



McCOMBS SCHOOL OF BUSINESS

The University of Texas at Austin

Steering Student Athletes

In 2017, federal prosecutors filed charges against 10 people, including college basketball coaches, managers, financial advisers, and representatives of apparel companies. Allegations included bribery, conspiracy, and fraud. Following a three-year investigation into possible criminal influence in National Collegiate Athletic Association (NCAA) basketball, U.S. attorneys found two related schemes. In one scheme, an Adidas executive bribed student athletes and their families to attend universities where the company sponsored athletic programs. In the other, financial advisers and managers paid coaches to persuade students to be managed by them when the students transitioned to professional sport.

According to one complaint in the case, "The investigation has revealed several instances in which coaches have exercised that influence by steering players and their families to retain particular advisers, not because of the merits of those advisers, but because the coaches were being bribed by the advisers to do so." In one instance, for example, an associate coach at Auburn University took more than \$91,000 to steer his players into a business agreement with a financial adviser and suit-maker. Regarding the financial adviser, the coach allegedly told the student, "This is how the NBA players get it done, they get early relationships, and they form partnerships, they form trust." For the agreement with the suit-maker, the coach added, "You'll start looking like an NBA ball player. That's what you are."

In another instance, an assistant coach at the University of Louisville worked with an Adidas executive to pay \$100,000 to the family of a top recruit. In exchange, the student sign would with Louisville, where Adidas was a sponsor. Coaches at the University of Arizona, University of Southern California, and Oklahoma State University were also implicated in the initial criminal charges.

U.S. attorney Joon Kim stated, "Month after month, the defendants allegedly exploited the hoop dreams of student-athletes around the country, treating them as little more than opportunities to enrich themselves through bribery and fraud schemes." He added, "The defendants' alleged criminal conduct not only sullied the spirit of amateur athletics, but showed contempt for the thousands of players and coaches who follow the rules, and play the game the right way."

Universities responded by suspending the coaches involved. Oklahoma State spokesperson Gary Shutt stated, "OSU takes seriously the high standards of conduct expected in our athletic department and does not tolerate any deviation from those standards." Adidas claimed that it was unaware



CASE STUDY

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of the misconduct and released a statement, "Adidas is committed to ethical and fair business practices and to full compliance with applicable laws, rules and regulations," continuing, "We have cooperated fully with the authorities."

In 2018, the NCAA began the process of implementing reforms and regulating agents. Former Secretary of State Condoleezza Rice led the NCAA commission for reform and said the trouble in college basketball was "first and foremost a problem of failed accountability and lax responsibility." But she noted that the "college basketball enterprise is worth saving."

Concept: Virtue Ethics

Ethical Insight:

Aristotle is a primary proponent of virtue ethics, suggesting that we should all work on our character every day so that we will be the person who does the right thing at the right time and in the right way. Unfortunately, not everyone listens to Aristotle. For reasons of their own, often having to do with financial gain and/or career advancement, people sometimes do the wrong thing at the wrong time and in the wrong way. An example of this is the bribery that coaches, managers, and apparel companies engaged in to steer student athletes to certain teams. In one scheme, an executive from Adidas bribed student athletes to attend universities where the company sponsored athletic programs. In another scheme, managers paid coaches to persuade their students to be managed by them when the students transitioned to professional sport. Coaches at Louisville, Auburn, Arizona, and Oklahoma State, among others, have all been implicated.

Discussion Questions:

- 1. What are the primary virtues Aristotle (and your mother) would want you to cultivate?
- 2. Do you believe that the wrongdoers involved in this kickback case had uniquely deficient character? Explain.
- 3. Why might the coaches, managers, and Adidas representatives engage in bribery? How does this reflect on their moral character?
- 4. Is it possible that the virtue ethics approach underestimates the impact that factors other than character have upon people's actions? Explain.
- 5. Perhaps one of the coaches who took a bribe saw himself as an honorable person. Throughout most of his life, he has honed his virtuous habits and often makes the right choice when faced with ethical challenges. How and why might he compromise his values and accept the bribe?
- 6. Decisions in college and professional sports often revolve around money. How should a coach guide his or her athletes in their careers? Do you think coaches have a moral obligation to their athletes? Why or why not?





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- 7. In the case of an athlete's family receiving money for the athlete signing to Lousiville, Adidas benefitted, but so did the family. Do you think this incentive was in any way ethically justifiable? Why or why not?
- 8. Athletics programs at major universities are often tied to sponsorships and other sources of money. How can universities maintain honest practices among coaches, managers, and sponsors when there are often high monetary stakes involved in the program? Explain.
- 9. Behavioral ethics research tends to undermine some of the basic premises of virtue ethics. Consider this quotation from Albert Bandura: "Virtue ethicists must explain the mechanisms by which what one is motivates and regulates what one does. That is an explanatory gap that needs to be filled. Virtue ethics is essentially a dispositional trait theory of morality. Theories that invest dispositions with overruling power predict higher consistency in moral behavior across situations and areas of life than is observed. In practice, virtuous individuals can behave harmfully under social inducements and even enlist their virtues in the service of violent means for ideological and religious purposes." Discuss.
- 10. How might the more recently researched concept of bounded ethicality have changed Aristotle's conclusions?

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