

The NCAA's Black Market

As long as you have a prohibition you're going to have bootleggers.
- Josh Luchs, former NCAA rule-violating sports agent turned NCAA reformer

With the countless scandals that have occurred over the last year, this may be the most appropriate time to point out that the NCAA's version of amateurism is not only at the root of the problem, it is impossible to uphold. Through the NCAA, college presidents mandate impoverished conditions for young, valuable players and throw money around to all other college sports stakeholders when those players perform well, a formula that drives the powerful black market that thrives at so many universities nationwide. To be sure, *Inside Higher Education* reported that 53 of 120 FBS schools were caught violating NCAA rules between 2001-10 (Lederman, 2011). To see such rampant disregard for the rules makes one wonder how many violations take place without the NCAA taking notice?

Despite the NCAA's predictable punitive actions on athletic programs and individuals, violations have consistently occurred from the inception of the NCAA sports. Player advocate and author of *Money Players* Marc Isenberg pointed out what should be clear to everyone, "In reality, the NCAA does not have an agent problem, it has an amateur problem" (Isenberg, 2011). Rules that prohibit valuable players from accepting benefits above and beyond their scholarships set athletic programs and their players up for failure.

Many programs take measures to inform their players about NCAA rules, but players have been both knowingly and unknowing violating NCAA rules for years. Some succumb to financial pressures, others feel that it's not a big deal because they are part of a system that generates so much money for everyone else, and there are even those who break NCAA rules without knowing it.

For example, former University of Southern California receiver, R. Jay Soward confirmed to *Sports Illustrated* last fall that he had accepted benefits from former sports agent Josh Luchs because his scholarship didn't provide enough money for rent or food. In explaining his perspective, he said "I would do it again. I have four sons, and if somebody offered my son money in college and it meant he didn't have to be hungry, I would tell him to take it."

Former NBA star and current basketball analyst Charles Barkley agrees in principle with Soward. In September of 2010, Barkley admitted to breaking NCAA rules while playing for Auburn,

"I got money from agents when I was in college and I went in the '80s. A bunch of players -- most of the players I know -- borrowed money from agents. The colleges don't give us anything. If they give us a pair of sneakers, they get in trouble. Why can't an agent lend me some money and I'll pay him back when I graduate? "These agents are well, well known. They've been giving college kids money for 30 years," Barkley said. "And I've got no problem with it. I want to visit my family, I want to go see a movie. How in the world can they call it amateur if they pay \$11 million to broadcast the NCAA Tournament?" (Segrest, 2010).

Former UCLA and NFL football player Donnie Edwards was suspended for unknowingly breaking NCAA rules when he placed in his refrigerator about \$150 in groceries that were left anonymously on his doorstep on two separate occasions. "One of the occasions was shortly after I did a radio interview and talked about how hard it is for student-athletes to buy enough food under the current scholarship system..." (Springer, 1995).

Other former scholarship athletes have shared similar stories. As interviews conducted by researcher Krystal Beamon (2008) demonstrate, the scholarship shortfall is a legitimate concern for athletes. As one former athlete commented, “I’m not gone to say we should get paid, but our monthly income that they give the students is definitely not enough to live” (p. 359).

In addition to players who have broken NCAA rules, players that have not broken NCAA rules have voiced frustration with the financial disparity and hypocrisy. Tim Tebow (2011), arguably the most iconic football player to ever play in NCAA sports, voiced his opinion on this topic in his recently published book *Through My Eyes*. Tebow reflects on his coach’s million dollar bonus at a time when he pulled the weeds in his mom’s chicken coup as a Christmas present for her because that was all he could afford. In his book, he questions the morality of the NCAA rules that impose this double-standard.

Tebow is known for his strong personal and moral convictions, which is what likely helped him refrain from accepting extra benefits and violating NCAA rules. But many can question what the average, high profile, cash-strapped 19-year-old college athlete would do if offered benefits that the NCAA prohibits. Tebow was frustrated enough with NCAA rules that he criticized its rules in his book. Many other players choose to go a step further.

The NCAA creates an environment that too often make college athletes easy targets for coaches, agents, advisors, and runners that have significant potential financial rewards associated with securing talented players. Former sports agent Josh Luchs, who admitted to routinely violating NCAA rules, has recently embarked on an effort to minimize widespread NCAA rules violations. He pointed out in a California Senate hearing that, in terms of NCAA violations, “As long as you have a prohibition you’re going to have bootleggers” (Klein, 2011). Luchs went on to testify about the degree to which NCAA rules can be violated, detailing how coaches, trainers, teammates, and family members are all potential runners for sports agents and advisors.

The strain of a system that has been suppressing the fair market value of its athletes for far too long is becoming ever more apparent as the commercial interests and the line of demarcation between college athletics and professional sports ever more indistinguishable and porous. The embarrassments of the supposed scandals in premier athletic powerhouse programs of late have proven to be liberal fodder for the sport tabloids. The retirement of Ohio’s native son, Jim Tressel, head football coach at that state’s flagship institution following revelations that members of the championship Buckeye team including quarterback Terrell Pryor had traded on their celebrity for benefits from a local merchant in Columbus in June of 2011 captured headlines nationwide. Not to be outdone, the University of Miami was exposed when former booster Nevin Shapiro admitted to violating NCAA rules by providing extra benefits to Miami players from 2002-2010. In addition, Shapiro implicated university coaches and leaders in this scandal, offering an interesting punctuation mark to a year that witnessed one Heisman Trophy winner (Reggie Bush) making the unprecedented move of giving his award back because he accepted benefits not sanctioned by the NCAA and the media pursuit of a Heisman Trophy candidate (Cam Newton, Auburn) believed to have had his athletic talents brokered to the highest bidder by his father (Weiss, 2011).

The NCAA’s response to violations is usually to punish entire programs despite the fact that the majority of players and athletic staff from these programs typically do not commit any violations. For example, former USC running back and Heisman trophy winner received extra benefits estimated at \$200,000 from a prospective agent that had no ties to USC. In response, the NCAA took away 30 scholarships and banned the USC football team from post-season play and the

inaugural PAC 12 championship game. In response, USC athletic director Pat Haden stated, “I feel badly for our seniors who had two years of [postseason bowl bans], even though they had nothing to do with what went on...” (Rubenroit, 2011). The NCAA imposed these penalties after Bush had already departed to the NFL.

At times, the NCAA seems to launch investigations more akin to fruitless witch-hunts, which themselves can initiate NCAA rules violations and punishments. For example, the NCAA launched an investigation due to \$312 in clothes that the NCAA suspected was given to a Georgia Tech football player in violation of its extra benefits rule for amateur athletes. Though the NCAA found no evidence of a violation, it punished Georgia Tech because the athletic director informed its coach and some of their players that an investigation was underway, which the NCAA does not allow. In response, the NCAA stripped the football team of its 2009 ACC Championship and put the program on probation. Former Georgia Tech player Sean Bedford who played on the 2009 responded to the punishments in an open letter to the NCAA,

While I realize that all violations merit some kind of punishment, I have a hard time grasping the notion that one of the proudest moments in my life (and the lives of every other individual that was a part of the team and program in 2009) is apparently worth \$312 in your eyes. If that truly is the case, I'd be happy to provide you with that same amount of money (cash or check, your choice) in exchange for the reinstatement of the title my teammates and I earned through our blood, sweat and tears (Crawford, 2011).

In mid-August, allegations surfaced that 72 current and former members of the University of Miami football team had received improper benefits in the form of cash, cars, and gifts from Nevin Shapiro, a booster serving time in federal prison for his involvement in a \$630 million Ponzi scheme (Robinson, 2011). Ten coaches no longer working at the University were also implicated along with one men's basketball player. It was further revealed that Shapiro was co-owner of a sports agency for nearly the entire time that he was a Hurricane booster.

For the various rules violations committed at the University of Miami, NCAA President Mark Emmert is currently contemplating giving the University of Miami the “Death Penalty”, a punitive action whereby a school is not allowed to compete in a sport for at least a year. While many University of Miami players have been implicated in NCAA rules violations, precedents will likely reveal that the majority of players from that program committed no violations at all. Yet, the NCAA's enforcement mechanism gives little consideration to the innocent players.

Southern Methodist University (SMU) was the only school to ever receive the Death Penalty which, by all accounts, transformed their football program from a national powerhouse to a mediocre program at best. Former SMU player Mike Romo spoke of the multiple knee surgeries he suffered during the years immediate following the NCAA's actions, “I have a couple, the effect of having a thinned-out team from the death penalty.” He went on to question the NCAA's method of enforcing its rules, “Let me ask you this: If you could rob a bank and they arrest the next guy who walks in, who wouldn't do that? We were the next guy who walked in the bank” (Floyd-Engle, 2011).

The NCAA issues penalties in an attempt to impose justice to enforce its unjust system and to prevent actions that are unpreventable. In effect, while the market in one way or another offers examples that athletes are economically undervalued, they are punished, held up for ridicule, and accused of wrongdoing for engaging in modest explorations of what their real value is worth. Innocent athletes suffering NCAA punishments are collateral damage. Meanwhile, the NCAA

remains free to exploit its athletes for every commercial dollar that it can while simultaneously pretending to protect them from such exploitation.

As controversies involving revenue-producing athletes have become more frequent, the calls for some kind of “reform” echo across the landscape. In the spring of 2011, James Delaney, Commissioner of the Big Ten Conference, floated the idea that it was time to begin to consider addressing the financial gap between what a full athletic scholarship covers compared to expenses associated with the cost of attending an institution. Because NCAA regulations limit the athletic scholarship to tuition, room, board, and fees, the shortfall amounts to approximately \$12,000 to \$20,000 in expenses that athletes believed to be receiving a “free ride” pay for attending their academic institutions over the span for four years (a gap that translates into \$3,000 to \$5,000 on average each year).

This topic was included in the much anticipated NCAA Division I Presidential Retreat in August of 2011. While mapping out a course for the future, NCAA President Mark Emmert stated, “It’s time for creative solutions to the significant issues facing intercollegiate athletics. In order to protect student-athlete success, the collegiate model, amateurism and competitive equity, there must be substantive change to the enterprise.” One of the “creative” solutions may be closing the scholarship shortfall, an action that the National College Players Association has pressured the NCAA to do for over 10 years. The NCAA has kicked around this idea before but has passed on this and other reforms. This leaves an important question, “Can the NCAA reform itself?”