



Playing BY THE Rules

ETHICS AT WORK

Undergraduate & Graduate Business School Episode Guide

Season 3, Episode 2: Pay to Play

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Season 3, Episode 2: Pay to Play

Instructor Overview

Case Overview

In June of 2017, high school basketball star Brian Bowen II announced his intent to enroll in the University of Louisville. Basketball fans and the sports media alike never saw it coming.

Bowen was, in the vernacular of college athletics, a “five-star” recruit. Considered one of the best high school players in the nation, he would be named a McDonald’s All-American, an honor previously bestowed on some who would go on to become basketball legends like Michael Jordan and Magic Johnson.

In the spring of 2017, Bowen had been heavily recruited by several high-profile college basketball programs, including Arizona, Michigan State, and Oregon. That fall, it was expected that he would be playing for one of those teams. Instead, in early June of 2017, sports fans opened their browsers to headlines like, “Out of Nowhere, Louisville Lands Brian Bowen.”

While Bowen’s announcement was a surprise to most, to a small handful of the aspiring agents, would-be financial advisors, and amateur sports league officials who work in the shadows of youth athletics, it was not. How Bowen ended up at Louisville – and what happened to him once he got there – would result in one of the biggest scandals to hit college basketball in decades.

The scandal exposed an underground market for the services of Bowen and other talented players like him, featuring a cast of bagmen and secret payoffs. And it’s alleged those payoffs were bankrolled by Adidas, one of the world’s biggest sports apparel companies, running an illegal program known inside the company as “Black Ops.”

An FBI investigation eventually exposed the “Black Ops” program, revealing that employees at Adidas were determined to gain a competitive advantage in the \$60 billion a year North American sports equipment market, even if that meant breaking the law. The plan? Steer talented players to universities which were sponsored by Adidas, resulting in increased exposure for its products.

The Adidas executive at the center of the controversy, along with several associates, was convicted in the scheme, while the names of several well-known universities – the University of Louisville, the University of Kansas, and North Carolina State among them – would be sullied. This episode of *Playing by the Rules* raises important questions of leadership and oversight. What did senior executives at Adidas know about the illicit program and when did they know it? Why didn’t those universities keep a closer eye on their sports programs? And what reforms are necessary to make sure it doesn’t happen again?

Media Utilization Tips

Ideally, instructors will assign the full episode (27 minutes) to students to watch in advance of the class, so that they may fully participate in the in-class discussion.

Link to view:

<https://www.wliw.org/programs/playing-rules-ethics-work/pay-to-play-elprnc/>

Key Moments: Instructors may choose to highlight key moments within the episode for students to pause and reflect on the episode. Below are the timestamps of three key decision-making moments:

4:20 – What is “grassroots” basketball? What do its organizers stand to gain from relationships with sneaker companies?

10:50 – Who are “the middlemen?” What did they stand to gain from relationships with Adidas?

17:25 – How did Adidas disguise its payments to families and players?

20:05 – What steps did the University of Louisville take to “clean house?”

Reflection Questions: Instructors may also choose to provide students with reflection questions as they watch the episode. Examples of reflection questions include:

- *Describe the parties involved and their interests. What do companies like Adidas stand to gain from college recruiting?*
- *Describe the system of grassroots basketball and how it feeds into the college basketball system.*
- *What factors contribute to the corruption in college basketball recruiting?*
- *How might a star player navigate the waters of recruiting given this corruption? What are their interests? What do players and their families stand to gain?*

Key Takeaways

Here are some of the key themes in this episode:

- Despite NCAA rules regarding amateurism, major athletics companies like Adidas find ways to skirt regulations and entice players and their families to attend their affiliate colleges through financial incentives, merchandise, and more.
- This behavior and activity fuels a competitive and corrupt environment in college sports, where companies “win” when they skirt the rules. Although college sports are classified as amateur sports, major sponsorships and financial incentives create situations in which star players and their families must participate in ethically questionable decision-making in high-stakes situations in order to set players on a path for professional success as adults.

Supplemental Case Readings

The following articles provide additional information about the Adidas and Bowen scandal.

Instructors may use this as background reading to prepare to lead the class. Additionally, instructors may choose to assign one or more of the articles as supplemental reading.

- [Three sentenced in Adidas recruiting scandal](#)
(ESPN, March 5, 2019)
- [Father of ex-Louisville recruit Brian Bowen says former assistant Kenny Johnson gave him cash](#)
(USA Today, October 9, 2018)
- [Former Louisville recruit Brian Bowen sues Adidas](#)
(CBS Sports, November 19, 2018)

Addendum

In October 2019, NCAA Board of Governors voted unanimously to allow student athletes to be paid for the use of their name, image, and likeness. The ruling will go into effect once its three divisions decide on rules for such opportunities, and these decisions will happen between now and January 2021.

Discussion/Contemplation Questions:

- How might this initiative change the landscape for student athletes and their families?
- What factors should the NCAA divisions consider when setting these rules?
- What impact, both positive and negative, could it have on student athletes?
- What impact, both positive and negative, could it have on universities or other stakeholders?
- If this ruling had been in place in the past, how might it have changed the outcome of the Adidas and Bowen scandal?

Related Readings:

- [NCAA says athletes may profit from name, image and likeness](#)
(CNN, October 29, 2019).
- [The NCAA Had to Cut Athletes a Better Deal](#)
(The Atlantic, October 30, 2019).

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Instructor Resources

Below is a suggested structure for class discussion and activities based on this episode. This structure assumes the instructor has assigned students to watch the episode prior to class.

Class Outline:

I. Overview (10 minutes)

- Outline the case and key issues at play.

II. Discussion (30 minutes)

- Open up the floor for class discussion.
- *Discussion questions:*
 - Describe the parties involved and their interests. What do companies like Adidas stand to gain from college recruiting?
 - Describe the system of grassroots basketball and how it feeds into the college basketball system.
 - What factors contribute to the corruption in college sports recruiting?
 - How might a star player navigate the waters of recruiting given this corruption? What are their interests? What do players and their families stand to gain?
- *Suggested themes to highlight:*
 - Major athletics corporations are involved in what is intended to be amateur sports. Financial outcomes create corrupt environments for universities and star players.
 - Players and their families must navigate a corrupt environment, challenging their values and moral reasoning.

III. Activity: Debate (50 minutes)

- See "Extension Activities" on the following page for an activity outline.

IV. Conclude (15 minutes)

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Extension Activities

I. Case Summary

Assignment: Prior to class, assign students to write a three-sentence summary of the case presented in the episode. The summary should include an overview of the key issue presented in the case, along with the case outcome.

II. In-Class Debate

In college sports, despite regulations, financial stakes are high. Beginning at a young age, high school sports players are scouted and recruited by major universities, resulting in questionable practices including incentives, bribes and more.

The Fab Five: The 1990s University of Michigan basketball scandal involving Ed Martin and the “Fab Five” was one of the biggest scandals in college sports history. An investigation by parties including the FBI and Department of Justice found Martin, a financial booster of Michigan’s basketball program, guilty of illegal activity including bribes, money laundering, and gambling. The players were also fined and eventually suspended from their amateur careers.

1. Split the class into three groups: two groups will argue for and against TD Bank, and the third group will serve as judges. The instructor should print and distribute the applicable article to each group. The judges should read both articles.

- **Pro:** *The players knew what they were doing and should not have accepted money from Martin.* [Michigan Forfeits Victories from Five Seasons](#) (Associated Press, November 11, 2001)
- **Con:** *College athletics are set up to benefit all but the players involved. They should not have been punished.* [The Impact Of Michigan's 'Fab 5' On The Social Milieu Of College Sports](#) (NPR, September 12, 2016)

2. Distribute the applicable reading assignment to each group and give students time to read independently and discuss as a group (20 minutes). During this time, the judges should read both articles and discuss the key issues at play.

3. Each group should clearly articulate their stance and make an argument as to why they are correct (5 minutes per group).

4. After each group states their case, the judges should pose questions to each group (5 minutes per group).

5. Judges will then leave the room and deliberate, and return with a final verdict and explanation of their reasoning (10 minutes).

III. Editorial

Assignment: Write a 250-word editorial either siding with or arguing against the decision making of Brian Bowen and his family.

Note: Instructors may choose to ask students to use the included ethical frameworks included in the full *Playing by the Rules* classroom materials or other frameworks appropriate to their class in their analysis.

Key Considerations:

- *Explain what you would have done if you were in the player's position. Would you have accepted financial incentives?*
- *How would you weigh the consequences of your decision?*
- *What impact would your decision have on key stakeholders (athletic companies, colleges, recruiters, the public, your family)?*
- *Describe one or two ethical frameworks you would use to weigh your decision.*

Alternate Assignment: Write a 250-word editorial describing a similar ethical dilemma you have personally witnessed or experienced. Please do not reveal details about identities, company, etc. Apply the frameworks discussed in class and the major trade-offs faced by the main decision maker in the dilemma.

IV. Optional Assignment: Opposing Side

Assignment: Write a 250-word response to your own editorial, taking the opposing side. If you argued in favor of taking a bribe or incentive, discuss the negative ramifications of having done so. If you argued in favor of not taking a bribe, examine how this decision would affect your future career.

Key Considerations:

- *Examine the arguments you made, and take the opposing viewpoint.*
- *How might the situation's outcome change with this new decision?*
- *What impact would your decision have on key stakeholders (athletic companies, colleges, recruiters, the public, your family)?*
- *Examine the ethical frameworks you used to make your original decision and consider how they apply now.*

V. Related Readings

Instructors may choose to assign additional readings for context on the key issues of this episode, either in advance of class or post-class:

- [Corruption, Scandal And The Multi-Billion Dollar Business Of College Basketball](#)
(NPR, October 25, 2018).
- [The Shame of College Sports](#)
(The Atlantic, October 2011 issue).