

H. CORRECTIVE ACTIONS, PENALTIES AND DISCIPLINARY MEASURES

1. Corrective Actions

Athletic Department Organization

The administration of the Athletic Department is being significantly restructured. In this regard, David McDonald, the current chair of the Athletic Board, is being appointed Deputy Athletic Director to manage the day-to-day operations of the Athletic Department. In addition, of particular note, is that the Associate Athletic Director to whom the compliance and academic affairs offices report will report directly to the Deputy Athletic Director who will report directly to the Chancellor.

The appointment of a Deputy Athletic Director is intended to further augment and strengthen the organizational changes made in the late summer of 2000, particularly related to compliance. Of specific relevance among those organizational changes is having the compliance office report to an Associate Athletic Director, rather than directly to the Athletic Director, for those compliance functions overseen at the department and not by the Vice Chancellor for Legal and Executive Affairs. The dual reporting relationship was maintained. The university believes that this provides a level of enhanced supervision of the compliance office as well as additional guidance with respect to critical decisions and responsibilities.

In addition, the compliance office has increased its staffing by the addition of a compliance specialist, hired last summer. Although some of the duties were previously performed by a grant-in-aid supervisor, the duties of this position include some additional duties beyond those performed by that individual. Further, the compliance coordinator has proposed the addition of a compliance monitoring position for 2001-2002 that has been approved. This will allow the assistant director to focus her energies on education and for the new hire to focus on monitoring, all under the supervision of the compliance coordinator.

Institutional Oversight/Organization

As of January 1, 2001, John Wiley became the institution's new Chancellor. He has announced and initiated some additional oversight and connections between his office and athletics. He has included the Athletic Director in his leadership council that meets monthly and includes academic deans, vice chancellors and directors of major departments. The Athletic Director's chief of staff, who is also an Associate Athletic Director, will attend the Chancellor's bi-weekly staff meetings, and will have regular contact with the chancellor's executive assistant

who will serve as the Chancellor's liaison to the department. The Vice Chancellor for Legal and Executive Affairs will continue to attend athletic management team meetings and the executive assistant will attend athletic department head meetings.

Although this was not a response to this case, we believe that there will be added oversight that will allow greater input from the campus administration into the affairs of the athletic department and increase knowledge of athletic department activities and issues at the campus level.

Governance

The Athletic Board, composed primarily of faculty, with academic staff, student and alumni representation, has new leadership. David McDonald, a professor of history, became the chair in the summer of 2000. With his appointment as Deputy Athletic Director, Bernice Durand, a professor of physics, is taking over as chair. In addition, Gloria Ladson-Billings and Robert Haveman took over as our Faculty Athletics Representatives.

Ladson-Billings and McDonald have unveiled a plan with the athletic management team to begin discussions with the department on core values, beginning with the combination of athletics and academics. This will be part of a larger institutional effort, included in recommendations from the Big Ten Conference's recently issued Integrity Report. The goal is to identify existing values and to ensure that the institution has sufficient comfort with those values.

Specific Initiatives

(1) Early Warning Systems and Due Diligence

Another recommendation of the Big Ten Integrity Report is the development of early warning systems and due diligence processes associated with information concerning possible violations that will produce credible factual briefs that will withstand later scrutiny. Based on what we learned during this investigation, this particular initiative is imperative and will be a high priority for the institution, the department, the compliance office and the compliance committee.

In addition, all coaches and departmental administrators have received a general memorandum from the Chancellor, reminding them of the shared nature of compliance responsibility, and of our expectation that all employees pay greater attention to compliance issues, particularly in light of our infractions history and probation. This memorandum also includes a clear statement of the Chancellor's intent to have a vigilant and effective compliance

program. A copy of this memorandum is Exhibit 14, attached and made a part of this report.

(2) Education

(a) The university has agreed to join a Chicago-based company in the development, testing and use of an online, interactive compliance education program. This program will contain a number of compliance modules that will both provide interactive teaching/learning and will test the user's knowledge retention. This will be accomplished over the next 5-6 months.

(b) The assistant director of compliance who is responsible for compliance education has already visited another institution, known for its quality education programming. She has discussed what she learned with the compliance committee of the athletic board and has plans to increase and improve the level of compliance education. An emphasis will be student-athlete educational programs, especially related to extra benefit and other legislation where violations have surfaced in this case, as well as instilling in the student-athletes the need to ask questions and seek interpretations from the compliance office about concerns that they might have. Additional education will also be planned for coaches concerning their involvement with prospects who have signed National Letters of Intent with the university in the summer prior to enrollment.

(c) Attendance will be made mandatory at all scheduled compliance education sessions.

(d) The creation and maintenance of a compliance website for educational and other information will be made a high priority.

(3) Identification and Monitoring of Representatives

The compliance office will be instructed to develop ways to identify and monitor representatives of our athletics interests. This is likely to include comparing donor lists with local business owners and preparing educational materials directed to them about applicable legislation, including the legislation on extra benefits. This might also include working with coaches and staff to identify businesses with whom the department does business, and making sure that the arrangements made with those businesses have been reviewed to ensure rules compliance. In addition, this is likely to include education of those businesses about the rules most likely to be implicated, and education of coaches to ensure that they seek

reviews and interpretations regarding arrangements that they would like to pursue.

Coaches and staff will also be reminded that they need to provide information to the institution about area businesses that provide discounts or special arrangements to them. This should already be occurring under NCAA Bylaw 11.2.2 and to avoid problems with the ethics provisions applicable to university employees regarding the receipt of anything of value because of their position. This information will be used by compliance staff to make inquiries to ensure that these same benefits are not being provided to student-athletes.

(4) Summer Prospect Monitoring

The compliance office is in the process of developing a monitoring program for prospects who have signed National Letters of Intent and plan to be in Madison during the summer prior to enrollment.

(5) Modification of vehicle registration form

This form will be modified to include purchase price information.

(6) Schmitt Disassociation

The university has disassociated Steve Schmitt, the owner of The Shoe Box, as of April 20, 2001, for a period of five (5) years. A copy of the letter sent to him is Exhibit 15, attached and made a part of this report.

2. Penalties

The following penalties will be imposed by the institution on itself as a result of the infractions being reported herein:

- a three (3) year period of probation, to begin on Friday, April 20, 2001, and to include annual reports to the NCAA on May 1, 2002, 2003 and 2004, reviewing progress made with respect to the long term corrective actions;
- pay an institutional fine in the amount of \$150,000, which sum is approximately the amount of net revenue received by the university for post-season NCAA tournament appearances in 1999 and 2000 by the men's basketball team;
- reduce by two (2) the number of scholarships available under NCAA legislation in football for 2001-2002 thus limiting the total to eighty-three

(83); by one (1) for 2002-2003 and by one (1) for 2003-2004 (the institution has provided an average of 84.6 scholarships per year over the last five (5) years);

- reduce by one (1) the number of scholarships available under NCAA legislation in men's basketball for 2002-2003 thus limiting the total to twelve (12) (the university has provided an average of 12.3 scholarships per year over the last five (5) years);
- reduce by one (1) for one (1) year beginning on July 1, 2001, the number of coaches who may recruit off-campus in the sports of men's and women's basketball, football and wrestling - those sports where at least 50% of the current student-athletes were involved in the violations, and direct those coaches remaining on campus to use that time to focus on academic and compliance matters; and
- require institutional recertification, or provide additional supplemental information to the NCAA as part of the pending second cycle certification process, to confirm that the current athletic policies and practices conform to NCAA regulations.

3. Disciplinary Measures

The athletic director received a formal letter of reprimand and notice that he will not receive any increase in compensation for the next year. (Exhibit 16, attached and made a part of this report.)

The director of compliance received a formal letter of reprimand. (Exhibit 17, attached and made a part of this report.)

Fourteen (14) head coaches in sports where current student-athletes were involved in violations reported herein, received letters of admonishment, for failure to act more affirmatively to promote and create an aggressive compliance program, particularly to have a heightened sensitivity to possible problems in light of our infractions history and probation. They were also reminded of the shared responsibility for compliance and of our expectation that they pay closer attention to possible compliance issues, again, given that compliance history and probation. (Exhibit 18, attached and made a part of this report.)

The head men's basketball coach, who was hired effective April 1, 2001, did not receive this letter, but received the general memorandum.

