UNIVERSITY OF KANSAS

COMPLIANCE SYSTEMS REVIEW

September 16, 2019

EXHIBIT 26

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THE COMPLIANCE GROUP

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OVERVIEW

General Information

The Compliance Group (TCG) was retained by the University of Kansas (KU) to conduct a compliance systems review. This included a request for certain written policies and procedures and conducting interviews to gather specific information relating to the areas of the review.

On-Campus Review and List of Individuals Interviewed

Chuck Smrt and Angie Cretors of the TCG staff conducted on-campus interviews on July 2 to 3, 2019, and July 18, 2019. A few individuals also were interviewed via telephone. The following individuals were interviewed:

- Doug Girod, Chancellor
- Susan Williams, Faculty Athletics Representative
- Megan Walawender, Associate Athletic Director for Legal Affairs
- Jeff Long, Director of Athletics
- Jeff Chasen, Associate Vice Provost for Integrity and Compliance
- Angela Karlin, Assistant Vice Provost for Financial Aid and Scholarships
- David Reed, Senior Associate Athletics Director for Compliance and Student Services
- Beth Swank, Assistant Athletic Director for Compliance and Student Services
- Paul Pierce, Assistant Athletic Director for Compliance
- Jeff Smith, Senior Director of Compliance
- Frances Boyer, Director of Compliance
- Alex Reid, Associate Compliance Director
- Colin Becker, Assistant Compliance Director
- Pat Kaufman, Chief Financial Officer
- Scott Hahn, Assistant Athletic Director for Ticket Operations
- Nicole Corcoran, Executive Associate Athletics Director
- Paul Buskirk, Associate Athletics Director for Student-Athlete Support Services
- Brandon Schneider, Head Women's Basketball Coach
- Bill Self, Head Men's Basketball Coach
- Andrea Hudy, Assistant Athletic Director for Sport Performance
- Mitch Lightfoot, Men's Basketball Student-Athlete
- Katy Schliues, Women's Swimming Student-Athlete

Background

TCG Involvement with Compliance Reviews

Since its inception almost 20 years ago, TCG has been the leading provider of NCAA compliance systems reviews to NCAA member institutions and conferences. Since 2006, TCG has had the contract with the Big 12 Conference to provide compliance reviews to its members. Besides the Big 12, TCG has contracts with several conferences,

including the Atlantic Coast Conference, to provide these reviews. Between individual institutional and conference contracts, TCG performs approximately 15 reviews a year in Division I.

Types of Reviews and Standards Utilized

Compliance reviews can be general (reviewing all of the approximate 10 generally accepted compliance areas) or specialized (focusing on only a few of these specific areas). The fewer the areas reviewed, the more in-depth each area is reviewed.

In essence, a compliance review is taking a snapshot of where the institution's compliance systems and processes stand at that moment and comparing it to the standards that exist on a national basis as a result of the current compliance environment. As will be detailed later, that compliance environment changes and as a result, compliance standards need to be tweaked and modified. Compliance is risk management and risk is defined by the probability of a violation and the penalty or outcome of that violation. Those factors of probability and outcome of violations change per the compliance environment.

Current Compliance Atmosphere

In September 2017, numerous individuals were indicted in the Southern District of New York, and several went to trial. Those indictments and trials resulted in convictions of a few individuals, including non-scholastic coaches, agents, and representatives of Adidas. The indictments prompted a national discussion among NCAA entities about the relationship among coaches, agents, and apparel representatives.

The federal indictments and guilty convictions have changed the NCAA compliance environment. Detailed testimony at federal trials have heightened the awareness of issues regarding apparel companies resulting in the need for institutional oversight on activities of agents, non-scholastic coaches, and other third parties involved in recruiting. The compliance efforts of institutions previously have been based upon rules education and customer service to ensure coaches understand the NCAA legislation. Due to the increased penalties for violations, TCG believes that an institution needs to provide more monitoring to detect violations, if they are occurring. Monitoring is more intrusive upon coaches because it involves further questioning about what is occurring and why. It has the ability to hurt the relationship between coaching staff members and the compliance office.

In its compliance reviews since the federal trials, TCG has focused on the necessity for compliance staffs nationwide to be more intrusive and increase their monitoring activities, with the possibility of affecting a working relationship between coaches and the compliance office, which could have a circular effect and affect the compliance offices' ability to educate and receive cooperation from coaches.

Also, while it is hoped that more monitoring detects violations, no amount of monitoring will eliminate the possibility of violations.

Overview of KU Project

NCAA Inquiry

Based upon media reports, the institution is under inquiry by the NCAA. The Enforcement Staff will analyze whether the institution or its representatives provided inducements to prospects. As part of that review, the Enforcement Staff will assess the institution's compliance systems and processes in order to determine whether the institution sufficiently monitored, educated, or otherwise should have known of these alleged inducements, if they occurred. Contrary to TCG's analysis for this project, the NCAA's review is based upon standards or expectations of the compliance environment at that time (approximately 2014 to 2017).

Detailed Objectives of this Project

TCG was assigned to compare the institution's current compliance processes and systems to the current compliance standards based upon the current compliance environment. Compliance monitoring standards are significantly different today than before the federal indictments in September 2017. TCG's objective was not to determine "whether and, if so, why violations occurred" but what can be done going forward to reduce the likelihood of violations in the future.

Extent of the Review

This review was a hybrid in that although all compliance areas were reviewed, specific attention was given to the recruitment of student-athletes as that was an area of focus in the federal trials.

Assessment of Program

Institutional Control Components

A method to analyze an institution's NCAA compliance efforts is to examine the institution's efforts in the three components of institutional control: rules education, administrative procedures, and monitoring.

Regarding rules education, the institution does extensive rules education. In rules education, five areas generally are reviewed: coaching staff members, athletics department non-coaching staff, institutional personnel non-coaching staff, student-athletes, and boosters. The institution exceeds all expectations for educational

programming for each of these five groups. Education has been the strength and the focal point of the institution's compliance efforts over the past few years. Its efforts are in the top echelon of other programs in the country.

Regarding administrative procedures, the institution has standard operating procedures (SOP) consuming more than 200 pages. These are very detailed and could be a model for many institutions who wish to develop similar procedures. Procedures are important, but they also need to be followed. TCG did not determine whether each of the in excess of 100 SOPs were being followed, but it appeared that the involved individuals were adhering to them. These processes also are being updated on a routine basis. These SOPs would be in the top 10 percent of all institutions reviewed by TCG.

Regarding monitoring, a compliance program based upon significant education often has less monitoring. Nevertheless, the institution's current monitoring program consists of activities that would meet the activities undertaken by the majority of NCAA institutions. TCG's primary concern is the necessity now for these monitoring activities to broaden/modify to the issues that need to be addressed due to the changing NCAA compliance environment – identifying individuals involved in a prospect's recruitment – due to the changing environment and the necessity to adapt to that environment. Some of these recommendations would not have been made if TCG came to campus two years ago and undertook a similar review.

As noted above, TCG believes NCAA compliance going forward needs to be more intrusive with increased auditing and monitoring. If the institution agrees with that philosophy, some additional monitoring activities will need to be undertaken, which necessitates a discussion between athletics administration and the coaching staff that the Compliance Office will be performing more auditing and monitoring functions than in the past.

Specific Areas

Below is a brief overview of the status of the institution's compliance program in the various areas:

i. Eligibility certification – The institution's processes are effective, and TCG's recommendations reflect only a few slight modifications;

ii. Financial Aid – The University's procedures are effective, and TCG has no recommendations;

iii. Amateurism – The institution's procedures relating to international competition are significant, and TCG's recommendations reflect only a few modifications based upon the recent federal trials;

iv. Camps and Clinics – The institution's monitoring programs in this area are more extensive than many institutions in Division I, and TCG has no recommendations;

v. Recruiting – The institution's processes are substantial. It recently undertook additional modifications of its unofficial visit processes. Also, additional changes are being implemented for distribution of complimentary admissions, including for prospects who are on recruiting visits, based upon the recent federal trials; and

vi. Reducing the Likelihood of Academic Fraud – The institution recently undertook significant efforts in this area as part of a campus-wide initiative. Its current procedures are very thorough. TCG's recommendations reflect only a few modifications, primarily due to the effects of the implementation of the recent efforts.

RECOMMENDATIONS – AMATEURISM

1. Expand the current monitoring activities of the elite student-athlete program. The institution's current elite student-athlete program includes all men's basketball student-athletes and a few other student-athletes. The focus of this program is education. One component of the education is a visit by the Compliance Office to a prospective student-athlete's locale after the prospect has signed a National Letter of Intent. This is a unique activity that few other institutions undertake and is a very effective educational activity. Upon enrollment, the institution routinely conducts additional education with these student-athletes and the parents or individuals in the student-athlete's inner circle. Specific monitoring activities for these student-athletes appear to be similar to all other student-athletes (certain forms, etc.). Efforts also are undertaken to follow up on information. The recommendation below is an example.

2. Review the backgrounds of all enrolling prospective men's basketball student-athletes for potential amateurism issues and develop a "database" of information about the recruitment of these prospects. Due to the institution's highly visible men's basketball program, the institution needs to continue to be proactive in its efforts to identify potential amateurism issues or other trends in its recruitment of prospects. The institution is aware that serious amateurism issues could occur without institutional personnel being involved or aware of the violations, which potentially could affect NCAA championship competition.

   Such background information should be gathered over several years to create a "database" of non-scholastic clubs, involved individuals in various recruitments, individuals who accompanied the prospect on unofficial or official visits, apparel companies, agents, etc.

   Attachment A is an example of such a chart. The University recently developed a similar version of this chart.

3. Review the purpose of the institution's agent registration program. An agent who wishes to meet with a student-athlete must be registered with the Compliance Office per the policy. The vast majority of conversations between agents and student-athletes are occurring off campus, and neither coaching staff members nor the Compliance Office are involved. The Compliance Office has no recourse against agents who do not register with the Compliance Office. Although little time is devoted to this program, such time can be utilized for monitoring.

4. Develop a written policy regarding the relationship between coaching staff members with agents, financial advisors, wealth managers, etc. (This does not apply to a coach's personal agent). Communications between coaching staff members with these types of individuals is not contrary to NCAA legislation. However, the compliance staff should have knowledge of the extent of any relationship that exceeds infrequent contact such as an agent entertaining a coach for a meal, accompanying a coach to an event or having more contact than an occasional conversation or telephone call. [The institution recently has undertaken significant efforts to identify its relationships with these groups of individuals.]

RECOMMENDATIONS – RECRUITING

1. Continue to examine means to identify all individuals who are associated with a men's basketball prospect. (The identification of individuals who are coordinating/handling a prospect's enrollment is one of the most important tasks for the Compliance Office). The institution should determine the best means available to it to identify such individuals, which may entail more than requesting identities on unofficial or official visit forms. The intent is to identify individuals who are assisting in the recruitment of a prospect and determine the extent of any follow-up activities that may be necessary to determine the background of that individual. They would be added to the chart in Attachment A. Those individuals could accompany the prospect on a campus visit, be present at the home or high school, be in attendance at non-scholastic events and communicating with the coaching staff about the prospect at the event, and be in constant communication with the staff with information about the prospect's recruitment. The intent is to identify these individuals and determine the extent of any follow up that may be necessary.

RECOMMENDATIONS – COMPLIMENTARY ADMISSIONS

1. Identify each individual who received a complimentary admission/ticket from a men's basketball staff member for a home or away men's basketball contest. This relates to both admissions requested by a specific staff member and those from the general men's basketball allotment, if different. It does not relate to season tickets.

   The identity of each individual receiving an admission from a coach, including as a member of a small group, should be known (e.g., each individual should sign for the complimentary admission/ticket, even though that individual may not be the individual that is on the admissions list for the tickets).

2. Ensure that the identities of men's basketball and football coaching staff complimentary admissions/tickets are known by the compliance staff within days of the contest. Recommendation #1 above relates to identifying who receives the tickets, while this recommendation ensures that this information is received promptly by the compliance staff. The Compliance Office currently has a tentative list prior to competition of the coaches' tickets without identities of all recipients. The best practice is for the Compliance Office to have the list prior to competition, it being understood that names could still be added until the competition begins.

[During interviews in July and August of 2019, it was reported that changes were being made in this complimentary admissions process, effective fall 2019. If the changes described during the interviews are enacted, these above two recommendations would be satisfied.]

RECOMMENDATIONS – ELIGIBILITY CERTIFICATION

1. Ensure that the second set of eyes on eligibility certification conducts an independent analysis of progress-toward-degree calculations. In the institution's process, the Certifying Officer is Melodie Yuhn, from the Registrar's Office. Clear authority rests with her. Throughout the year, she tracks progress toward degree by contacting the various colleges to have the advisors from those colleges provide progress-toward-degree calculations. Yuhn reviews those calculations and enters them into an Excel worksheet. She has six worksheets, depending upon the background of the student-athlete (i.e., two-year transfer non-qualifier, four-year student, etc.). Yuhn completes her calculations utilizing information from the colleges, inserts them on a worksheet, and scans the worksheet into a folder that is accessible to the Student Athlete Support Services (SASS) staff. No timeline exists when the worksheets are to be uploaded.

   In the process, the SASS staff is the second set of eyes. The SASS staff may access the drive containing Yuhn's worksheets. An in-person meeting is held between Yuhn, SASS staff, Compliance Office staff, and the FAR. During this meeting, each student-athlete is reviewed. Typically, Yuhn's worksheets are entered into the drive prior to the meeting, and the SASS staff reviews them to determine if the calculations of the SASS staff are similar to the calculations of Yuhn.

   The principle behind this system is that the SASS staff would identify any possible mistakes made by the Certifying Officer. The effectiveness of this type of system is increased with the more independence of the calculations of each entity – the Certifying Officer and the SASS staff. TCG believes that the SASS staff is independently conducting its own analysis. However, the current process would allow the SASS staff to review the calculations of the Certifying Officer and react as oppose to prepare an independent analysis that can be compared to the results of the Certifying Officer. The current process should be reviewed to identify means to increase the independence of the SASS calculations. An important component of the process is the in-person meeting, which should continue.

2. Amend the current process to require the Certifying Officer to receive all grade changes of student-athletes in order for the Certifying Officer to identify those changes that result in a change in eligibility status. The Registrar's Office currently, not the Certifying Officer within that office, forwards to the FAR a list of all student-athletes who had grade changes, regardless of their effect on eligibility. The SASS staff also monitors grade changes and will notify the Certifying Officer if the change affects eligibility. The FAR should be applauded for her current efforts to contact all instructors involved with grade changes, regardless of

whether they affect eligibility. The intent of this recommendation is to ensure that the Certifying Officer is informed of the grade change through the Registrar's Office as opposed to the SASS staff. The Certifying Officer is in a better position than the SASS to review the changes and determine current and future impact.

CONCLUSION

As noted in the Assessment of Program, the institution's rules education program and its SOP would be rated very high in comparison to other similar national programs. The institution also undertakes numerous monitoring programs.

TCG appreciates the cooperation provided by the institution. The institution was very open and forthcoming, and access was provided to materials and information as requested.

October 17, 2019

Chancellor Douglas Girod
University of Kansas

Dear Chancellor:

The purpose of this letter is to serve as a follow up to The Compliance Group's ("TCG") review of our compliance program. As noted by TCG, we are rated very high in comparison to our peers, but appreciate them identifying additional ways we could enhance our program in this changing NCAA environment. Dr. Susan Williams coordinated the academic related responses to the report.

A. TCG's Recommendations Related to Amateurism

TCG Recommendation No. 1. Expand the current monitoring activities of the elite student-athlete program.

Response: As noted, Kansas Athletics' current elite student-athlete program includes all men's basketball student-athletes and a few other student-athletes. The program is unique in that few other compliance departments visit the prospective student-athlete at their home after the prospect has signed a National Letter of Intent. We agree with TCG that meeting with student athletes and their families in their home environment is a very effective educational activity. We agree that it is also accurate that we continue to heavily educate the student-athletes, parents and other individuals within the student' athlete's life.

We would add that these educational visits serve another purpose--monitoring. In light of the last few years, we are more stringently monitoring our elite student athletes on areas such as travel and unusual purchases. For example, when a current student athlete attended the 2019 NBA Draft to celebrate with a draftee, we reviewed the applicable records to ensure that the student athlete paid for everything on his own.

TCG Recommendation No. 2. Review the backgrounds of all enrolling prospective men's basketball student-athletes for potential amateurism issues and develop a "database" of information about the recruitment of these prospects.

Response: We had previously been compiling this information and have expanded this database to include other categories of information based on TCG's example. We will continue to implement this process.

TCG Recommendation No. 3. Review the purpose of the institution's agent registration program.

Response: We continue to annually review our agent protocols. Our policy is for agents to register with compliance. In light of the new Rice Commission mandate, all agents will now have to register with the NCAA, who will in turn provide us with a list of approved registered agents. This mandate has shifted some of the responsibility of this monitoring aspect to the NCAA. We will continue to educate our student athletes that they cannot sign with agents who are not certified by the NCAA as there is strict liability for such violation and signing with a non-NCAA approved agent requires them to remain in the draft.

TCG Recommendation No. 4. Develop a written policy regarding the relationship between coaching staff members with agents, financial advisors, wealth managers, etc.

Response: Given the Rice Commission initiatives with underclassmen allowed to sign with agents and the lack of restriction in this space, I do not think we can or should have a policy with regard to coaches talking to agents. Under current NCAA rules, coaches are allowed to speak with agents and have their own financial advisors and wealth managers. I do not want to create another reporting requirement over something that the NCAA does not require as the institution would be assuming liability in the event such policy was not followed. Further, such policy as to the coaches' own financial situation seems unnecessarily intrusive.

B. Recommendations – Recruiting

TCG Recommendation No. 5. Continue to examine means to identify all individuals who are associated with a men's basketball prospect.

Response: We currently identify individuals, whether parents, guardians or other adults who are involved in a prospective student athlete's recruitment. Once the prospect has signed a letter of intent, we schedule a home visit with the parents, guardians, and

stakeholders to educate them about NCAA rules and fact gather for amateurism and monitoring purposes.

C. Recommendations – Complimentary Admissions

TCG Recommendation No. 1 and 2 : Identify each individual who received a complimentary admission/ticket from a men's basketball staff member for a home or away men's basketball contest and ensure that the identities of men's basketball and football coaching staff complimentary admissions/tickets are known by the compliance staff within days of the contest.

Response: The Compliance staff implemented a policy where the identity of each individual receiving either a complimentary admission or given an admission from a coach. The practice extends to include as all members of a small group or large group that receive such tickets. Compliance reviews the names of the individuals and examines for any potential concerns prior to admission to the contest. This process is done through Front Rush, compliance-related software used for monitoring. Compliance implemented the use of Front Rush this summer.

D. Recommendations – Eligibility Certification

TCG Recommendation No. 1. Ensure that the second set of eyes on eligibility certification conducts an independent analysis of progress-toward-degree calculations.

Response: The Faculty Athletic Representative Dr. Susan Williams (FAR), the Director of Compliance and the head of Student Athlete Support Services (SASS) have discussed the current process and made minor modifications going forward. The Certifying Officer will continue to track and calculate Progress Toward Degree (PTD) for student athletes using the current method. The SASS staff will independently calculate PTD for all student-athletes using a standard process. The SASS staff will then compare their PTD calculations to those of the Certifying Officer. Any discrepancies will be evaluated by the Certifying Officer, SASS staff, Compliance Staff, and FAR and reconciled prior to certifying eligibility.

TCG Recommendation No. 2: Amend the current process to require the Certifying Officer to receive all grade changes of student-athletes in order for the Certifying Officer to identify those changes that result in a change in eligibility status.

> Response: The FAR, Director of Compliance and head of SASS have discussed the current process and made modifications in the process going forward. The FAR will contact the Registrar's office to determine if there is a way to automate the notification of grade changes to by the FAR and the Certifying Officer. In addition, the SASS staff and the Certifying should provide a list of students that are at risk of not meeting the criteria (hours, GPA, etc) for eligibility so that the FAR and the Certifying Officer are aware of any potential issues with grade changes.

In closing, please know that the Compliance & Student Services staff are always looking for ways to improve and enhance the program. We take our role within KAI very serious. I appreciate this opportunity to respond.

Sincerely,

David Reed
Senior Associate Athletic Director for Compliance & Student Services

cc:
Jeff Long, Director of Athletics
Megan Walawender, KAI Corporate Counsel
Brian White, General Counsel
Susan Williams, FAR