

The Board of Regents of the University of Minnesota v. Haskins: The University of Minnesota Men's Basketball Academic Fraud Scandal - A Case Study

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In May 2002, former University of Minnesota Men's Basketball Coach Clem Haskins was ordered by a Minnesota State District Judge to return \$815,000.00 of a \$1,075,000.00 settlement arising from his coaching contract buyout by the University of Minnesota ("Arbitrator's compromise. . .," 2002). This marked the conclusion of the three-year University of Minnesota academic scandal saga involving the Four P's of modern college athletics: Payoffs, Plagiarism, Perjury and National Collegiate Athletic Association (NCAA) Penalties. The settlement seemed to support the University's position, as expressed by 'its general counsel, Mark Rotenberg that, ". . . [i]f you lie and cheat the university, you pay" ("Arbitrator's compromise. . .," 2002).

To the casual observer, the settlement gives the appearance that throughout Haskins' tenure as the University of Minnesota's Men's Basketball Coach he cheated and lied to the Board of Regents and University administration. Until the scandal broke in March 1999, the University administration claimed to be unaware of any academic improprieties within its Men's Basketball Program (Wertheim & Yaeger, 1999). The administration claimed that as soon as it became aware of problems within the program, it approached Haskins about his involvement (Wolf, 1999). Subsequently, he denied any direct involvement or knowledge of any improprieties within the

program (Wolf). According to this account, the University and Board of Regents, in good faith and based on Haskins' claims of innocence, agreed with Haskins on a \$1.5 million buyout, and expressed gratitude ". . .for [Haskins'] thirteen years of service. . . and. . . [wished] him a future of success and good health" (Mark G. Yudof Statement, 1999, ¶4).

However, once the University of Minnesota realized Haskins' apparent deception, and recognizing that he was actively involved in illegal activities, it attempted to recoup a significant amount of the monies previously paid to Haskins (Complaint, 2000). The University claimed that the suit against Haskins reflected its attempt to exert institutional control over its athletic program and to assure that the rogue coach responsible for the scandal did not profit from his malfeasance.

In order to gain a better appreciation of this case's complexity and its legal and cultural implications in today's big-time intercollegiate business environment, it is necessary to examine the case's chronology, evaluate Haskins' coaching contract, consider the possible legal remedies available to the University of Minnesota Board of Regents, and detail the university's responses to the scandal. This case encapsulates the complex relationships among a university's administration, athletic department, coaches, players, academic advisors, faculty, and fans. It also raises questions about the nature of college coaching contracts, and the ethical and practical responsibilities of coaches, athletic administrators, academic advisors, professors, and university administrators to the intercollegiate athletes who compete for a university.

Finally, this case exemplifies a university's hasty and injudicious attempts to mitigate damage, both financial and in public relations, in order to maintain the facade of an intercollegiate men's basketball program committed to educating its athletes. If this meant paying a coach \$1, 500,000.00 so the university could ". . .move forward quickly and with new leadership and have a successful season without the distractions of the Haskin's scandal" ("Haskins must pay university. . .", 2002, ¶9), so be it. This apparent haste to preserve, through whatever means necessary, the financial benefits and prestige that accrue to a successful Division I-A college athletic program eventually tarnished the University of Minnesota's reputation.

1986 – MARCH 1999: HASKINS' RISE TO NATIONAL PROMINENCE

In 1986, Clem Haskins was hired as the Basketball Coach at the University of Minnesota. At the time, he was one of the few Division I African-American men's head basketball coaches in the country. A former University of Western Kentucky All-American, National Basketball

Association All-Star, and successful coach at his alma mater, Haskins was hired by Minnesota to clean up its men's basketball program and return it to the upper echelon of the Big Ten Conference (Wertheim and Yaeger, 1999).

By 1989, in only his third year, Minnesota reached the *Sweet 16* (the final sixteen teams) of the NCAA Men's Basketball Tournament. The following year, Minnesota made it to the *Elite Eight* (one of eight remaining teams); one game away from the NCAA Final Four, every Division I coach's ultimate benchmark of success (Haskins, 1997). In the early 1990s Minnesota continued to have relatively successful seasons, winning the National Invitational Tournament (NIT) in New York's Madison Square Garden in 1993 (Haskins).

As the program continued to have on-the-court success, Haskins and the University of Minnesota athletic department took steps to insure the academic success of its athletes. In 1994, Minnesota Student Development Vice President, McKinley Boston, at Haskins' urging, approved the creation of a separate academic counseling program for the basketball team, under the direct control and supervision of the athletic department and Coach Haskins (Wertheim and Yaeger, 1999). As numerous scholars (Chandler, 2000; Funk, 1992; Gerdy, 1997) have noted, placing academic support staffs under the control and authority of the athletic department (let alone a specific team and coach) should be avoided, since it "...creates two egregious conflicts of interest that give rise to an appearance of impropriety" (Chandler, 2000, p.138). Simply stated, if academic support and compliance officers are placed under the ultimate authority of an athletic department, conflicts of interest arise when tutors and counselors are forced to choose between fulfilling the athletic department's need for athletes to remain eligible and upholding the university's academic mission or standards. Single (1989) went so far as to assert:

Academic-Assistance programs centered in athletic departments have failed not because there is no legitimate need for the services they provide, but because of the ways in which these services have been conceptualized, implemented, and justified. Such programs are inherently driven toward maintaining eligibility rather than fostering education. . . (pp. 157-158).

By 1996, Haskins had achieved a reputation as a successful coach of a winning, but clean, program. He was selected as an assistant coach for the 1996 United States Men's Basketball Team that won a gold medal at the Atlanta Olympic Games. The next year Haskins led the University of Minnesota Golden Gophers to their first NCAA Tournament Final Four, losing

to Kentucky in the semifinals. Although his team did not win the national championship, on March 29, 1997, Haskins was named the Associated Press (AP) National Basketball Coach of the Year (Haskins, 1997). Capitalizing on his success, Haskins wrote a book *Breaking Barriers*, which detailed his philosophy of coaching and life (Haskins).

Haskins' coaching acumen was once again recognized by his being named the head coach of the 1998 U.S. Goodwill Games Men's Basketball Team (Goodwill Games, 1998). As a result of his numerous coaching achievements, Haskins was seen by many as an eloquent spokesperson for all that was right about college sports (Ledbetter, 1999). On August 31, 1998, Haskins was invited to write an *NCAA News* guest editorial in which he lamented, ". . . I have come to the conclusion that the game of basketball in the United States is in disarray. . . . Our sport is losing its grasp on instruction of younger players and has become more of a source of entertainment than it is a competitive sport." Calling on his fellow NCAA members to focus on their mission of promoting ". . . the great game of basketball," Haskins called for two major reforms to improve men's basketball: (a) a prohibition on freshman eligibility, and (b) imposing stringent limits on summer recruiting (Haskins, 1998).

During the 1999 season, the University of Minnesota men's basketball program once again achieved a high level of success, qualifying for the NCAA Men's Basketball Tournament. The high regard that the NCAA had for Haskins and the Minnesota Men's Basketball Program was evident with the inclusion of a glowing profile of Haskins and his coaching legacy in the official NCAA programs for the opening round 1999 men's tournament games (Ledbetter, 1999).

MARCH 9 – JUNE 23, 1999: THE SCANDAL ERUPTS AND WILL NOT GO AWAY

However, on March 9, 1999, amid the hoopla of yet another NCAA tournament appearance for the Golden Gophers, the *St. Paul Pioneer Press* reported allegations of longstanding and rampant academic misconduct within the Minnesota Men's Basketball Program (Wertheim & Yaeger, 1999). The article alleged that one of the program's tutors, Jan Gangelhoff, was paid \$3,000.00 and provided with a Hawaiian vacation by Haskins in return for writing 400 papers for 20 different players from 1993-1998 (Wertheim & Yaeger). A former Minnesota player, Russ Archambault, detailed Haskins' involvement in a scheme to maintain player eligibility by providing inappropriate academic assistance to players at academic risk. "The coaches

knew. Everybody knew. . . I would go over some nights and get four papers done. The coaches would be laughing about it" (Wertheim & Yaeger, p. 95).

The following day, based upon allegations of their possible involvement in the academic scandal, the University suspended four current players for Minnesota's upcoming first-round NCAA game against Gonzaga University (Pucin, 1999). Not surprisingly, on March 12th, amid a flurry of charges and innuendoes, Minnesota lost the game (Pucin). After their abrupt exit from the tournament, the men's team returned to Minneapolis, where the scandal had become front-page news throughout Minnesota, and fodder for national sports coverage. On March 22, Clem Haskins released a statement denying all allegations of improper behavior. In his statement Haskins encouraged his players to ". . . walk among you [students] with their heads held high. . ." until the program was cleared of the ". . . false allegations" (Clem Haskins Statement, 1999, ¶3).

For the next three months, the academic fraud scandal continued to plague the university. On June 14, 1999, *Sports Illustrated* published a scathing expose entitled "The Passing Game" (Wertheim & Yaeger, 1999) that detailed a complex scheme in which Haskins, University administrators, faculty, and academic counselors conspired to maintain the eligibility of at-risk basketball players, and provided strong evidence to refute Haskins' claims of innocence. The article documented an environment in which:

Professors often feel pressure not to dampen the emotional and financial support for the university generated by a successful team such as Haskins', which has not only won 59% of its games and gone to the NCAA tournament six times over the last thirteen seasons but has also put millions of dollars into athletic department coffers (Wertheim & Yaeger, pg. 96).

The pressure among members of the campus community to maintain the deception was exemplified by one anonymous University of Minnesota professor's lament, "Who wants to be the guy who costs us the star basketball player?" (Wertheim & Yaeger, p. 96). Amid the accusations, innuendoes and rumors swirling around the program, the Board of Regents and the University wanted Haskins and the scandal to disappear. However, the University's options were constrained by Haskins' employment agreement. Therefore, an analysis of the employment agreement may shed light on the case's eventual outcome.

Analysis of Haskins' Employment Agreement with the University of
Minnesota

Haskins and the University entered into a written contract effective July 1, 1992, for a term of ten years. The contract was in full force and effect at the time the scandal arose. According to the terms of the agreement, Haskins was to "diligently and conscientiously devote his full time, attention and best efforts" to being head coach at the University of Minnesota (Employment Agreement, 1994, §1.2). Section 1.4 of the agreement required him to comply with the "laws, policies, rules and regulations" of the University, as well as the "constitution, bylaws, and rules and regulations" of the NCAA and Big Ten Conference (Employment Agreement, 1994). Further, he agreed to "attempt to have all assistant men's basketball coaches and any other University employees for whom Haskins is administratively responsible comply with" the same laws, policies, rules and regulations (Employment Agreement, §1.4).

Since in the 1990s 58 out of 114 Division I-A college and universities (52%) were penalized by the NCAA for rules infractions (Greenberg, 2001, p. 146). The section of a contract dealing with a coach's contractual obligations relative to NCAA rules violations is of critical importance in any just cause termination action by a university. Similar contract language can be found in many coaching contracts, such as that of University of Washington's Rick Neuheisel, who has a stipulation in his contract that he can be fired "with cause," and not be owed any money by the university, for committing a serious NCAA violation (Greenberg, 2001, p. 135). As allegations surfaced in June of 2003 of Neuheisel's placement of a \$5,000.00 bet in a 2002 NCAA Men's Basketball tournament pool in violation of NCAA rules, this stipulation suddenly became more relevant to a discussion of his future at the University of Washington (Wojnarowski, 2003).

The compensation terms of the contract included a base salary and provisions for annual raises, to be recommended by the Athletic Director and approved by the University President (Employment Agreement, 1994, §2). The annual raises would "equal or exceed" the prior year's base salary, plus "the University's average percentage increase in the salaries of its tenured faculty" (Employment Agreement, §2.1).

Haskins' contract reflected the escalation of salaries in the mid to late 1990s. This escalation reflects a coaching salary arms race, in which coaching salaries routinely top \$1,000,000.00 per year (Gillespie, 2003). Haskins was eligible for competition and administrative performance bonuses, media compensation (guaranteed to be at least \$85,000.00 per year), and normal University benefits in addition to his stated salary (Employment Agreement,

1994, §§2.3 - 2.6). Finally, Haskins was allowed to accept commercial endorsements, including operating a summer basketball camp (Employment Agreement, §2.7).

In addition to the compensation provisions, the contract also contained extensive provisions for termination of the contract prior to the expiration of its primary term, including termination both for just cause (§3.1) and without cause (§3.4) The contractual conditions allowing termination for just cause included:

A major violation of a NCAA or Big Ten rule involving Haskins,

A major violation of such a rule by an assistant coach with Haskins' knowledge,

Two separate major violations of such a rule by an assistant coach which Haskins "should have known about,"

Commission and conviction of a felony by Haskins,

Substantial failure to perform the duties included in the contract, and

A subsequent secondary rules violation by Haskins, after the NCAA or Big Ten had warned the University that Haskins' conduct evidenced a lack of institutional control, based on his commission of multiple prior rules violations (§3.1).

Termination for just cause or resignation by the coach in lieu of termination, as a result of NCAA rules violations has occurred on an ongoing basis. Examples of such situations and their results include:

Don James, University of Washington. 15 NCAA rules violations. James resigned. No disclosure of salary settlement (Greenberg, 2001, p. 147-148).

Ron Abeggan, Weber State University. Seven NCAA rules violations. Abeggan's salary was cut by 25%, his financial incentives were suspended for two years (p. 148).

Ron Ponciano, Cal State Northridge. Internal university investigation revealed "serious and substantial" NCAA violations. Ponciano was sent a non-retention letter and fired (p. 148).

Jim Harrick, University of California Los Angeles (UCLA) (1998) and University of Georgia (UGA) (2003). Numerous NCAA rules violations. Harrick was fired at UCLA and resigned at UGA. Upon resigning from UGA, and subsequently retiring, Harrick will receive

\$254,166.00 of his remaining \$2,100,000.00 million contract ("Harrick resigns. . .," ¶7)

Included in Section 2.2 (Deferred Compensation) of Haskins' contract was a detailed description of deferred compensation in the event that Haskins (1) was terminated by the University with or without cause, (2) died, or (3) became disabled (Employment Agreement, 1994, §2.2). If the University chose to terminate Haskins' employment for just cause, Haskins would have been owed deferred compensation of \$348,722.00 (prior to July 1st, 1999) or \$423,021.00 (after July 1, 1999) (Employment Agreement, §2.2).

The University also had the right to terminate Haskins' employment without cause by giving Haskins 90 days notice of the termination (Employment Agreement, §3.4). In the event that the University terminated him without cause, it was required to pay Haskins his base salary, deferred compensation, media compensation and University benefits for the remaining years left on the contract (§3.4).

Other universities have faced similar situations but have lacked sufficient evidentiary and contractual justification to invoke contractual just-cause clauses (Sperber, 1990). Often, universities seem to feel the most expedient manner to handle such a situation is to negotiate a buy out of the coach's remaining contract. Perhaps, recognizing the short attention span of their sports fans, university presidents seem to simply want any situation involving a coach that can shed negative light on the university's athletic program to disappear as quickly as possible, often prompting a buyout of the coach's contract (Greenberg, 2001; Sperber). A recent statement by Steve Zumbach, Iowa State's general counsel, regarding the \$960,000.00 buyout of Coach Larry Eustachy's contract is indicative of this perspective, "This matter needed to be brought to a close. If allowed to continue, that damage would have been irreparable" ("Buyout in hand. . .," 2003, ¶12). Notable buy-out situations involving impending or ongoing scandals have included: (a) University of Illinois and Coach Mike White (1987 - \$300,000.00), (b) University of Oklahoma and Barry Switzer (1988 - \$225,000.00), (c) Texas A& M and Jackie Sherrill, (1988 - \$684,000.00), and (d) University of Georgia and Jim Harrick (2003 - \$254,166.00) ("All-time scores," 2003; "Barry Switzer," 2002; "Head Coach. . .," 2003; "Harrick resigns. . .," 2003; Greenberg, 2001).

In addition, universities often simply want to, "Go in a new direction. . ." and fire a coach. Recent examples of buy-out situations where no allegations of NCAA rules violations have been present, include :

Bill Curry, University of Kentucky (1996): Total buyout - \$610,000.00

Ron Cooper, University of Louisville (1997): Total buyout - \$1,000,000.00

Jim Donnan, University of Georgia (2001): Total buyout - \$2,100,000.00

Mike Dubose, University of Alabama (2000): Total buyout - \$1,000,000.00

John Cooper, The Ohio State University (2000): Total buyout - \$1,800,000.00 (Greenberg, 2001, p. 243).

Legal Options and Remedies Available to the University of Minnesota

Faced with newspaper/web site headlines such as "Academic Scandal Makes Haskins' Philosophy a Fraud," (Ledbetter, 1999) and calls by local and national sports editors/columnists for Haskins' firing or resignation, Minnesota's Board of Regents was in a precarious legal position (Ledbetter; "Academic fraud. . .," 1999). At this point, there was no legally sufficient evidence to support a just cause termination under any of the contractual provisions for early termination. If the University relied entirely on media accounts, rumors, and hearsay to terminate Haskins for just cause, and did so without reliable proof, Haskins might file a breach of contract suit against the University.

Further, from a practical standpoint, failure to prove the required conditions for a just cause termination would leave the University open to negative publicity, including the dampening effect on the hiring of a new coach, together with possible charges of racism.

On the other hand, if the University decided to terminate Haskins without cause, then it would be liable for the balance of the agreed compensation for the remaining years of the contract. Moreover, the University faced the same potential negative publicity. The University was between the proverbial rock and hard place; either apparent legal option was perilous.

JUNE 24-25, 1999: HASKINS IS BOUGHT OUT

Apparently recognizing their tenuous position, the University of Minnesota Board of Regents approached Haskins seeking a mutual face-saving resolution to the dilemma. Rather than terminating Haskins through either alternative, the Board of Regents negotiated a settlement with Haskins and he stepped down from his coaching duties on June 30, 1999 ("U of M reaches. . .," 1999). The University ". . .for the good of the program. . . [and]

to restore public confidence. . ." announced that a new men's basketball coach would be hired (Mark G. Yudof Statement, 1999, ¶2). Under the terms of the negotiated settlement, Haskins agreed to resign, in return for a lump sum payment of \$1,500,537.00 from the University. He also retained his faculty retirement plan and optional 403(b) retirement plan, received "miscellaneous transition services and expenses . . . as needed for [his] departure," and received four (4) tickets to all University of Minnesota Men's home basketball and Big 10 Men's basketball tournament games (Agreement and Release, ¶2 & 3).

In addition, the University and the Board of Regents agreed to the following: (a) release of all claims against Haskins in a non-admission of fault disclaimer, (b) issuance of public statement(s) thanking Haskins for his years of service, and (c) assurances that any statements regarding Haskins' resignation simply reflect the University's desire to go in a different direction, not an admission of any wrongdoing on Haskins' part (Official Public Statement, 1999). Bound by the Agreement and Release clauses, University administrators were not permitted to publicly proclaim Haskins was fired. As a result, President Mark Yudof's public statements could not raise the possibility of Haskin's direct involvement in the scandal. Interestingly, President Yudof not only refrained from making any derogatory statements about Haskins' possible culpability in the scandal, but proclaimed:

He (Haskins) and his teams have provided many moments of entertainment and value for the university community and the citizens of the state of Minnesota. . . . The university is grateful for the 13 years of service Coach Haskins has provided and we wish him a future of success and good health (Mark G. Yudof Statement, 1999, ¶3).

In a further show of institutional support and recognition of Haskins' ". . . parental influence upon his athletes," University of Minnesota Board of Regents member William Hogan noted, "Coach Haskins' and Yvette Haskins' contributions to the community and church in general will long be remembered as the family approach that tried so hard to provide a sense of love and discipline to the players, and at the same time build their spiritual lives" (William E. Hogan Statement, 1999, ¶2).

NOVEMBER 1999 – JANUARY 2001: FOLLOW-UP INVESTIGATIONS, LAWSUIT, NCAA INFRACTIONS REPORT AND SANCTIONS

Following Haskins' resignation, the front-page, public furor over the scandal subsided. However, from July to November 1999, numerous behind-the-scenes developments occurred. Unbeknownst to the general public, the

University of Minnesota Board of Regents had commissioned an investigation into the Minnesota men's basketball program (Wilcoxon, 1999). Conducted by an unidentified outside law firm and released on Friday, November 19, 1999, the report concluded that there was widespread academic fraud in the Minnesota basketball program and that Haskins lied about his involvement (Wertheim & Yaeger, 1999). Specifically, the document alleged that athletic academic counselors Alonzo Newby and Jan Gangelhoff completed work for basketball players and that beginning in 1994-1995 the men's basketball team played with at least one player who should have been declared ineligible because of receipt of improper academic help (Wertheim & Yaeger). According to the report, improper assistance given players included Gangelhoff writing up to 400 papers for players from 1993-1998 (Wertheim & Yaeger). The report also implicated academic counseling officials, participating faculty members, and athletic department officials who were aware of, or assisted in, the academic misconduct (Wilcoxon, 1999).

The report's release led to the immediate resignations of Student Development Vice President, McKinley Boston, and Men's Athletic Director, Mark Dienhart (Wilcoxon, 1999). In addition, the contracts of Jeff Schemmel, Associate Athletic Director, and Chris Schoemann, Director of Athletic Compliance, were not renewed (Wilcoxon).

Amid the allegations and recriminations, Coach Haskins continued to profess his innocence and denied any improper actions. "I did not know that Jan Gangelhoff was writing papers for players. I have not told anyone to lie or interfere with investigators; I have not made improper payments to players or Jan Gangelhoff" (Wolf, 1999, ¶6). In addition, University President Mark Yudof defended the Board of Regent's decision to buy out Haskins' contract. "It was the right decision given the information I had at the time. In fact, investigators only received new information regarding Clem Haskins within the past few weeks" (Wolf, ¶8).

On July 14, 2000, in response to an ongoing NCAA investigation of its men's basketball program, the University of Minnesota released documents identifying a lack of institutional control by University administrators ("Minnesota mistakes. . .," 2000). However, the majority of the documents outlined numerous wrongdoings by former University of Minnesota employees, including Haskins, Newby, Gangelhoff, Boston, Dienhart, and Schoemann ("Minnesota mistakes. . ."). In media accounts surrounding the documents' release, past and present University administrators continued to place the blame for the scandal on Haskins, Newby, and Gangelhoff. Former Athletic Director Mark Dienhart personified a University Athletic Department that had been duped by Haskins, Gangelhoff, and Newby when he said, "It

appears that I was continuously deceived by coach Haskins and others" ("Minnesota mistakes. . .").

In conjunction with the release of the documents, the University announced that it would reduce the number of men's basketball scholarships, impose a one-year ban on post-season play, return television and NCAA revenue totaling \$350,000.00, and restrict future men's basketball recruiting ("Minnesota Mistakes. . .," 2000). However, the following day (July 15, 2000) Mark Rotenberg, University general counsel, announced the school would not impose the previously announced sanctions unless mandated by the NCAA ("Minnesota will not impose. . .," 2000).

On August 2, 2000, numerous local and national media outlets reported that on July 24, 2000, in response to their ongoing investigation, Haskins admitted to NCAA investigators that he had paid Jan Gangelhoff \$3,000.00 to write papers for University of Minnesota men's basketball players (Williams, 2000). Despite his reported admission, Haskins' attorney, Ron Zamanski, noted, "There is no change in Coach Haskins' belief that the conclusion of the independent investigators is wrong" (Hamilton, 2000).

On August 8th, the University of Minnesota's attorney responded to Haskins' admission, saying, "This allegation is new information to the university and constitutes an important, sad turn of events ("Haskins may have to ante up," 2000). Attorney Rotenberg articulated the University's position that Haskins had lied about the payment during their initial investigation, and in light of these revelations, the University was contemplating filing a lawsuit against Haskins (Williams, 2000).

Less than a month later, on September 11, 2000, the University of Minnesota Board of Regents sued Haskins for "a declaratory judgment voiding and rescinding the 'buy out' contract, an order directing Haskins to return all sums paid under that contract, compensatory damages, and costs" (Complaint, 2000, ¶3). The University sought recovery using various legal theories, including fraud, fraudulent inducement, breach of fiduciary duty, breach of contract, and unjust enrichment (Complaint, pp. 11-17.).

To support the fraud pleadings, the University alleged that Haskins intentionally misrepresented material facts, and concealed other material facts, which constituted actionable fraud against the University (Complaint, ¶¶51-58). Under the terms of the Employment Agreement between Haskins and the University, he was required to comply with all laws and policies governing the University, as well as all rules and regulations of the NCAA and Big Ten (Employment Agreement, 1994, §1.4). Based on the specific terms of this Agreement, the University contended that its reliance on Haskins' (mis)representations was justified and that Haskins knew or should have

known that the University would rely on his (mis)representations (Complaint, 2000, Count II).

The University utilized the same factual allegations to substantiate its claim of fraudulent inducement, maintaining that if it would have known the truth, it would not have entered into the Buy Out Agreement with Haskins, but instead would have terminated him "for cause" (Complaint, Count III).

The University also asserted that the Employment Agreement established a fiduciary relationship between Haskins and the University (Complaint, Count IV). Minnesota argued that Haskins owed it "fiduciary duties of loyalty, candor, utmost good faith and integrity to make full and accurate disclosure of material facts, as well as the duties to abstain from conflicts of interest at the expense of the University," based on the terms of the Agreement (Complaint, ¶75). The University claimed Haskins breached those fiduciary duties because he did not report NCAA and University rules violations, did not cooperate in the investigation, and did not fully disclose all material facts pertinent to his employment (¶75). The University also alleged Haskins not only misled University investigators, but also instructed his players to mislead them (¶¶30-33).

Further, the University alleged that Haskins had breached the contractual conditions contained in the Employment Agreement by virtue of Haskins' fraudulent actions, his fraudulently inducing the University to enter into the Buy Out Agreement, and the breach of his fiduciary duty (¶¶70&71).

Finally, the University included an unjust enrichment cause of action, claiming that Haskins had been unjustly enriched by securing the Buy Out Agreement through fraud (Complaint, 2000, Count VI).

For all these alleged acts, the University sought monetary damages, a declaratory judgment "voiding and rescinding" the terms of the Buy Out Agreement, and an order requiring Haskins to return the money previously paid to him under the Buy Out Agreement (Complaint, Prayers for Relief).

In addition to the allegations contained in the pleadings, the University's general counsel's office issued a statement that described the \$3,000.00 check as "the smoking gun. . . [t]he university got ripped off, and we want our money back" (Milbourn, 2000, ¶4 & 9).

On September 15, 2000, in conjunction with the civil suit filed by the University, the Associated Press reported that federal authorities were considering charging Jan Gangelhoff with misappropriating federal Pell Grant funds and were also contemplating filing additional charges of mail fraud, wire fraud, and misappropriation of Pell Grant funds against Haskins and Newby ("Haskins, Newby could face. . .," 2000). Reportedly, Gangelhoff

agreed to plead guilty to one felony count of misappropriation of federal Pell Grant funds ("Haskins, Newby could face. . ."). In exchange for her plea and testimony against Haskins and Newby, Gangelhoff would not be sent to prison ("Haskins, Newby could face. . .").

On September 26, 2000, federal judge Paul Magnuson dismissed both the charges against Gangelhoff and the plea agreement between Gangelhoff and federal authorities (Borger, 2000a). As a result of the judge's ruling, Gangelhoff would not be required to testify in any potential case against Haskins and Newby. Since Gangelhoff was the prosecution's star witness, federal prosecutors announced they were reluctant to file charges against Haskins or Newby at that time (Borger, 2000a).

Thereafter, on October 24, 2000, the NCAA released its infraction report (NCAA, 2000b). In the report the NCAA laid the blame for the academic scandal on ". . .three individuals [Haskins, Newby, and Gangelhoff] whose actions, when combined with concomitant acts of commission and omission by those charged with institutional oversight of intercollegiate athletics and responsibility for academic issues, including members of the faculty, resulted in the violations reported and found. . ." (NCAA, 2000b, ¶3). Throughout the document, Haskins was described as having complete control over the men's basketball program (NCAA, 2000b). Newby and Gangelhoff were portrayed as willing accomplices in the academic fraud (NCAA).

However, the Infractions Committee barely mentioned any other individual athletic department or University administrators' culpability (NCAA, 2000b). In the 22 pages that documented violations of NCAA legislation, only four paragraphs detailed the University's lack of institutional control (NCAA, pp. 17-20). In contrast to its scathing indictment of the involvement of Haskins, Newby and Gangelhoff in ". . .the most serious academic fraud violations to come before it in the past twenty years. . ."[t]he Committee on Infractions commended the university for the integrity of and comprehensiveness of its investigation, its complete and accurate self-report, its willingness to accept responsibility and commitment toward critical self-examination and restructuring to avoid repeat violations" (NCAA, 2000b, ¶27).

As a result of its investigation, the NCAA placed the University of Minnesota Men's Basketball Program on four year's probation, reduced grants in aid, evaluation opportunities, and official visits (NCAA, 2000a; NCAA, 2000b). These penalties were in addition to the University imposed ban on post-season participation for the 1999-2000 season (NCAA, 2000a; NCAA, 2000b). In addition, the University returned 90% of revenue from the 1994, 1995, and 1997 NCAA tournaments (NCAA, 2000a; NCAA, 2000b). Only

three individuals associated with the University - Haskins, Newby, and Gangelhoff - were subjected to the NCAA's show cause restriction (A show cause restriction requires that designated individuals must appear before the NCAA and provide sufficient rationale why they should be allowed to work for any NCAA member institution.) (NCAA, 2000a). Specifically, the former University of Minnesota employees were to be informed in writing that:

...due to their involvement in certain violations of NCAA legislation found in this case, if they seek employment or affiliation in an athletically-related position at an NCAA member institution during a seven-year period (October 24, 2000, to October 23, 2007), they and any involved institution shall be requested to appear the Committee on Infractions to consider whether the member institution(s) should be subject to the show cause procedures of Bylaw 19.6.2.2-(1), which could limit athletically-related duties of the head coach...at any such institution for a designated period. (NCAA, 2000b, p. 23)

From November 2000 to January 2001 several developments took place in the legal dispute between the University of Minnesota and Haskins. On November 16, the University and Haskins agreed to attempt to mediate the University's lawsuit (Borger, 2000b). Overseen by Judge Deborah Hedlund, the mediation process took place from December 4th to December 8th (Borger, 2000b). As part of the mediation process, both sides agreed that the NCAA infractions report could be subpoenaed. In addition, a gag order was imposed on both parties in an attempt to prevent discussion of the case in the media.

According to media accounts, on December 28th, with no mediated settlement, Haskins' lawyer requested a summary judgment, based upon the claim that "...the university should have first tried to resolve the dispute, pursuant to a clause in Haskins' employment contract, before filing a claim in court" ("Pending litigation," 2000, p. 4). In its Complaint, the University countered that the clause (Section 3.3 Procedure) had been voided as a result of Haskins' fraud (Complaint, 2000).

In addition, on January 12, 2001, in documents submitted to the court in response to the University's lawsuit, Haskins claimed the \$3,000.00 check written to Gangelhoff was not payment for writing papers for players, but was actually compensation for "proper tutoring" she had performed ("Haskins denies payments. . .," 2001, ¶2).

On January 26, 2001, Haskins' request for summary judgment was denied and the court ruled that discovery was to be extended until May 1, 2001, with a trial to be set for a later date (Mayron, 2001).

OUT OF THE BLUE: A SETTLEMENT

For almost two years, little about the Haskins' case and the scandal at Minnesota appeared in the media. Two NCAA national champions had been crowned, *SportsCenter* and *Outside the Lines* had moved on to covering new scandals and Clem Haskins was seemingly forgotten. Then, on April 17, 2002, almost two years after initial reports of impending federal indictments, the *Associated Press* reported that the United States Department of Justice had decided against prosecuting Haskins. "The government is not intending to prosecute Clem Haskins," said prosecutor Joe Walker ("Feds drop cases. . .," 2002, ¶2).

Lost amid the Justice Department announcement, the ongoing negotiations between Haskins and the University continued. On May 13, 2002, the University of Minnesota Board of Regents and Haskins reported to Judge Hedlund that they had reached agreement on all disputed matters ("Arbitrator's compromise says. . .," 2002). At that time, the judge accepted the settlement and the case was declared closed ("Arbitrator's compromise says. . ."). As part of the agreement, Haskins was ordered to repay \$815,000.00 of the disputed \$1.075 million (Haskins must pay university. . ., 2002). The University of Minnesota's general counsel, Mark Rotenberg, expressed satisfaction and a sense of vindication at the outcome of the case, as he said, "I think the key point here is if you lie and cheat the university, you pay" (Haskins must pay university, ¶3).

However, recognizing the economic hardship that paying back such a large amount in a lump sum would impose on Haskins, the University agreed to allow the former coach eleven years, without interest, to repay the \$815,000.00 ("Arbitrator's compromise says. . .," 2002). Ron Meshbesh, Haskins' attorney, expressed satisfaction with the agreement, "It makes it a lot easier for Clem to repay it" ("Arbitrator's compromise. . ." ¶11).

DISCUSSION

Although the settlement was the final legal chapter of another athletic scandal at the University of Minnesota, it raises some interesting questions, both legal and cultural, surrounding the present corporate college sport landscape. In many negotiated settlements, both sides claim they are satisfied with the outcome. The University of Minnesota publicly claimed that it made Haskins pay for lying and cheating. The NCAA sanctioned Haskins and the University. It appeared justice had been served, but still, a few questions remain obscured or unanswered.

Lost in the public rhetoric is the simple fact that instead of invoking the just cause termination provision of Haskins' employment contract, the University of Minnesota initially negotiated a \$1.5 million buy out with Haskins, even though there was seemingly ample evidence to support terminating Haskins for just cause. While the University initially justified buying out Haskins' contract to bring closure to the situation and avoid lengthy and costly litigation, they overcompensated Haskins by over \$1 million, since the \$1.5 million was far in excess of the \$423,000.00 owed Haskins for just cause termination (Employment Agreement, 1994, §2.2).

Perhaps recognizing their error in judgment in agreeing to the June 24, 1999 settlement, the University pursued a legal remedy. However, after almost three years of litigation, the University and Haskins agreed to another negotiated settlement ("Arbitrator's compromise says. . .," 2002). This time, the University claimed it had finally made Haskins pay. Unfortunately, Haskins' negotiated payback of \$815,000.00 of the disputed \$1,077,000.00 dollars, still represents an overpayment of \$262,000.00 since neither party disputed Haskins' right to the \$423,000.00 in deferred compensation for a just cause contract termination.

There can be no denying that the University will eventually recoup \$815,000.00 from Haskins. However, perhaps in recognition that ". . . . [Haskins] and his teams [had] provided many moments of entertainment and value for the university community and the citizens of the state of Minnesota. . . ." (Mark G. Yudof Statement, 1999, ¶3), the University agreed to allow Haskins 11 years to repay the agreed-upon amount. In addition, since there has been no public disclosure of any predetermined payment schedule, conceivably Haskins can delay making any payment to the University until May 13, 2013, when the \$815,000.00 must be repaid. Since the present value of \$815,000.00 in 2013, at 5% interest, is \$476,514.20 (Groppelli & Nikbakht, 2000), Haskins has been overpaid \$338,485.80. Although there are tax implications to the settlement, an observer unfamiliar with the case might characterize such a punishment as a "golden parachute" for Haskins.

While the financial implications of the Haskins' case may make for an interesting, almost amusing, case study, perhaps the more important issue raised in this case goes to the core of how and why college coaches are rewarded and punished. Coach Clem Haskins was a winning and "successful" college basketball coach. He guided the Golden Gophers to the NCAA Final Four. Although Haskins may be an honorable man who truly cared about his players and felt he needed to protect them from the rigors of college academics, he violated NCAA rules (NCAA, 2000a; NCAA, 2000b).

In its role as judge and jury in big-time college sport, the NCAA controls a coach's ability to seek employment with any NCAA member school. Even though Haskins was never charged with any criminal offense in connection with the scandal, his NCAA punishment severely restricts his ability to ever work as a college basketball coach again, since if he ever wishes to apply for a coaching position with any NCAA member school he must apply for a show cause hearing with the NCAA (NCAA, 2000b). Haskins was portrayed by the NCAA and the media as a rogue coach who personified college sport at its worst (NCAA, 2000a; NCAA, 2000b). Since NCAA documents and newspaper accounts are the primary source of information about this case, it is easy for academics who study college sports, as well as the general public, to denounce Haskins as an anomaly, an out-of-control coach, operating outside the bounds of college sports' norms.

However, Haskins' actions may also be viewed as symptomatic of a coach who recognized the hypocrisy of a corporate college athletic system that admits unprepared or ill-prepared students and then requires them to participate in an "entertainment" enterprise involving lengthy absences from campus for road games, grueling practices to hone their athletic skills, and faculty and support staff eager to pull strings and make accommodations for them (Sack & Staurowsky, 1998). Haskins was punished for getting caught. He violated NCAA rules and was forced to resign. But, it seems plausible to the authors, that in the eyes of the University of Minnesota, Haskins' punishment (buyout) truly did fit his crime. Perhaps the leniency shown Haskins reflects the University of Minnesota's publicly punishing Haskins, while surreptitiously rewarding him for ". . .the 13 years of service [he] has provided. . ." (Mark G. Yudof Statement, 1999, ¶4) to the University of Minnesota.

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