

At Least Nine Federal Agencies That Could Flag Student-Athletes' NIL Activities

Saturday, April 29, 2023

College sports has opened the doors for college student-athletes to benefit from the Supreme Court of the United States' ruling that allowed profiting from their name, image, and likeness (NIL). Student-athletes are growing businesses through their NIL activities. Congress is still deciding on a national bill to address NIL activities, but the federal government is not waiting. Student-athletes need to know that operating NIL activities is like operating a business. Operating a business gets them on the federal government and its agencies' radar to making sure businesses such as those from student-athletes are playing nice. Here are at least nine federal government agencies that student-athletes should keep on their radar as they are going after NIL opportunities. At the end of the list of nine agencies, there is bonus content about 73 other agencies that could get on the student-athletes' radar to be aware of when starting or growing their NIL-related business.

1. Federal Trade Commission (FTC)

Who Are They?

This agency is responsible for enforcement of regulations related to consumer protection and competition that promotes fairness that benefits the consumer.

Why Should You Care?

This agency investigates claims against businesses or individuals that engage in business practices that hurt the U.S. consumers. The FTC has been cracking down on deceptive marketing that promises consumers financial, health, physical, mental gains. Student-athletes should make sure that any products or services that promise a benefit or gain has a disclaimer to save their customers, business, NIL, and yourself.

Go deeper to know more about the [FTC](#).

2. Securities Exchange Commission (SEC)

Who Are They?

This agency handles the regulatory issues related to all investment securities and market.

Why Should You Care?

The SEC, not the sports version, but the federal version, has started going after crypto, NFTs, and other digital assets. Celebrities, athletes, and influencers have been on the SEC's hit list, fined for failing to disclose compensation for endorsing the digital asset. The SEC has published [information](#) on crypto and other digital assets related to the growing trends. Student-athletes should pay close attention to anyone or business that is pitching investment securities and market that is on the SEC's radar.

Go deeper into the [SEC](#).

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3. Financial Crimes Enforcement Network (FinCEN)

Who Are They?

This agency operates under the U.S. Department of Treasury. FinCEN's plays a part in making sure that the U.S. financial system is free of questionable financial practices. This agency focuses its attention dealing with money laundering and promoting national security through data collection and analysis. This data collection and analysis helps FinCEN distribute information for law enforcement purposes.

Why Should You Care?

FinCEN is the agency no one has heard of outside of the banking industry and other industries involved in the financial transactions. This agency keeps a close eye on financial transactions domestically and internationally. Recently, FinCEN published new regulations that require individuals to report certain [LLCs](#) to a new national database beginning on January 1, 2024. FinCEN also has regulations on the books about disclosing cash transaction purchases of [real estate](#) purchases. Failing to meet FinCEN regulations could create more problems, financially (fines), public relations, legally, business-wise. Student-athletes better to get to know about this agency and follow all of the regulations to avoid problems.

Go deeper to know more about [FinCEN](#).

4. Food and Drug Administration (FDA)

Who Are They?

This agency regulates food safety, tobacco use, human and veterinary drugs, biological products, medical devices, and products that emit radiation. The agency is part of the U.S. federal government's counterterrorism efforts that can impact the nation's food supply.

Why Should You Care?

If you are involved with supplements or health benefit claims, you need to make sure proper disclaimers are in place. The FDA does enforce companies and individuals who provide food and supplements that claim health benefits with FDA-approved testing. Student-athletes will need to include disclaimers on their products and any advertisement to cover themselves from risks, violations, or lawsuits.

Go deeper to find out what the [FDA](#) is doing.

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5. Internal Revenue Services (IRS)

Who Are They?

This agency is responsible for making sure the federal government get its money from individuals and businesses. The IRS is the enforcer of tax regulation and collector of tax revenue for the United States.

Why Should You Care?

With NIL opportunities growing and money is flowing, you need to make sure your documents are accurate. The IRS requires tax filers to report any holdings, but not the dollar amounts, in digital assets on tax returns. With a bigger budget and more staffing, the IRS will be increasing tax enforcement. Many student-athletes and NIL groups will be subjected to a more strengthened IRS enforcement. Know the IRS enforcement. Keep their money and documents straight.

Go deeper to know what the [IRS](#) is doing.

6. Consumer Product Safety Commission (CPSC)

Who Are They?

This agency is responsible for protecting the U.S. consumer against risks and injuries associated with consumer products. This agency handles recalls of consumer products within the United States. The agency handles research on potential hazards, consumer education, and enforcement.

Why Should You Care?

Student-athletes selling a product will need to educate and understand the CPSC. If their product has a consumer issue, the CPSC is paying attention. The CPSC is a site with information to help keep the student-athlete and their products safe for consumers.

Go deeper to find out more about the [CPSC](#).

7. Department of Labor (DOL)

Who Are They?

This agency helps promote the welfare of individuals who earn a wage in the United States. The agency provides information and oversight to ensure that workers' rights and benefits are known and available.

Why Should You Care?

Student-athletes running a business that have employees may need to educate themselves on labor matters that could impact their bottom line. The DOL has a source of information for

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protecting employees, business, and the bottom line. Labor violations could be a public relations nightmare for student-athletes and their brand.

Find out more about the [DOL](#).

8. Consumer Financial Protection Bureau (CFPB)

Who Are They?

This agency was created to provide more oversight and protection to U.S. consumers through enforcement of U.S. Federal consumer financial law. The agency is responsible for making sure that the financial consumer markets provide products and services to consumers that is fair, transparent, and competitive.

Why Should You Care?

Student-athletes involved in any consumer financial products or services for U.S. consumers want to keep this agency on your radar. These financial products could be loans, financial education, or credit cards that fall under the CFPB's regulatory oversight. Financial services like counseling fall under the CFPB's regularity oversight. This is the agency that handles issues about products or services are not honoring the promises or benefits guaranteed to the consumer. A new agency that will take action against the student-athletes' business. This agency is a favorite on politicians like U.S. Senator Elizabeth Warren (D-Massachusetts) for its consumer advocacy.

Go deeper to learn more about the [CFPB](#).

9. United States Postal Service (USPS)

Who Are They?

The Postal Service, as it is commonly known, delivers America's mail and packages. Mailing and shipping are among the lifeblood for getting products to customers. Internationally, the Postal Service provides mail services to more than [180 countries](#).

Why Should You Care?

Mail and wire transfer fraud is something that the Postal Service watches with a growing interest. The Postal Inspection Service enforces more than 200 federal laws that are investigated for crimes involving the mail. If student-athletes are shipping items, the Postal Service and Postal Inspection Service will be watching to make sure it does not harm the public, the nation, and use for illegal transactions.

Go deeper into finding out more about the [US Postal Service](#).

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Bonus

Here are at least 73 additional federal agencies that student-athletes want to keep on their radar while pursuing NIL opportunities.

Department of Justice (DOJ)

Who are they?

This agency is the United States federal government's lawyers responsible for upholding and enforcing the rule of law in the country. This is the agency responsible for prosecuting individuals on behalf of the United States and the people. The DOJ enforces civil rights of the United States citizen. The DOJ goes after businesses that harm the federal government and citizens.

Why Should You Care?

Student-athletes that have not been paying attention to the latest news, the DOJ has been going after companies, celebrities, and others for civil and criminal activities. The DOJ works with other federal agencies to build cases against the individuals and organizations. With resources and the backing of the federal government, it is no wonder many individuals and companies poach this agency's talent to try to get the advantage. The DOJ have [press releases](#) almost daily about its activities and those it is going after for civil and criminal violations.

Go deeper to find out about the [DOJ](#) and its work.

Drug Enforcement Agency (DEA)

Who are they?

This agency is responsible for enforcing the laws and regulations related to controlled substances within the United States. Like the movies, this agency goes after individuals and organizations that are involved in civil or criminal activities involved controlled substances. The DEA focuses on those involved in the growing, manufacturing, or distribution of controlled substances that are in the United States.

Why Should You Care?

Weed, formerly known as Marijuana, is STILL a federal offense. While the federal government has put "less emphasis" of enforcement, you could be in trouble it is tied to other criminal activities. Any illegal drugs or substances that could harm U.S. citizens is fair game for the DEA to go after the student-athlete and their NIL business to build a potential racketeering case.

Go deeper to find out more about the [DEA](#).

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Various Federal Agency Inspector Generals (IGs)

Who Are They?

More than 70 IGs exist within the United States federal government. These IGs are responsible for performing audits and investigations that identify and report waste, fraud, and abuse relating to its parent federal agency's programs and operations. These sub agencies will focus its audit and investigative efforts on individuals, businesses, nonprofit organizations, city, county, state, and tribal governments that receive money or do business with that specific federal agency.

Why Should You Care?

IGs are those sub agencies that individuals, businesses, nonprofit organizations, city, county, state, and tribal governments tend to ignore when doing business with the U.S. federal government and its agencies. The general public, media, and politicians do not think about the IGs until something significant happens that calls for an audit or investigation. IG reports are cited in congressional reports that politicians in Washington D.C. read and that can put the student-athlete in a spotlight that could be a reputational nightmare. If there are unresolved audits, it could impact opportunities in winning contracts or obtaining federal money.

Go deeper into understanding [IGs](#).

Occupation Safety (OSHA)

Who Are They?

This agency is responsible for ensuring workers in the U.S. are in safe and healthful working conditions. The agency does this responsibility through enforcement, training, outreach, education, and technical assistance.

Why Should You Care?

OSHA is the agency that you pay attention to when it comes to workplace safety that include manufacturing of merchandise. Indirectly or directly, student-athletes want to make sure that any NIL activities that involves workers at their worksite does not get them in trouble with OSHA.

Go deeper to learn more about [OSHA](#).

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Takeaway

Student-athletes can profit from their NIL as many believe they should. Student-athletes need to know that they are operating as business and should treat their NIL activities like a business. That means paying attention to all of the regulations and agencies at the federal level that can impact their opportunities and money tied to NIL activities. Knowing about these federal agencies is a start to being more informed. And it does not hurt to have the right team of professionals to help them be aware of federal agencies, federal rules or regulations that could either hurt or help their NIL activities.