

D. SPECIFIC FINDINGS

1. Discounts Provided by a Representative of the University's Athletics Interests to Prospective and Enrolled Student-Athletes.

[NCAA Bylaw 13.2.1 and 16.12.2.1]

Beginning in the early to mid 1990s and continuing to the summer of 2000, Steve Schmitt, a representative of the university's athletics interests and owner and operator of The Shoe Box – a discount shoe store located in Black Earth, Wisconsin – provided discounts on shoes and other merchandise purchased by numerous student-athletes in various sports at the shoe store. The magnitude of the discount ranged from 12 percent to over 50 percent, depending on the type of shoe or other merchandise. Further, several prospects who had signed National Letters of Intent and were living in Madison in the summer prior to fall enrollment, were also provided discounts.

Exhibit 5 is a listing of the current student-athletes who received discounts at The Shoe Box. Exhibit 7 is a listing of former student-athletes who received discounts.

Based on the information that was available, particularly the invoices and store account records, it was apparent that student-athletes generally were provided significant discounts. Even though Schmitt provided discounts to others, the available information with respect to those discounts indicated that those discounts, to a substantial extent, were considerably less than those provided to the student-athletes. Further, with respect to discounts to other students, given the nature of the documentation that existed for the student-athletes, the absence of similar documentation for those students suggests that the student-athletes were being given a benefit, in type and magnitude, not available to students generally.

As a result, the institution believes a violation of the extra-benefit rule occurred. Since signed prospects living in Madison during the summer prior to enrollment visited The Shoe Box and received discounts, the recruiting legislation also was violated.

The magnitude of the benefit is the difference between the discounts provided to the student-athlete and discounts generally available to the public. Although the university believes that a 10 - 15 percent discount routinely is available to the general public, including other students, through a coupon or bankcard, verifying documentation was limited. Therefore, the university and the NCAA staff agreed to utilize the 10 percent newspaper coupon amount as the discount generally available to the public in the calculation of the dollar amount of the extra benefit. For

example, if the lowest price for the shoes on the box was \$100 and Schmitt provided a “Steve” discount of \$40 (resulting in a price of \$60), the benefit to the student-athlete was \$30. This formula can be stated in general terms as follows: the store retail price less 10%, minus the price paid equals the extra benefit. Using the example: $\$100. - .10(\$100) - \$60 = \30 , the extra benefit.

None of the prospects were taken to The Shoe Box during their official visits nor did the coaching staff utilize The Shoe Box as a recruiting tool.

During the university’s interviews with its current student-athletes, they were asked how they learned about The Shoe Box, and the most common response was through other teammates. Some indicated that student-athletes from other sports or students in general told them. Others indicated that they saw billboards and T-shirts and inquired about it.

When asked why they received the “Steve” discount, student-athletes indicated (1) that The Shoe Box was a discount shoe store, (2) that discounts were available to anyone who shopped at the store and/or (3) that when making purchases, those in front of them and behind them in line were also getting discounts, as did those who were with them. Some student-athletes also indicated that they thought that they were getting a discount because they were student-athletes, and others noted that the procedure to receive the discount involved identifying themselves as a student-athlete at the checkout counter. Essentially all of the invoices for the student-athletes’ purchases included an indication of their team affiliation at the top of the invoice such as “Badger football” or “UW track.” For those student-athletes who were from the local area, most had been shopping at The Shoe Box and had been receiving discounts. However, in most of those cases, the level of discount was less prior to their enrollment.

2. Discounts by Representative to Friends and Relatives of Student-Athletes.

[NCAA Bylaw 16.12.2.1]

Beginning in the early to mid 1990s and continuing to the summer of 2000, Steve Schmitt, a representative of the university’s athletics interests and owner and operator of The Shoe Box, provided discounts on shoes and other merchandise to friends and relatives of student athletes who accompanied the young men and women when they went to The Shoe Box. These friends and relatives received the same amount of discount, and their purchases might be placed on a store account for them or added to the overall total of the student-athletes’ purchases.

As more student-athletes learned of the opportunity for a discount at The Shoe Box, a greater opportunity existed for friends and/or relatives of the student-athletes to receive a discount. If an individual accompanied the student-athlete, that individual also received a similar discount. Student-athletes indicated that they were accompanied by girlfriends/boyfriends /friends on several occasions, and these individuals also purchased merchandise and received discounts. Parents or other family members also received a discount. Purchases by parents accompanying the student-athletes usually occurred on home game weekends and was not a frequent occurrence.

As friends accompanied the student-athletes, confusion occasionally existed as to whether the friend's costs should be on the student-athletes' bill or on a separate account. Further, anecdotal information indicates that some friends placed costs on a student-athlete's bill unbeknownst to the student-athlete. One example exists of an individual who was unknown to the student-athlete who impersonated the student-athlete and placed purchases on his account.

A Bylaw 13 citation is not included in this acknowledged violation. The university has been unable to identify any friends or relatives of prospects who received discounts. Since nearly all of the prospects who received the discount purchased shoes in the summer prior to fall enrollment while living in Madison, family members were not present. Further, during this time period, the signed prospects often were accompanied by a returning student-athlete.

[Section deleted per FERPA]

3. Credit Arrangements by a Representative for Prospective or Enrolled Student-Athletes.

[NCAA Bylaw 13.2.1 and 16.12.2.1]

Over the past several years, Steve Schmitt, a representative of the university's athletics interests and owner and operator of The Shoe Box, provided credit arrangements for prospective and enrolled student-athletes when the young men/women purchased shoes or other merchandise at The Shoe Box. The cost of these purchases were placed on store accounts, and similar to other credit customers, the student-athletes would be billed monthly.

Schmitt was the only person authorized to open a store account for a customer. Schmitt's general policy was that if he knew the customer and knew where the customer could be located, the customer could open a store

account, make purchases on that account to be billed and paid later. Schmitt indicated that the university's student-athletes were all considered "friends" and he knew where to locate them. See Section C.4 of this report for more information on the credit accounts at The Shoe Box.

As of July 31, 2000, The Shoe Box had approximately 380 accounts in which balances had accumulated. Of these, approximately 25 percent were current or former student-athletes. Even though credit was available to other individuals, the university believes that a violation of NCAA legislation occurred because Schmitt is a representative, and the awarding of credit was based upon Schmitt's familiarization with the young men/women because of their status as student-athletes. Further, the student-athletes, as a group, represent a high percentage of the accounts as compared to other groups with delinquent accounts. The general student body at the university could only have obtained credit if Schmitt knew (or knew of) them, and few students have credit accounts.

At the time of the article, thirty-nine (39) current student-athletes owed a total of \$11,542. Forty-nine (49) former student-athletes owed a total of \$22,263. As a condition of eligibility restoration, the current student-athletes had to pay off their accounts or establish repayment plans. All current student-athletes' accounts have been paid off at this time except two who have not been competing and whose extra benefits were calculated recently and repayment begun so that they could return to the team.

4. Improper Housing Arrangements for Prospects by Football Coaching Staff Members.

[NCAA Bylaw 13.2.1 and 13.2.6]

Over the past three years, football coaching staff members assisted numerous prospective student-athletes who had signed National Letters of Intent with their housing arrangements at The Regent – a private dormitory near the university's campus – during the summer prior to the young men beginning fall football practice.

Over the past several years, the football coaching staff has encouraged prospects who signed National Letters of Intent to reside in Madison during at least a portion of the summer prior to the beginning of fall football practice. The purpose was for the individuals to get acclimated to the university's campus and to interact with returning student-athletes. The amount of time that the prospects resided in Madison varied due to the prospects' summer All-Star game schedules or other commitments. The earliest any arrived would have been in early to mid June. Football practice

generally began in early August. The number of fall enrollees who lived in Madison during the summer varied from summer to summer, but over the past several years, the majority of fall enrollees lived at least a portion of the summer at The Regent.

The use of The Regent as a housing facility resulted from problems with the university dormitories. When the football staff began encouraging prospects that signed National Letters of Intent to reside in Madison during the summer, the residency often occurred at university dormitories. However, in the mid 1990s, the prospects had difficulty obtaining lodging in university dormitories. The football staff contacted College Park Apartments, a national company that had two private dormitories (The Towers and The Regent) near the university's campus. (In the summer of 1998, the football staff also began using The Regent as the dormitory to place overnight attendees of the institution's summer football camps).

The Regent has approximately 242 rooms, with two rooms comprising a "suite." The Regent is similar to an apartment building in that there is minimal food service and one side of the suite can be closed off from the other. Leases can be for either a full year or an academic year. During the summer, The Regent houses participants in the university's summer athletic camps, as well as other groups attending university or other programs, such as Drum and Bugle Corps competitions, cheerleading camps and conferences. Occupancy is over 90 percent, mostly due to the camps and conferences. The Regent routinely devotes one to one and one-half floors (approximately 50 to 80 rooms) to students or individuals not attending these conferences. Incoming prospects, other student-athletes who remained in Madison during the summer, and students attending the university have lived in these rooms. The Regent does not actively recruit for summer residents but does make summer residency available upon request or as space permits. If any student contacted The Regent in February requesting summer housing, that person would be accommodated. The closer to summer, the opportunity for residency becomes less available.

The university believes the football coaching staff inadvertently violated the provisions of this legislation by innocently assisting the prospects in obtaining quality and safe housing near the university's campus with other prospects who were going through the similar experiences of leaving home and living on a large university campus. In the spring of each year, the football staff sent letters to the enrollees advising them of various dates and other information, such as university application processing fees, orientation fees and various other requirements of the university. These letters also invited the prospects to live in Madison during the summer. If an individual was interested, the letter indicated that housing would be provided at The Regent. An application form for The Regent was attached. The letter indicated that the application should be returned to the football office, although the application itself indicated that the form should be returned to The Regent. It appears that forms were returned to both places.

These letters indicated the rate for the room and other information about The Regent, such as security deposits. No formal agreement existed between the football staff and The Regent, although it was generally understood that The Regent would save space for the prospects. The football staff provided The Regent with a list of enrollees who it believed would need housing and also a list of possible roommates. According to The Regent, the football staff provided this list in May. The Regent management personnel indicated that even though the coaches provided a list, the students themselves often chose roommates upon arrival, as there was much transferring of rooms during the summer.

It should be noted that: (1) all the prospects had signed National Letters of Intent and intended on enrolling in the next month or two at the institution; (2) housing was plentiful in the Madison area during the summer; (3) the financial arrangements were between The Regent and the prospect; (4) The Regent is where many of the returning student-athletes stayed; and (5) no on-campus university dormitory housing was available.

5. Free or Reduced-Cost Housing

[NCAA Bylaw 13.2.2 (h)]

During the summer of 2000, three prospective student-athletes in the sport of football, who had signed National Letters of Intent and were residing in Madison prior to the beginning of fall football practice, received lodging at The Regent, a private dormitory near the university's campus, and did not perform a sufficient amount of work to cover the cost of the room and board provided to them at this dormitory. Each of these prospects was to have paid or covered the cost of the lodging and meals either directly or by working at The Regent. One of these prospects worked only a nominal amount and two did not work at all, and therefore received the value of their lodging and meals without performing a sufficient amount of work.

Football and men's basketball prospects who lived at the two private residence halls owned by the College Park Apartments, The Regent and The Towers, were given the option of working in lieu of paying rent. More than half (about 56%) of these prospects chose to pay rent.

With respect to the prospects who chose to work in lieu of rent, The Towers or The Regent would assign them jobs, based on the staff's assessment of each prospect's skills. The amount of work expected in return for rent varied depending upon the job. Luggage handlers, laundry workers and custodial workers generally were expected to work less than a person who worked at the reception desk. Staff of The Regent and The Towers stated that non-athlete students and other persons were also employed in the same fashion as prospects (i.e., worked to pay summer rent), and that prospects

were treated identically to all other summer workers in terms of work assignments and expectations. The manager of The Towers stated that since work schedules were posted, it would be obvious and upsetting to the other workers if student-athletes were given preferential treatment.

The differing expectations among jobs reflects the fluctuating nature of the College Park Apartments' summer business, which consists of hosting various programs at various times during the summer (i.e., athletic camps, Drum and Bugle Corps camps, senior citizen programs, etc.). For example, luggage handlers were in great demand at the beginning and end of summer camps, when the campers were arriving and departing, but were not needed during other times. Similarly, there was no general meal service at The Regent or The Towers during the summer, except for the meals provided for the specific camps, so that summer workers with jobs in the dining facilities would only have work to do during the portions of the summer when meal service was provided to summer camps. On the other hand, summer workers who were given front desk duties would work during all of their scheduled times, since the amount of work in this area did not fluctuate throughout the summer.

Work expectations were communicated to prospects and other workers in a very informal manner. Generally, workers would meet with staff at The Towers or The Regent when they moved in, and a job would be assigned and a work schedule developed. Work schedules were posted at The Towers and The Regent. From that point on, the worker was responsible for showing up at the assigned time and being prepared to work the scheduled amount. In terms of work hours, a summer worker was expected to be available to work in the neighborhood of 16 to 24 hours per week in order to cover the summer's rent, which for the eight (8) week summer academic session was \$750 although in all cases, tenants were permitted to move in a week before the beginning of the summer academic session, so the rental term was actually nine (9) weeks). The Towers and The Regent made very little effort to track how much an individual actually worked over the summer. Few persons recall filling out time sheets, and no records were maintained by The Tower or The Regent in this regard.

Essentially, the practice of The Regent and The Towers was to hire enough summer help to ensure full staffing during the busy times, and as a result workers, including prospects, assigned to certain jobs often had nothing to do for periods of the summer that were not busy. This arrangement made economic sense for the College Park Apartments, since they were not paying monetary wages to the summer help for periods of inactivity, but were providing a commodity they had in relative abundance housing--in exchange for even fairly modest amounts of work. It should be noted that Madison has an extremely low unemployment rate (perennially in the 2% - 3% range), and due to the large number of students who vacate Madison in the summer, there is a relative abundance of summer sublets available very cheaply (often for as little as several hundred dollars for the entire summer).

The staff of The Towers/The Regent found it difficult to attract enough summer help to cover the busy times, even under the relatively favorable circumstances described above, and were not concerned about the limited amount of work actually performed by certain workers, including prospects.

The Regent and The Towers also employ full-time, non-student workers. The Towers and The Regent consciously ensured that the full-time staff had enough work to do before assigning tasks to the summer workers. This contributed to the frequency of the times that summer workers, including prospects, would show up for work only to be told by staff of The Towers or The Regent that there was little or no work available. However, it appears evident that the summer workers had no expectation that they would not be called upon to work the full amount.

Interviews with the prospects who lived and worked at The Regent or The Towers over the last three summers revealed that many of them did perform work in amounts sufficient to cover their rent. Others worked somewhat less, even though they made good faith and active efforts to seek work. Three football prospects, however, reported being assigned only modest amounts of work or no work at all, despite being listed by The Regent as individuals who were working to pay summer rent.

As mentioned earlier, the practice of housing prospects that sometimes worked at The Towers or The Regent started in 1998. During that summer, there were twenty-two (22) incoming football prospects, and two (2) incoming men's basketball prospects. Fifteen (15) of the twenty-two (22) football prospects lived at The Regent during a portion of the summer prior to enrollment, but neither of the two (2) men's basketball prospects lived or worked at The Regent during that summer. Of the fifteen (15) football prospects that lived at The Regent, ten (10) paid rent and five (5) worked in lieu of rent. Of the five (5) prospects that worked in lieu of rent, three (3) have left the University and efforts to reach them have been unsuccessful. Of the two (2) who were interviewed, one indicated working approximately five (5) hours per week, and the other five to ten (5 - 10) hours per week. Both reported approaching staff of The Regent for work during periods when they were not given work assignments.

In the summer of 1999, there were eighteen (18) incoming football prospects, and four (4) incoming men's basketball prospects. Eleven (11) of the eighteen (18) football prospects resided at The Regent during some portion of the summer prior to enrollment, and of these eleven (11), six (6) prospects lived and worked at The Regent in lieu of paying rent. Of the four (4) incoming men's basketball prospects, one lived and worked at the Regent during a portion of the summer prior to enrollment. Of these seven (7) 1999 prospects (six (6) football and one (1) men's basketball), the university was able to interview five (5). The other two (2), who are not current student-athletes, could not be reached. Of the five (5) interviewed, all reported doing at least some work during their stay at The Regent. The

amount of work reported varied from about twenty (20) hours per week to about four (4) hours per week. These individuals made themselves available to work during the scheduled times, and performed the work assigned to them by The Regent. The men's basketball prospect who lived and worked at The Regent during the summer of 1999 reported doing about ten (10) hours of work in exchange for about two weeks of lodging during the summer of 1999. This individual stated that he was diligent in asking for work, but was not assigned much during his brief stay at The Regent. This student was competing at the time of the investigation into this issue. The university sought an interpretation from Jennifer Heppel of the Big 10 Conference on February 6, 2001, and she concluded that no violation occurred regarding this student-athlete.

In the summer of 2000, there were twenty-five (25) incoming football prospects, and four (4) incoming men's basketball prospects. Of the twenty-five (25) football prospects, sixteen (16) resided at The Regent during the summer. Of these sixteen (16), four (4) worked at The Regent and two (2) worked at The Towers in lieu of paying rent. Of the four (4) basketball prospects, two (2) lived and worked at The Towers. Of the eight (8) total prospects living and working at either The Regent or The Towers during that summer, four (4) reported working from ten to 21 (10 - 21) hours per week, one (1) reported working twenty (20) hours per week some weeks and very little during other weeks, another reported working no more than about twenty (20) minutes per week, and two (2) reported doing no work at all. The prospect that worked about twenty (20) minutes a week stated that he was initially assigned job duties by The Regent and that he worked whenever asked and was not concerned about the lack of work because he thought that his family was being billed for a portion of the rental fee. The Regent confirmed his family was not billed. The two that reported doing no work stated that they knew they could either work or pay rent for the summer lodging, that they were not contacted by staff of The Regent to work during their stay, and that they assumed their families were being billed for the rental amount. When asked about the two prospects who were supposed to be working to pay their rent but did not in fact work, staff of The Regent stated that these two must have "slipped through the cracks."

With respect to the three (3) football prospects who reported doing very little or no work at all, it appears that the failure to work was primarily the result of poor administration by the College Park Apartments in that these prospects were never given work assignments upon arriving at The Regent or The Towers. This was coupled with the failure of these prospects to actively approach the management of the College Park Apartments to ask for work, and the failure of the athletic department to adequately inform the College Park Apartments of the NCAA rules governing summer work by prospects. Exhibit 12, attached and made part of this report, is a list of the three football prospects who reported doing little or no work, in violation of NCAA Bylaw 13.2.2 (h).

The university, while believing that its investigation demonstrates the legitimacy of the overall summer work program at The Towers and The Regent, does acknowledge that three football prospects received summer housing without either paying rent or performing sufficient work, in violation of NCAA legislation. As mitigation, however, it should be noted that the staff of The Towers and The Regent were not meticulous in their management of this program, that there is no evidence that prospects were treated differently than non-athletes in terms of work assignments, and that the three football prospects who did very little or no work appear to have been confused as to whether their parents may have been paying their rent. The university is in the process of drafting and submitting a restoration request for the three student-athletes who reported doing little or no work in lieu of paying rent and who did not otherwise pay for their lodging at The Towers or The Regent, in violation of NCAA legislation.

6. Use of Ineligible Student-Athlete.

[NCAA Bylaw 14.11.2]

On August 25 and August 27, 2000, the university allowed xxxxxxxx
xx to represent the institution in an
outside competition even though it was reasonable to conclude that the
university had determined that the young woman was ineligible due to her
receipt of a discount at The Shoe Box.

This violation resulted due to a lack of understanding by senior athletic department officials concerning the position the university previously had taken in its communications with the NCAA staff at the beginning of the university's inquiry in this matter. In essence, after informing the NCAA staff it believed that violations of the extra benefit legislation had occurred, the university became aware of information that might show that university students generally may have received similar benefits, making it possible that a violation did not occur. The university later determined that insufficient information existed to take this position. The department officials who approved allowing the student-athlete to compete believed that the university was continuing to look into this during the period of competition.

On Tuesday, August 22, 2000, the university's legal counsel, compliance coordinator and outside consultant hired by the university met in person with NCAA Enforcement and NCAA Student-Athlete Reinstatement Staff in Indianapolis to apprise the staff of the university's inquiry to date concerning allegations that The Shoe Box provided discounts and credit to student-athletes. Prior to that meeting, the university submitted an executive summary of seven pages (not counting attachments) that

provided an update on the status of the inquiry. (Exhibit 13 attached and made a part of this report). The summary also asked several questions of the staff concerning the application of NCAA legislation and any resulting eligibility implications. In the executive summary, the institution indicated, "we believe that the provision of the 'Steve' discount is a violation of Bylaw 16.12.2.2." Concerning the credit arrangements, the executive summary indicated that the "university believes the granting of credit to a student-athlete by Schmitt is a violation of Bylaw 16.12.2.2."

Following the August 22 meeting, senior athletic department officials and the football coaching staff were briefed regarding the results of the NCAA meeting. Prior to this time, these individuals were not aware of the specific details of the inquiry, although all had an understanding of the general issues. During the period of August 23, 24 and 25, several meetings were held among various athletic department officials. Most individuals in attendance agreed that The Shoe Box was a discount store and that students and other individuals received discounts. It was decided that information should be sought to determine whether similar discounts were available to a sufficient number of students that a position could be taken that a violation did not occur. During this three-day period, the university was conducting interviews with fall sport student-athletes not only to obtain information to assist in the restoration requests (if necessary), but also to determine their knowledge of discounts by other students at The Shoe Box. The individuals who met with the NCAA staff were not involved in all of the meetings when these discussions occurred and it became the "sense" of senior athletic department officials that, if students could be identified who received discounts, a violation may not have occurred.

A sense of urgency also was present since all knew that the university's first football game was August 31 and that a restoration request, including a very definite possibility for an appeal to the NCAA Subcommittee on Student-Athlete Reinstatement would have to be received at the NCAA offices no later than Monday, August 29. Certain individuals at the department believed they had until Sunday before finalizing the restoration request and formally acknowledging violations involving the fall-sport student-athletes. On Sunday, the request would be written, including the reasons for the university's request that the general extra-benefit restoration guidelines not be applied.

Unfortunately, xxxx was the first student-athlete who received a discount who had upcoming competition, the first of which was on Friday, August 25. Several discussions concerning her eligibility were held during the August 23-25 period. On Thursday, August 24, in a meeting with the associate director of athletics (who was the acting director, since the director was out of the country), the senior woman's administrator, the administrator who oversaw the xxxxxxxxxxxxxxxx program and possibly the compliance coordinator, it was determined that, since the university still was attempting to determine if information could be found to show that

other students received similar discounts, the university had not taken a position that the legislation had been violated. A decision was made to allow xxxx to travel to Milwaukee with the team to compete in a tournament on Friday and Sunday.

Several participants in this meeting on Thursday were interviewed by the university subsequent to this competition. It was the general sense of the group that xxxx was not ineligible because the university had not sent a restoration request to the NCAA staff and would be sending a report following that weekend. The participants believed that, since the university had not completed its research into whether other students received discounts at The Shoe Box, no decision on her eligibility had to be made. Although some individuals had seen the executive summary, they believed it was a draft report and did not believe that any ineligibility had occurred, because it was still an ongoing investigation. The decision to allow xxxx to compete was not based on a denial of wrongdoing but on the lack of a decision and the belief that the student-athlete should not be adversely affected until a decision was made. The concern was that the university had not finalized its investigation, and, if it subsequently believed that a violation had not been committed, xxxx would have been withheld from games unnecessarily. If the university determined later that weekend that a violation had occurred, she could be withheld from games beginning at that time.

The compliance coordinator, who was present in the meeting in Indianapolis with the NCAA staff, recalled being present for a meeting where xxxxxx eligibility was discussed; however, he recalled the meeting being at a different location and time than others believe. Some of the other individuals in the meeting did not recall the compliance coordinator being present for any of the meeting, while others recalled him being present for only a portion of the meeting. While the involved individuals may vary on some of the specifics of the meetings, all have the same general recollection of the conversation.

The compliance coordinator believed that the university had acknowledged violations in its report to the NCAA on Tuesday, August 22, prior to the Thursday, August 24 decision to let xxxx compete. He indicated he thought the university was reporting the information it had discovered to date and that a violation had occurred. He indicated he believed it was an acknowledgment of violations based upon the current information, and a belief of what had happened. He thought the purpose of the NCAA meeting was to talk about the process for restoration requests. He believed that on the Thursday, while acknowledging a violation, because the university had not declared the student-athletes ineligible, the student-athletes were still eligible. He indicated there was no devious plan to have the student-athlete compete while ineligible, but rather a concern for the student-athlete in the event the university determined no violation occurred. He recalled informing xxxx on Thursday morning that she could be facing a two-game suspension starting Friday. He indicated he had not

had the discussion with the other administrators at the time of his conversation with xxxx (xxxx was informed shortly after the meeting that she could compete that weekend).

xxxxx competed on Friday. On Saturday, the university aborted any attempt to identify students who might have received similar discounts in order to show that a violation did not occur. A letter to the NCAA requesting restoration for the fall sport student-athletes was prepared. It was driven from Madison to Indianapolis on Sunday, in order for the staff to review it on Monday morning. Since the university declared in its restoration request that the violations had occurred, xxxx was ruled ineligible on Monday, and a restoration request for her was made.

xxxx also competed on Sunday in the second game of the tournament. During the university's inquiry, several individuals were asked whether any thought was given to holding xxxx from competition on Sunday since by then the university had taken the position that the fall sport student-athletes were ineligible. All of the individuals involved in the decision to allow xxxx to participate indicated that, once a decision was made to allow her to participate that weekend, no thought was given to withholding her on Sunday.

7. Return of University-Issued Merchandise.

[NCAA Bylaw 16.12.2.1]

On several occasions over the past few years, student-athletes in several sports returned merchandise issued to them by the university for practice or competition to The Shoe Box and received credit on purchases. Steve Schmitt, a representative of the university's athletics interests, provided the student-athletes certain value for this merchandise, which frequently had been worn by the student-athletes. This credit was applied to purchases on other merchandise by the student-athletes, often at the time of the return of the merchandise.

Based upon information provided by The Shoe Box and a review of invoices, the university believes it is probable that some student-athletes returned merchandise issued to them by the university. The total number of occasions would have been infrequent, possibly as little as one to two pairs of shoes per year. While the university believes general available information would indicate that shoes were returned, the lack of specific information is not sufficient to identify specific student-athletes who returned the merchandise.

Jeff Sarbacker, the coordinator of the athletics shoe area at The Shoe Box, indicated that during his seven years of employment, he believed that, on

approximately ten (10) occasions, student-athletes received credit on future purchases for shoes that were brought to The Shoe Box that had been issued by the university. Troy Hegge, a former employee of The Shoe Box, also recalled student-athletes returning merchandise. The Shoe Box had a very lax return policy, and receipts often were not requested. According to Steve Schmitt, if he believed he could sell the shoes in the Bargain Room, he would provide the customer with an amount that was less than its resale value. Schmitt made the determination of whether used shoes would be accepted and any value credited toward future purchases. Since Schmitt also determined the “Steve” discount for student-athlete purchases, it was logical that he also handled the determination of any value provided for returned shoes.

Schmitt indicated that his return policy is more liberal than that of any other store. He indicated he will take back shoes if he believes he can resell them. During one of his interviews, Schmitt indicated that the student-athletes may have brought in Reebok shoes issued by the university on “one or two occasions only” and maybe it was only for the changing of the size. He indicated he sells the same types of shoes that the university provided to the student-athletes, so it is difficult to determine the source of the shoes. Sarbacker and Hegge also mentioned that The Shoe Box carried many of the same styles of the same shoes that the university provided to its student-athletes. During a later interview with Schmitt by the university, he indicated that he does not know if he has ever given credit for university-issued merchandise. He indicated there is no way to know that it was university-issued merchandise, since The Shoe Box carried the same merchandise. Since he does not ask for receipts, he would not be able to determine whether it was university-issued merchandise. He emphasized that he is the only one that is authorized to provide credit for used shoes.

Brad Soderberg, an Assistant Men’s Basketball Coach from 1995 to November 2000, when he was selected as the interim head coach, recalled a “hallway” conversation when he overheard a student-athlete or coach mention that the student-athletes were taking used/worn-out shoes and exchanging them at The Shoe Box. He could not recall a time period other than a few years ago. He had no discussion with anyone about this information. In response to the question of whether he thought it was a violation, he indicated he was not sure since he returned shoes when he was a student-athlete to a local store. (He did not attend UW-Madison).

Carrie Meyers, a former employee of The Shoe Box, indicated that when she began employment in August of 1997, she saw a Rubbermaid bin that had football spikes in it, with a sign that read “Worn by University of Wisconsin Athletes.” Since the invoices from The Shoe Box were not available for that time period, it is difficult for the university to determine the level of any returns.

Concerning the invoices that are available, the university reviewed them to identify instances where credit was given for “returned” merchandise. This

task was complicated since some invoices did not detail the specific types of shoes purchased (e.g., four pairs for a total of \$200), while some did not indicate the type of shoe returned (e.g., returned merchandise at \$40). As a result, the university was reluctant to base eligibility decisions for current student-athletes on inconclusive documentation. Nevertheless, since merchandise returned on a couple occasions were the same as merchandise issued by the university, and no previous purchase of that merchandise was found on the available invoices, the university believed it was possible that this merchandise was issued by the university. Based on the denials of one current student-athlete and the fact that some relevant invoices were missing or nonspecific as to purchases, the university elected not to render him ineligible, based on incomplete and inconclusive documentation

8. Transportation of Student-Athletes by a Representative.

[NCAA Bylaw 16.12.2.1]

During the 1998-99 basketball season, Steve Schmitt, a representative of the university's athletics interests, provided local round-trip automobile transportation of approximately 50 miles to xxxxxxxxxxxxxxxx student-athletes xxxxxxxxxxxxxxxx and xxxxxxxxxxxxxxxx in conjunction with their attendance at a local high school basketball game. Schmitt asked the two student-athletes to attend the game, met them at the residence of one of the young men, and transported them to the game and back. The young men paid for the cost of their tickets, although Schmitt might have bought a refreshment (popcorn) for them at the game.

This information was initially reported by Schmitt during one of his first interviews with the university in response to a question whether he had ever had face-to-face contact with student-athletes outside of The Shoe Box. Schmitt indicated that xxxxx and xxxxxxxxxxx had been to The Shoe Box, and Schmitt asked them whether they would be interested in attending a high school game on some occasion. Schmitt thought it would be "cool" to take the student-athletes to a high school game so the high school kids could look up to them as college student-athletes.

The university interviewed xxxxx, as he had eligibility remaining. xxxxxxxxxxx is no longer in the Madison area. xxxxx indicated that xxxxxxxxxxx telephoned him one evening during his freshman year and asked if he wanted to do something. xxxxx went to xxxxxxxxxxx house, where xxxxxxxxxxx informed him that they would be attending a local high school basketball game in which xxxxxxxxxxx, a prospect who had committed to Wisconsin, was participating. xxxxx thought that xxxxxxxxxxx would be driving them to the high school game, but shortly thereafter, Schmitt arrived at the door. At the game, they signed a few autographs for

people who recognized them. xxxxxxxxxx paid for xxxxxx ticket and his own. At the game, Schmitt bought them popcorn, and they did not make any stops to or from home.

9. Failure to Monitor

[NCAA Bylaw 2.8.1]

During the fall of 1999, a number of instances occurred where athletic department personnel overheard or became aware of information about The Shoe Box that suggested that violations of NCAA legislation might be occurring. While a few of the departmental administrators recall sharing this information with the compliance coordinator, neither the administrators nor the compliance coordinator recorded the specifics of what was shared, and later recollections differ. Further, the only attempt at the time to ascertain whether there was reason to believe a violation might have occurred or if some investigation was warranted was a visit to the store by the compliance coordinator. However, his expressed purpose due to a lack of specific information was to educate the owner regarding the legislation rather than to seek information from which he could conduct an evaluation. On his return, in a conversation with the athletic director, a decision was made that there was nothing further that needed to be done. The compliance coordinator did not share any of this information with the individual to whom he reports with respect to infractions and investigations. All of this occurred at a time when the athletic program was already on NCAA probation.

Although discounts were being provided for several years, most questions concerning The Shoe Box did not surface until the fall of 1999. Prior to that time, a few isolated rumors and innuendos arose that were neither to the specificity nor the clarity needed to know that a violation may be occurring and that the information should be reported to appropriate university officials. More questions were raised in the fall of 1999, and Schmitt was contacted by the university's compliance coordinator in November 1999. At that time, Schmitt denied any wrongdoing, and no other specific information arose about The Shoe Box until the article appeared in July 2000. The university believes the issue is whether it undertook sufficient review beginning in the fall of 1999 when certain independent and unrelated tidbits of information began to appear. Given the information in the aggregate, set forth in greater detail below, the university acknowledges: (1) that the department should have known that the level of review of the information known to it in the fall of 1999 was insufficient and, (2) that a violation of Bylaw 2.8.1 occurred.

The university also believes that two factors were present that mitigate the severity of the violation. First, The Shoe Box generally was considered a

discount store that provided varying degrees of discounts to various groups. Second, Schmitt is not a traditional booster.

Concerning The Shoe Box being a discount store, as mentioned previously in this report, The Shoe Box is located approximately 25 miles from Madison in a small town. In order to sustain the large volume of sales that it annually achieves (\$11 million dollars), it advertises throughout the central Wisconsin area. It is a destination for many shoppers, as they travel great distances to shop. Being in the central part of Wisconsin, it also has many customers who are vacationing in the state. The Shoe Box also has numerous billboards and newspaper ads proclaiming itself as a discount shoe store.

Besides a wide geographic customer base, The Shoe Box attempts to create an atmosphere of necessity for a customer to buy a pair of shoes, because it would be a lost opportunity if a purchase was not made. One former employee indicated that Schmitt loves to barter, and Schmitt reported to the university that he would tell an employee to contact him if a customer likes a pair of shoes, but is hesitant about the price. Discounts are given for purchases of numerous shoes, and merchandise like T-shirts and belts are routinely given free with multiple purchases.

Schmitt is in the store every day except Sunday. He is constantly in motion and sells more shoes than any other employee. He is always on the sales floor and delegates his administrative responsibilities to other employees. This increases the ability to barter/sell and the opportunity for a sale to meet his goals of wanting every customer to leave with a pair of shoes.

Students are a target customer for The Shoe Box. One of the marketing strategies The Shoe Box has utilized is to provide free T-shirts when shoes are purchased. During interviews with athletic department staff members, coaches and student-athletes, it frequently was mentioned that students and student-athletes wore Shoe Box T-shirts around campus. Several administrators commented that it was a common occurrence to see student-athletes and students wearing these T-shirts. Four or five years ago, the university student newspaper telephoned the sports information director and asked why so many student-athletes were wearing T-shirts from The Shoe Box and questioned whether the student-athletes were receiving them free. The university contacted The Shoe Box at that time, and The Shoe Box responded that it was doing a promotion where any person who wanted a free T-shirt could receive one. The Shoe Box wanted students to be wearing the T-shirts for free advertising. The Shoe Box has undertaken other marketing campaigns, such as a 10 percent discount for any person who walks in The Shoe Box with cow manure on their boots.

These various marketing strategies and promotions as a discount shoe store hindered the university from identifying The Shoe Box as an establishment that should be closely monitored. Several athletic department officials noted that The Shoe Box is a very visible establishment that routinely

offered various discount programs and that numerous students on campus wear Shoe Box T-shirts. Besides the fact that Schmitt did not realize he was a booster and did not realize he was violating NCAA legislation, the provision of student-athlete discounts was not obvious since the general belief was that anybody that went to The Shoe Box received a discount. In essence, the visibility of the many discount programs hid the fact that the student-athletes were receiving discounts that were greater than those available to the vast majority of the student-body and the general public.

Concerning Schmitt, as mentioned previously, a large portion of Schmitt's contributions were for preferential seating, instituted when the Kohl Center was built. He did not attend traditional booster events except one held at the property of a longtime friend and customer. He had only been to one football game in 35 years. To the general public, he was perceived as a fan of all sports rather than a Wisconsin booster. While educational efforts should be undertaken for any booster, his lack of visibility within the university community, his location 25 miles from campus, and his overall perception as a sports fan of all teams (especially the St. Louis Cardinals baseball team), complicated his identification as a booster.

Further, Schmitt's intentions in providing the discount were personal and economic rather than in support of university athletics. He wished to become friends with and have as customers athletes and others associated with them for those personal and economic reasons. He realized the presence of athletes from any level attracted customers to his store. It was good for his business to have professional hockey players, former Major League Baseball stars and collegiate student-athletes in his store. His decision to provide student-athletes with discounts or credit was his own and was wholly unrelated to any desire to provide a benefit of any kind to the University of Wisconsin - Madison.

Information Available to the University

Even though The Shoe Box was known as a discount store and the owner was not perceived as a booster, questions occasionally were raised about The Shoe Box and why student-athletes were shopping at The Shoe Box. Instances of athletic department staff members' exposure to information about The Shoe Box include:

- **The Shoe Box Visit by Terry Gawlik**

Gawlik is an assistant director of athletics at the university who came to the university in 1994 as an event coordinator. Prior to that time, she was a coach at a NAIA school. She has been to The Shoe Box on three occasions since 1994. During her first visit to The Shoe Box (she could not recall a specific date), she saw the name of student-athlete xxxxxxxx on a shoebox with shoes in a bargain area at The Shoe Box. xxxxx was a xxxxxxxxxxxxxxxxxx student-athlete during the 1995-96 and 1996-97 academic years. She believed that these shoes had been

given to xxxx by the university, and he had autographed the box and given them to The Shoe Box. Gawlik initially believed that she told Tim Bald, the university's current compliance coordinator, about the sighting of the xxxx shoes. When told that Bald began his employment at the university in March 1998, she questioned whether she reported this information to him. She also indicated that she was not sure if this was a violation, as she was not initially familiar with NCAA legislation since she came from an NAIA school.

- **Student Newspaper Inquiry**

About three or four years ago, a student newspaper reporter telephoned the sports information director and questioned why so many student-athletes were wearing Shoe Box T-shirts and whether they received them free. The director indicated that he contacted either the football staff or a member of the compliance staff, who telephoned The Shoe Box. The director responded to the newspaper reporter that The Shoe Box was providing the T-shirts at no cost to students and others as an advertising promotion.

- **Information from Soccer Practice**

In September 1999, at a night practice of women's soccer, Gawlik overheard a conversation between two women soccer players. One player was an older student-athlete, and the other was a younger student-athlete. The older player was informing the younger player that if she went to The Shoe Box, she should identify herself as a student-athlete and she could receive a discount. When interviewed, Gawlik could not recall the specific student-athletes but identified several student-athletes that she believed might have been involved in the conversation. The university interviewed these student-athletes, and none of them recalled the conversation. Gawlik indicated that on the next day, she went to Bald and told him the information. Bald replied to her that he had heard other information that he needed to review.

Cheryl Marra, who is the university's senior woman administrator and associate director of athletics, reported that Gawlik told her that she overheard two soccer student-athletes talk about going to The Shoe Box and purchasing shoes. She encouraged Gawlik to report the information to Bald. She recalled that Bald reported back to her that he had been to The Shoe Box and talked to Schmitt. Bald did not provide her with any specific details but she remembered that he said he had talked to "the guy at The Shoe Box."

Bald did not recall the specific conversation with Gawlik, but recalled receiving information in the fall of 1999 from other sources that questioned why student-athletes were shopping at The Shoe Box and

receiving T-shirts. He remembered a conversation with Marra in the fall of 1999 about The Shoe Box.

- **T-Shirt Information**

Marra reported that in the fall of 1999, she saw numerous student-athletes wearing Shoe Box T-shirts. She had not heard any information about discounts on shoes or other possible improprieties but just noticed that many T-shirts were being worn by student-athletes. At that time, she told another associate director of athletics and Bald. She did not direct Bald to do anything on this occasion but only asked the question about why she was seeing so many student-athletes wearing T-shirts. She recalled that this conversation occurred prior to the conversation between her and Gawlik about Gawlik overhearing two student-athletes.

- **Quilting Club Meeting**

Gawlik indicated that in December of 1999, at a quilting club meeting at Marra's home, she heard conversations that questioned whether student-athletes were receiving discounts at The Shoe Box. She indicated that Carrie Meyers, a then equipment manager, brought a Shoe Box T-shirt to use in a quilt composed of used T-shirts. According to Gawlik, Marra questioned Meyers on where she got the T-shirt, and Meyers replied that she formerly worked at The Shoe Box. Gawlik reported that she mentioned to Meyers her conversation with the soccer student-athletes and that Meyers responded that she would not be surprised if something "was going on" at The Shoe Box. Meyers never mentioned specific information, only her general belief. Gawlik stated she could not remember whether she reported this information to anyone.

Marra recalled Meyers talking about her employment at The Shoe Box and how difficult it was working there because the store was always so crowded. Marra could not recall any information that was cause for any concern about The Shoe Box, and she could not remember any conversation about improper benefits or discounts being provided. She recalled that she did not feel any need to talk with anyone after that meeting, so she believed that nothing was mentioned during the conversation of concern.

Meyers recalled the quilting group meeting and her bringing The Shoe Box T-shirt. Meyers recalled that she told the group that she worked for The Shoe Box and that Schmitt was difficult to work for. She did not recall reporting any information to them about any rumors that she would have heard. She did not recall any comments

by Gawlik or Marra about the necessity to follow up on any information.

- Meyers Shoe Box Employment

During her one-month employment at The Shoe Box in late 1997, Meyers heard employees talking about student-athletes shopping at The Shoe Box to get discounts. No information was provided about the type of discounts, and no specific student-athlete was mentioned. She did not put much credibility in the comment because she knew that people had a tendency to either talk poorly about student-athletes or to put them in esteem positions. She indicated she waited on approximately twenty (20) student-athletes during her employment, and she could not recall Schmitt talking to any of these student-athletes. In accordance with policy at The Shoe Box, she would take the shoes that the customer wished to purchase to the counter, and the customer would wait in line. She then would wait on other customers, so she was not present at the register when the student-athlete actually purchased the shoes. At no time did Schmitt or the other employees tell her to give special discounts or services to student-athletes. She knew that Schmitt gave discounts to frequent customers and that there are numerous store ads in the paper. She also received a 25 percent discount as a current and former employee. She was not aware of any of the student-athletes receiving credit. She knew that Schmitt frequently allowed customers to put shoes on hold, as she did the same on one occasion.

Meyers indicated that when she began employment at The Shoe Box in August of 1997, she saw a Rubbermaid bin with football shoes in it, with a sign that read "Worn By University Of Wisconsin Athletes." An employee told her that these were the shoes worn by the student-athletes that were retained by the athletes at the end of the season. She recalled the cost of these shoes was \$5 to \$10. Her Shoe Box employment began upon receiving her undergraduate degree. She was a student manager during her undergraduate experience and left The Shoe Box employment to become the assistant equipment manager at the university. She was not concerned about the bin, as she did not believe that the student-athletes gave or would have received money for their shoes. She indicated that each year, the university has a "garage sale" where it sold used equipment. She speculated that these shoes came from the "garage sale" and that Schmitt or other Shoe Box employees had purchased the shoes.

The athletic department previously had occasional "garage sales." Even when the athletic department had these "garage sales," it appeared that no worn-out shoes were ever sold. Currently, any excessive merchandise is forwarded to the university, which conducts a university-wide surplus sale on an occasional basis.

- **Tim Bald Information and The Shoe Box Visit**

Bald began his employment as the compliance coordinator in March of 1998. Bald categorized his information about The Shoe Box into general information and more specific information. Concerning the general information, Bald was not sure when he first became aware of The Shoe Box. He recalled during his first 18 months (March 1998 to September 1999), he saw several T-shirts that indicated The Shoe Box. He recalled asking someone what The Shoe Box was, and he was told that it was a place where many of the student-athletes bought their shoes. He indicated he “filed that away in his mind.” As he saw more T-shirts, he wondered why the student-athletes would be shopping at The Shoe Box. He remembered receiving information that it was a discount shoe store that gave very good bargains. He also remembered someone mentioning to him that they wondered why all the student-athletes were going to The Shoe Box. Bald emphasized this information was people questioning why the student-athletes might be shopping at The Shoe Box, as opposed to any suggestion that impropriety was occurring.

Concerning more specific information, he recalled a conversation with Marra and Gawlik, who reported that a coach or an administrator mentioned to Marra and Gawlik that the comfort level of the coach or administrator was not good with so many student-athletes shopping at The Shoe Box. He believed this occurred around the Peter Warrick eligibility situation at Florida State (October 14, 1999). Bald recalled that either the coach or administrator asked Marra or Gawlik, “do we have the same situation at The Shoe Box.” Bald responded to Gawlik and Marra that he had intended to visit The Shoe Box because of others questioning the T-shirts, and he made the determination that he needed to do that in the near future. He indicated he probably would have visited The Shoe Box even if Marra or Gawlik had not mentioned their concerns, as he continued to see T-shirts and wondered why the student-athletes were shopping there.

On Friday, November 5, 1999, about a month after the conversation he recalls with Marra, he visited The Shoe Box. He previously talked with Athletic Director Richter and asked Richter if it was a good idea to visit The Shoe Box. Bald explained that since there was no specific information, he wanted to make sure that Richter was okay with him visiting Schmitt and explaining NCAA legislation. Richter gave him permission and told Bald to tell Schmitt that Bald was representing Richter during this meeting. Bald visited The Shoe Box and identified himself as the compliance coordinator at the university and asked to talk to Schmitt. Bald reviewed with Schmitt the following: (i) his responsibilities as compliance coordinator; (ii) that this was a follow up on questions of why so many student-athletes were wearing Shoe Box T-shirts; and (iii) Bylaws 16.12.2.2 and

16.12.2.3 (Bald gave him a copy of these bylaws). He emphasized to Schmitt that he needed to treat student-athletes the same as other students, in that they could receive nothing that the general students were not receiving. He told Schmitt that he may believe he was helping the university if he helps student-athletes, but it could be hurting the institution. He reminded him that he was acting on Richter's behalf, and the university was prepared to take additional action, like asking him to come to campus to talk, if anything improper was occurring.

Bald indicated he talked with Schmitt about five to ten minutes and that Schmitt said that student-athletes were not getting anything that other students were not receiving. Bald indicated that the purpose of the meeting was to tell Schmitt about the legislation, not to investigate. Bald indicated he was telling Schmitt information, as he did not want Schmitt to believe he was being investigated, as he was not at the time. Bald emphasized that during this conversation with Schmitt, he had no information about specific student-athletes to ask about, only that it was important that Schmitt understood the legislation. Bald indicated that it was an uncomfortable conversation because he was explaining legislation, but he did not have any specific information to ask Schmitt. On the following Monday, Bald went to Richter and told him the results of the conversation. Bald told Richter that although Schmitt listened to him, he did not think Schmitt heard him. Bald indicated that he asked Richter what to do next and that Richter said it should be left at that, because there was no specific information. Richter told him to wait and see what happens. Bald indicated he had heard no other rumors or any other comments until the article began to unfold in the summer of 2000.

- **Student-Athlete Assistance Fund Records**

If a student-athlete paid cash for shoes at the time of purchase, no store records existed of the purchase, including any accompanying discount. The only records the university had that would indicate a Shoe Box cash purchase were if funds from the Student-Athlete Assistance Fund (SAF) were utilized. The university reviewed the SAF records for the past five years to determine if it should have been alerted to the discounts by reviewing the documentation submitted by the student-athletes.

The forms utilized for qualification for reimbursement for expenses from the fund were changed at the beginning of the 2000-01 academic year. However, the procedures had remained the same over the past few years. A student-athlete would receive a student-athlete assistance request form from the university's grant-in-aid coordinator. The coordinator would check the box indicating that the student-athlete was eligible for the \$250 per semester or \$500 per year monies from the SAF. The form would be forwarded to the

compliance coordinator and then to the athletic department administrator who supervises that sport for signature. At that time, the application form only had the name of the student-athlete, identifying information, sport, and a mark indicating he or she was eligible for the monies from the fund. The student-athlete then received a check from the athletic business office. After the student-athlete purchased the items, the student-athlete submitted the receipts to the grant-in-aid coordinator. She attached a copy of the receipts to the application form and sent them to the athletic business office. The business office would credit the SAF.

The receipts attached to the application form were not forwarded to the compliance coordinator or the sport administrator. The only individuals to review the receipts were the grant-in-aid coordinator and an individual in the business office who credited the SAF. Neither of the individuals was instructed to review the receipts to determine whether potential NCAA violations may have occurred.

The university has records for the fund dating back to the 1995-96 academic year. Between fifteen and twenty-two (15 - 22) student-athletes each year requested reimbursement for purchases at The Shoe Box. The amounts paid for Shoe Box merchandise ranged from \$20 to \$250. The vast majority of the receipts that were submitted were cash register receipts and not copies of invoices, so the discounts were not identified. The university wanted the cash-register receipt, as it was the best record of the amount paid. Of approximately eighty-three (83) requests, only seven (7) had an invoice from The Shoe Box and, of those, four indicated one price and a corresponding discounted price. None of these invoices had any indication that this price was given because of the student-athlete's athletic ability other than the indication on one invoice "UW Rowing" and on another "Badger Soccer Player."

Since many of the university's students and student-athletes shopped at The Shoe Box, it would not be unusual for the grant-in-aid coordinator to see many purchases from The Shoe Box. If the grant-in-aid coordinator would have had the responsibility to review the forms for NCAA compliance, she might have noted a discounted price. However, even with this identification, it is possible that she would have believed that this was a discounted price that anyone could have received at The Shoe Box. Further, as indicated above, the university was requesting and often received only the cash register receipts.

- **Athletic Department Shoe Box Purchases**

Some coaching staff members made purchases at The Shoe Box, and some of them, especially in the highly visible sports, received

significant discounts. In the university's interviews with coaching staff members concerning general issues about The Shoe Box, it asked staff members about their Shoe Box shopping experience. Several individuals involved with the football and men's basketball staff indicated that they have shopped at The Shoe Box and received discounts. It appears these discounts were given due to the notoriety of those individuals in their positions. Schmitt often recognized the individuals and provided them the discount. Similar to the student-athletes, this was often done without a request. The number of purchases by coaching staff members was not significant, since these coaching staff members generally received merchandise from Reebok – the company that had the university's shoe contract at the time. The majority of the purchases by the coaching staff members were for family members. Ironically, the head men's basketball coach during the latter part of the 1990s had never been to The Shoe Box, and the head football coach had only visited The Shoe Box on one occasion in the early 1990s. Concerning Schmitt's recognition of coaching staff members when they came into the store, the head women's soccer coach indicated that he has been to The Shoe Box on two or three occasions in his 20 years of employment with the university. However, he has never received a "Steve" discount and has never met Schmitt. He does not believe Schmitt knows who he is.

Coaching staff members who purchased shoes indicated that they have never seen Schmitt in any other setting and would not consider him a social acquaintance. Coaching staff members who received the "Steve" discount indicated that they did not know why they were receiving the discount. Some speculated it could have been because of their position at the university, while others speculated that they received it because The Shoe Box was a discount store, and others could receive similar discounts. These coaching staff members knew that student-athletes were wearing Shoe Box T-shirts, and some assumed that the student-athletes were making purchases at The Shoe Box. However, all indicated that they did not ask the student-athletes about their purchases or whether they received discounts similar to their own. Several indicated that many people shopped at The Shoe Box, so it was not unusual that the student-athletes were shopping there.

It should be noted that most athletic department staff members were not customers of The Shoe Box. Even though Athletic Director Richter is a long-time resident of Madison, he has only been to The Shoe Box once – in the early 1990s, and he did not purchase anything. The vast majority of senior athletic department officials have never been to The Shoe Box, and if such visits occurred, they were very infrequent. Compliance Coordinator Bald had not been to The Shoe Box until his visit with Schmitt in November of 1999.

- **Jane Albright Information**

An article appeared in the March 3, 2001 edition of the Milwaukee Journal-Sentinel that included information that a coach, who was not identified, queried Anthony Adams, the institution's then compliance coordinator, during the 1995-96 academic year about The Shoe Box. The article indicated that the coach noticed that student-athletes were wearing Shoe Box T-shirts and wondered if violations might be occurring. According to the article, Adams responded a while later that there was no concern about The Shoe Box.

The university learned that head women's basketball coach Jane Albright was the coach who had been quoted in the article. She reported that she saw several student-athletes wearing T-shirts from The Shoe Box, so she approached Adams. She indicated that she could not remember the nature of the conversation other than that she told him that she saw these T-shirts and wondered what was going on. She indicated that she did not tell him that she suspected violations but only questioned why the student-athletes were shopping at The Shoe Box. Albright said that although the article said that she warned Adams, "warned" was not the correct word. She indicated that she probably "told" or "asked" Adams about The Shoe Box. She emphasized that she is a very "trusting" person so she did not think anything was wrong. She was asked why she went to the compliance coordinator if she did not believe anything was wrong, and she indicated that she believed that seeing so many T-shirts was a potential red flag so she should go to the person who handles compliance. She reported that Adams reported back to her that he had no concerns about The Shoe Box.

Adams was interviewed following the Albright interview. (Adams had previously been interviewed by the institution in December 2000.) During the March interview, he reiterated the information reported during the December interview. He did not recall having any knowledge of The Shoe Box or that anyone told him anything about The Shoe Box. Concerning any conversations with Albright, he indicated that he did not remember having any such conversation. He indicated that if Albright came to him with this information, he believed he would have remembered that occurring. He had no ideas about any conversations he might have had with Albright that she could have confused with asking him about The Shoe Box.

At some point after the initial Shoe Box article occurred in the summer of 2000, Albright contacted Vince Sweeny, an associate director of athletics, and informed him about her conversation with Adams.

- **Shoe Box Employee Information**

In the original article in the Wisconsin State Journal, several former employees of The Shoe Box were listed as individuals who contributed to the story. The university contacted these individuals, and only one agreed to be interviewed. The university had several interviews with Troy Hegge, an individual who was employed at The Shoe Box from August of 1999 to May of 2000. Hegge reported that he attempted to contact the university's athletic department on several occasions in the fall of 1999 to report to it that student-athletes were receiving discounts or free merchandise at The Shoe Box that was contrary to NCAA legislation. Hegge was unable to recall any specific information concerning these contacts. He provided similar information to the Wisconsin State Journal, which elected not to publish his remarks.

During his first interview, Hegge reported that he contacted the athletic department on five occasions and left messages with Pat Richter on several of these occasions. Upon reflection, he then reported that he left voicemail messages on athletic department phones on two occasions, followed by a telephone conversation with Pat Richter's assistant on one occasion. During his second interview, he indicated that he left a voicemail message on the athletic department telephone, then had a telephone conversation with Richter's assistant and then left a telephone message in Pat Richter's voicemail about The Shoe Box. The information generally reported in these voicemails and to Pat Richter's assistant was that student-athletes were receiving free shoes and "dropping Reebok product." He indicated he left his telephone number both at work and at home and encouraged someone to call, but no one returned his calls.

Concerning his conversation with Pat Richter's assistant, he reported that in November of 1999, he called the athletic department office, asked for Richter, and a male, who identified himself as Richter's assistant, took the call. Hegge explained who he was and why he was calling. According to Hegge, the male indicated the university was not aware of this information and that someone would be contacting him. Hegge could not recall whether this happened before or after Bald's visit on November 5, 1999.

Hegge could not recall what number he telephoned at the athletic department in order to record into a voicemail box. He consistently has indicated that on one occasion, he was put into Pat Richter's voicemail box, although he could not recall if Richter's name was indicated on the voicemail box. He could not recall the name of the male that he talked with, even after the university provided him names of several of "Pat Richter's assistants." The university interviewed athletic department officials and none recalled receiving a call from Hegge.

The University also conducted an internal review of its telephone message procedures at the Athletic Department, and particularly the procedures used when callers attempt to contact Pat Richter, to aid in determining the veracity of Hegge's allegations.

It was learned that Richter's direct telephone line is not listed in either the University staff directory, or the public telephone book, and is not freely given out. The number listed for Richter in the University directory and in the public telephone book is the number for his executive assistant, Sonja Christenson. There is no voice mail service on Christenson's telephone, and if she is not at her desk or is on the telephone when a call comes in, the call gets transferred to the "Welcome Center." When Christenson receives a phone call for Richter, the protocol is for her to take a written message and send it to Richter via e-mail. Christenson said that only 3 to 4 times in the past 6 or 7 years has she transferred a call directly to Richter's voice mail, and those uniformly involved known regular callers who had tried his direct line, and wanted to leave a detailed message. Christenson said that if she had received a call for Richter of the nature alleged by Hegge, she would have taken a message and sent it to him via e-mail, and would not have forwarded a person unknown to Richter directly into his voice mail box. Christenson said that she does not remember any calls or messages of the nature alleged by Hegge, and believes she would have recalled any such call or message. Unfortunately, it is not possible to review Christenson's or Richter's e-mail records to double-check, as the Athletic Department moved to a new e-mail program in the summer of 2000, and the e-mails stored in the old system have not been retained.

Another possible avenue for contacting Richter would have been to call the Welcome Center, which is the number to call for general information about the Athletic Department. Sharon Denissen staffs the Welcome Center in the mornings, and Ryan Sedevie in the afternoons. When they are not in the office, student help will be used to fill in. There is no voice mail on the Welcome Center line - if no one is staffing the Welcome Center, such as outside of business hours, the phone just rings. The Welcome Center gets about 10 to 15 calls per day for Richter, often from persons unknown to Richter, and occasionally unusual. The normal protocol is for the Welcome Center staff to forward messages for Richter to Christenson. If Christenson is not at her desk, the normal protocol is for Sedevie or Denissen to take down the message and send it to Richter, usually in an e-mail but sometimes in a voice mail. Alternately, if Richter was not in the office, messages are occasionally referred to Associate Athletic Director Vince Sweeney. Only in unusual circumstances would a caller be put directly into Richter's voice mail by Denissen or Sedevie. A student helper filling in at the desk would not know Richter's direct line. Neither Sedevie nor Denissen recalled any calls from Hegge, or recalled transferring any call from him into Richter's

voice mail. Therefore, it seems unlikely that calls from Hegge could have been transferred directly to Richter's voice mailbox, or to Sweeney or his voice mailbox. Neither Richter nor Sweeney have any recollection of ever receiving a call from Hegge.

The university also attempted to secure the records for the telephone number Hegge said was used to place his calls to the athletic department. This was not successful despite Hegge's initial agreement to facilitate this. The individual to whom the number was assigned has indicated that she will not give permission to access these records; this permission is a requirement for access.

- **Other Miscellaneous Information**

As indicated previously, the university reviewed whether prospects were taken to The Shoe Box on their official visit by student hosts or coaching staff members, and no information indicated that this practice occurred. The university also reviewed whether coaching staff members were providing information to the prospects during their recruitment about The Shoe Box providing discounts, and no information indicates that this was the case.

There was a single instance where a student-athlete indicated he visited The Shoe Box on a recruiting visit. On further inquiry, the university confirmed that this occurred on an unofficial visit when the then-prospect and his parents went to The Shoe Box on their own.

[Section deleted per FERPA]