the young men, including the prospect, on that occasion. Later that evening while returning to the institution's campus from a party in downtown Detroit, the young men were involved in the automobile accident referenced earlier in this report.

Aug. 1996 - As set forth earlier in this report, in August 1996, former head coach 2 became aware that the athletics representative placed deposits on apartments for men's basketball student-athletes B and D for the upcoming 1996-97 academic year, and the athletics representative attempted to provide airline tickets to student-athlete D's parents to travel to Puerto Rico where their son was to compete in a tournament. As indicated, former head coach 2 required the athletics representative to retrieve the deposits, and received confirmation from student-athlete D's parents that the airline tickets were not used. However, former head coach 2 did not report these matters to the university's athletics administration or

compliance office, as he was required to do. The director of athletics learned of the matter in early September 1996 when an NCAA enforcement representative informed him of these allegations. At this time, the enforcement staff conducted interviews of the men's basketball coaches, staff and student-athletes. Following the interviews, the enforcement staff asked athletics department officials to assume responsibility for investigating the athletics representative's involvement with alleged provision of benefits to prospects and student-athletes. The athletics representative spoke with an NCAA enforcement representative in September 1996 and denied that he provided benefits to any student-athletes, but later refused to cooperate with the university or the NCAA. For his lack of cooperation, the athletics representative was officially disassociated from the institution in March 1997.

Individuals such as the athletics representative in this case threaten the integrity of athletics programs through their actions. Although the university attempted to minimize this individual's status as an athletics representative, it was clear to the committee that he was not only a "bona fide" representative of the institution's athletics interests under NCAA legislation, but prior to his disassociation in 1997, he clearly enjoyed an "insider" status. This "insider" status was manifested in the following ways:

- The athletics representative's presence during home visits made by the coaching staff to highly recruited men's basketball prospective student-athletes in the Detroit area.
- Free access to the "tunnel" and locker room at the institution's men's basketball venue.
- The provision of complimentary tickets and preferred seating season tickets.
- The athletics representative's close personal relationship with head coach 2 and his family.
- The authorization from the men's basketball staff for the athletics representative to reserve highly coveted rooms at the team's host hotel at the 1992 Final Four which were normally reserved for the families of the coaching staff and student-athletes, or select athletics representatives.

Individuals such as this athletics representative demonstrate a profound and worrisome immaturity in the satisfaction they derive from close and continued intermingling with college age and, as seen in this instance, high-school age student-athletes and prospects. The provision of the amounts of money seen in this case undermines and cheapens intercollegiate athletics competition, compromises the principles of amateurism, and corrupts the ethics and maturation process of the young people involved. The involved student-athletes also share

the blame here as they knowingly accepted large sums of illegally obtained cash in clear violation of their amateur status. This blatant disregard for NCAA rules has brought great shame to their university and their own noteworthy athletic achievements as student-athletes.

The university bears significant responsibility for providing the "insider status" afforded this representative by its basketball staffs. While the university now disavows the athletics representative's actions, the fact remains that former head coach 2 included him in the innermost circle around his teams. The university has fully acknowledged its responsibility and the committee is convinced that these situations no longer exist. However, during the period of time of the violations, the representative was making payments in staggering amounts to some of the nation's most prominent men's basketball student-athletes on one of the country's most elite college basketball teams.

The evidence revealed that, from at least the late 1970s, the men's basketball staff was acquainted with the athletics representative. Moreover, articles appearing in the *Detroit Free Press* in 1985 and 1989 called attention to the athletics representative as someone who provided benefits to prospective student-athletes. Clearly there were "red flags" raised about this individual. However, the institution's men's basketball staffs continued to tolerate, if not embrace him. This was demonstrated by the preferential treatment he received in the form of choice tickets to home games and rooms at the team's Final Four hotel, all of which was received through arrangements made by the men's basketball staff. The coaching staff took action after:

- a) the highly publicized automobile accident involving several players and a prospect, which brought attention to the representative, and
- b) discovery that the athletics representative had paid a deposit on an apartment for student-athletes and attempted to provide airline tickets to a student-athlete's parents.

As the evidence shows, the staff made no effort to notify university administrators or the compliance office of the athletics representative's activities.

During the hearing, there was discussion regarding the reasons why individuals such as this athletics representative are accepted (if not embraced, as demonstrated in this case) by college coaches. With regard to this issue, the university wrote the following in its October 1997 report to the NCAA:

There are individuals who, like (the athletics representative), closely follow top prep basketball in their communities and develop relationships with the prospects long before colleges begin recruiting them in their senior year of high school. Whether accurate or not, many college coaches perceive individuals like (the athletics representative) to be influential in a prospect's decision on which school to attend. The coaches believe that if they want to successfully recruit prospects, they must be courteous to those individuals and treat them with respect..."

The committee understands this position as long as no violations of NCAA legislation result. However, in this case, it was clear to the committee that this athletics representative was treated with more than simply "respect" and "courtesy." The university's men's basketball staff treated this individual with great deference, extending privileges and benefits that are usually reserved for only the most highly regarded individuals associated with the university's athletics programs. The committee could not help but conclude that such treatment only served to encourage the athletics representative in his illicit activities relative to prospects and student-athletes. With regard to the question of how member institutions should relate to such persons, the following exchange took place between a committee member and the institution's president at the hearing:

COMMITTEE MEMBER: What does the enforcement staff, university, and Big Ten Conference think should be the obligation of the institution? Is it these guys are out there and you need to recruit and they're just a "necessary evil" so you've got to, you know, deal with them? Or should we have some level of higher standard about when you know they're there, that sort of relationship is just, you know, right for what turns out?

PRESIDENT: I'll be happy to address that. I can't speak for my predecessors but I can certainly speak for myself. Of course it's not acceptable. I don't care who the recruit is. If I knew that something like that were going on, if I knew there were even a possibility, certainly I would have a conversation with (the director of athletics) and (the head men's basketball coach). Because it's not acceptable.

The committee agreed with the president's position. As seen in this case, by not only accepting such individuals, but actively embracing them, as the men's basketball staffs at the university did for many years, a university places itself in an extremely tenuous position. Unfortunately, in the case of the University of Michigan, the athletics representative ultimately compromised the university's position relative to compliance with NCAA legislation.

### **III. COMMITTEE ON INFRACTIONS PENALTIES.**

For the reasons set forth in Parts I and II of this report, the Committee on Infractions found that this case involved major violations of NCAA legislation.

#### **A. PENALTIES SELF-IMPOSED BY THE UNIVERSITY.**

In determining the appropriate penalties to impose, the committee considered the institution's self-imposed penalties and corrective actions. [Note: the institution's self-imposed corrective actions from the 1997 report are contained in Appendix Two.] In November 2002 the university self-imposed the following penalties:

##### **Self-Imposed Penalties**

1. The men's basketball team shall not be eligible for participation in the 2003 NCAA Division I Men's Basketball Championship Tournament, or the 2003 National Invitation Tournament.
2. The university forfeited all "wins" by the men's basketball team for any game in which the former men's basketball student-athletes participated while ineligible. (This includes the 1992 Final Four competition, the entire 1992-93 season, and the entire 1995-96 through 1998-99 seasons including post season play.) (NOTE: For purposes of record keeping, the NCAA considers the contest "forfeited" by the University of Michigan to be vacated. Contests that are vacated are expunged from the records and should not be counted as "wins" by opposing teams and coaches, if the contests were lost on the court/field of play.)
3. The university has vacated all records of its appearances in NCAA Division I Men's Basketball Championship Tournaments and the National Invitational Tournament (NIT) when the former men's basketball student-athletes were participants while ineligible. Further, the university shall return all team awards for its participation in these events and has deleted and/or removed references to those teams' participation that might have appeared on campus or in university publications. (This includes NCAA tournament appearances in 1992, 1993, 1996, and 1998 and the 1997 NIT championship.)
4. The university shall return to the NCAA 90 percent of the moneys, approximately \$323,810; it received (through Big Ten distributions) for the university's appearances in NCAA postseason championship

competition while ineligible players participated. An additional \$25,630 will be withheld from future distributions, for a total financial penalty of approximately \$349,440.

5. The university placed its men's basketball program on institutional probation for a period of two years. As a condition of this probation, reports as directed by the president shall be submitted and compliance-related activities shall be undertaken in further effort to ensure strict compliance with NCAA and Big Ten rules and regulations. Specifically required shall be an annual compliance audit of key compliance areas within the athletics department.

**B. ADDITIONAL PENALTIES IMPOSED BY THE COMMITTEE ON INFRACTIONS.**

The Committee on Infractions agreed with and adopted the actions taken by the university, noting that they represented meaningful self-imposed penalties. The president is to be commended for demonstrating the university's commitment to accepting responsibility for these violations. The committee also commends the university's cooperation in this case, including its efforts in conjunction with federal authorities to develop complete information in the case beyond the reach of the NCAA's investigative abilities. Finally, the committee recognized that some of the violations in this case date back several years and that the involved student-athletes and coaches have long since departed the university. The committee accorded all of these mitigating factors significant weight in its determination of appropriate penalties in this case.

Despite this mitigation, however, the case remains one of the most serious ever to come before the committee. It represents the largest acknowledged cash payments (\$616,000) in the history of NCAA infractions cases, to some of the most prominent men's basketball student-athletes of an era. These student-athletes led the university to NCAA Tournament appearances in four of the six years in which the violations occurred, including two consecutive Final Four appearances in 1992 and 1993 and the NIT Championship in 1997. While some of the violations did occur several years ago, the actions of the athletics representative continued through most of the 1990's and constituted a continuing pattern of NCAA violations until 1999. During that time period, the violations provided a staggering competitive and ancillary recruiting advantage over other member institutions. The fact that the university's men's basketball coaching staffs embraced the representative and accorded him insider status within their programs further elevated the seriousness of the case.

Because of these factors, the committee concluded that additional penalties beyond those self-imposed by the university in November 2002 were warranted. In light of the nature and seriousness of the violations in this case, the committee imposed the following presumptive penalties set forth in Bylaw 19.6.2 for major violations:

1. The University of Michigan shall be publicly reprimanded and censured.
2. The university shall be placed on four years of probation commencing November 7, 2002, the date of the university's response to the NCAA's official inquiry and the application of self-imposed penalties. The probationary period will conclude on November 6, 2006.
3. The institution's men's basketball team shall end its 2003-04 season with the playing of its last regularly scheduled, in-season contest and shall not be eligible to participate in any postseason competition. The men's basketball team is also prohibited from taking advantage of the exceptions to the limitation on the number of basketball contests provided in Bylaws 17.5.3.1, 17.5.5.1, 17.5.5.2 and 17.5.5.3. If the institution has any existing commitments to participate in contests under these exceptions, it may seek permission from the committee to defer application of this portion of the penalty until the 2004-05 academic year. [Note: The committee considered this a two-year postseason ban, giving credit for the university's one-year self-imposed ban.]
4. The number of total athletically related financial aid awards in men's basketball shall be reduced by a total of four during the period beginning with the 2003-04 academic year and continuing through the 2006-07 academic year. Further, that the institution may reduce such awards by more than one in any one academic year if it so chooses, but it must reduce by at least one award in each academic year until the entire athletically related financial aid penalty of four has been satisfied.
5. The institution shall show cause why it should not be penalized further if it fails to disassociate from the institution's athletics program the four student-athletes identified in this report based upon their involvement in violations of NCAA rules and some of the student-athletes' refusal to cooperate with university and NCAA investigators. This disassociation shall be for at least 10 years and shall include the following:

- a. Refraining from accepting any assistance from the individual(s) that would aid in the recruitment of prospective student-athletes or the support of enrolled student-athletes;
  - b. Refusing financial assistance or contributions to the institution's athletics program from the individual(s);
  - c. Ensuring that no athletics benefit or privilege is provided to the individual(s), either directly or indirectly, that is not available to the public at large; and
  - d. Implementing other actions that the institution determines to be within its authority to eliminate the involvement of the individual(s) in the institution's athletics program.
  - e. Consistent with the vacation of team records in self-imposed penalty No. 3, these individuals' own personal records and references shall also be deleted/removed from university records.
6. During this period of probation, the institution shall:
- a. Continue to develop and implement a comprehensive educational program on NCAA legislation, including seminars and testing, to instruct the coaches, the faculty athletics representative, all athletics department personnel and all university staff members with responsibility for the certification of student-athletes for admission, retention, financial aid or competition;
  - b. Submit a preliminary report to the director of the NCAA Committees on Infractions by June 30 setting forth a schedule for establishing this compliance and educational program; and
  - c. File with the committee's director annual compliance reports indicating the progress made with this program by February 15 of each year during the probationary period. Particular emphasis should be placed on the monitoring of athletics representatives. The reports must also include documentation of the university's compliance with the penalties (adopted and) imposed by the committee.
7. At the conclusion of the probationary period, the institution's president shall provide a letter to the committee affirming that the university's



current athletics policies and practices conform to all requirements of NCAA regulations.

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As required by NCAA legislation for any institution involved in a major infractions case, the University of Michigan shall be subject to the provisions of NCAA Bylaw 19.6.2.3, concerning repeat violators, for a five-year period beginning on the effective date of the penalties in this case, May 8, 2003.

Should Michigan appeal either the findings of violations or penalties in this case to the NCAA Infractions Appeals Committee, the Committee on Infractions will submit a response to the members of the appeals committee. This response may include additional information in accordance with Bylaw 32.10.5. A copy of the report would be provided to the institution prior to the institution's appearance before the appeals committee.

The Committee on Infractions wishes to advise the institution that it should take every precaution to ensure that the terms of the penalties are observed. The committee will monitor the penalties during their effective periods, and any action contrary to the terms of any of the penalties or any additional violations shall be considered grounds for extending the institution's probationary period, as well as imposing more severe sanctions in this case.

Should any portion of any of the penalties in this case be set aside for any reason other than by appropriate action of the Association, the penalties shall be reconsidered by the Committee on Infractions. Should any actions by NCAA legislative bodies directly or indirectly modify any provision of these penalties or the effect of the penalties, the committee reserves the right to review and reconsider the penalties.

#### NCAA COMMITTEE ON INFRACTIONS

Paul Dee  
Alfred J. Lechner, Jr.  
Gene Marsh  
Andrea Myers  
James Park Jr.  
Josephine Potuto  
Eugene Smith  
Thomas Yeager; chair

## APPENDIX ONE

### CASE CHRONOLOGY.

#### 1996

February 17 - Five University of Michigan men's basketball student-athletes and one prospective student-athlete making an official paid visit to Michigan were involved in an automobile accident. The accident drew the attention of the media, and questions were raised about the ownership of the involved vehicle, prospect entertainment on an official visit outside the 30-mile radius of the institution's campus and the potential involvement of a representative of the institution's athletic interests.

March 11 - The NCAA enforcement staff made a formal written request to the then director of athletics for information related to the automobile ownership and accident.

June 26 - A report of a joint investigation by representatives of the institution and the Big Ten Conference was submitted to the NCAA enforcement staff.

#### 1997

February 7 - A supplemental report responding to additional questions posed by the enforcement staff was submitted by the institution.

March 3 - The institution sent a certified letter to the representative of the institution's athletics interests informing him of his formal disassociation from the institution.

March 4 - The institution and the Big Ten Conference submitted to the enforcement staff a "joint inquiry to the NCAA in response to allegations involving the men's basketball program."

March 17 - Following the provision of further information from unnamed sources, the university's president [Lee Bollinger] determined that an independent investigation was needed into the men's basketball program. The university's president announced the hiring of an outside law firm to re-investigate the information relating to the representative and his activities involving the Michigan men's basketball program, including his relationships with student-athletes.

October 9 - A report of the investigation by the outside law firm was submitted to the NCAA enforcement staff and released to the public.

December 10 - The NCAA enforcement staff determined that the institution's investigation was thorough and that there was insufficient information to conclude that any major violations of NCAA legislation occurred. The enforcement staff agreed that three secondary violations associated with the representative had occurred.

December 17 - The institution responded to the NCAA enforcement staff by accepting the enforcement staff's position that three secondary violations had occurred.

### **1999**

May - The university's president and the director of athletics issued statements indicating that the institution had been informed of a Federal Bureau of Investigation (FBI) investigation into allegations of improper payments by the representative to former Michigan basketball student-athletes.

### **2002**

May 28 - The representative pled guilty to conspiracy to launder money in exchange for the other seven counts of his indictment being dropped. His plea agreement included the requirement that he participate and cooperate fully "in any investigation and debriefings conducted by the University of Michigan."

July 26 - NCAA enforcement staff members and representatives of the institution met with attorneys for the representative a representative of the FBI, and an Assistant United States Attorney in order to obtain information regarding the representative.

October 8 - A preliminary letter of inquiry was sent to the institution.

October 25 - A letter of official inquiry was sent to the institution.

November 7 - The institution submitted its response to the letter of official inquiry and self-imposed penalties including a ban on post-season competition following the 2003 season.

### **2003**

January 24 - A prehearing conference was conducted at the NCAA national office between the institution and the enforcement staff.

February 14 - The university appeared before the NCAA Division I Committee on Infractions.

May 8 - Infractions Report No. 208 was released.

## APPENDIX TWO

### **Self-Imposed Penalties and Corrective Actions Resulting from the University and Big Ten Conference's Joint Inquiry Report of 1997.**

1. The representative of the university's athletics interest was disassociated on March 3, 1997.
2. The university reduced on-campus recruiting visits by two for the 1997-98 academic year.
3. The university reduced off-campus recruiting contacts with prospective student-athletes by one (from three to two) for the 1997-98 academic year.
4. On March 7, 1997, the head men's basketball coach was issued a letter of reprimand.
5. On October 11, 1997, the head men's basketball coach was fired due to his failure to properly oversee the men's basketball program.
6. During October 1997, a former director of athletics met with the men's basketball student-athletes and coaches to review the expectations of the program including NCAA rules regarding representatives of the university's athletics interest.
7. New basketball ticket policies were implemented to reduce the number and to allow control over the distribution of VIP complimentary tickets available to Michigan coaches. In addition, the basketball ticket policy was later revised to include a ticket office staff member at away games to oversee ticket distribution.
8. In the fall of 2001 a policy was implemented to diminish public access to members of the men's basketball program.
9. Public access to the men's basketball team locker room was restricted following athletic competition.
10. All-access passes were issued to members of the compliance service office.
11. In November 1997, the then director of athletics restructured the department's reporting lines to move the compliance function out from under the umbrella of "Student-Athlete Support Programs" to being directly under the control and supervision of the director of athletics. In addition, a new assistant director of athletics for compliance was hired in July 1997. In November 2001, this position was elevated to associate director of athletics.
12. The following compliance actions were implemented:
  - a. The compliance services office created and distributed bi-annually a guide "The University of Michigan Guide to NCAA Rules" and copies were distributed to season ticket holders.

- b. The student-athlete automobile registration form was enhanced beginning 1997-98 academic year and again in the 2001-02 academic year.
  - c. On October 25, 1998, a former gambling ring organizer was contracted to speak to the athletic department.
  - d. The compliance services office conducts annual NCAA rules discussions that are held with members of the men's basketball program.
  - e. Men's basketball student-athletes viewed the NCAA-produced videos addressing gambling and/or agents during the following fall dates; 1997, 1998, 1999, 2000, 2001 and 2002.
  - f. Photographs of the disassociated representative of the university's athletics interests were shown to the members of the men's basketball program and the student-athletes were directed to avoid him.
  - g. The university established a men's basketball issues committee to review the men's basketball program and make recommendation.
13. The university developed an annual compliance audit of key compliance areas within the athletics department beginning the 2002-03 academic year.
  14. The primary compliance administrator position was elevated from assistant athletics director to associate athletic director and included as a member of the athletics director's executive staff. In addition, the composition of the compliance staff was upgraded and expanded to include two assistant athletics directors for compliance, a compliance services coordinator and two compliance interns.
  15. During November 2001, the athletics director reviewed and approved a four-year plan to upgrade the university's compliance program.
  16. A comprehensive rules education program for staff and student-athletes was implemented beginning December 2001.
  17. The compliance services office created and began distribution of a new booster brochure beginning August 2002.
  18. During February, March and April 2002, the associate athletics director for compliance met with the men's basketball coaching staff for an in-dept review of NCAA rules. Sport specific rules education meetings will continue to be held regularly during the 2002-03 academic year.
  19. The men's basketball program is maintaining on file documentation regarding all parties present during home visits involving prospective student-athletes.
  20. The university's interim president spoke to the athletic department regarding NCAA and Big Ten rules on March 5, 2002.

21. On April 4, 2002, the university's interim president sent an email communication to members of the university community entitled, "Integrity - Basketball and Beyond."
22. The athletics director has continued to communicate university compliance initiatives with the current head men's basketball coach.
23. Beginning fall 2001, all athletics department staff are required to provide written affirmation to a departmental ethics policy.
24. The director of men's basketball operations was required to attend the 2001 NCAA Regional Compliance Seminar.
25. A member of the compliance services office will accompany the men's basketball team on two occasions to away competition during the 2002-03 seasons.
26. During February 2002, a written policy for requesting interpretations of NCAA and Big Ten rules was developed and distributed to athletics staff.
27. The university has provided education to members of the men's basketball program regarding gambling.