

CLIENT ALERT



Sports Agents Under a Microscope? The FTC Signals Potential Enforcement of Long-Dormant Sports Agent Law

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After decades of inaction, on January 12, 2026, the Federal Trade Commission (FTC) announced that it is examining whether sports agents working with college athletes are complying with the Sports Agent Responsibility and Trust Act (SPARTA).^[1] The Commission sent requests to at least 20 NCAA Division I universities seeking information about the sports agents the universities interact with and whether the agents are complying with SPARTA's requirements. Schools were asked to respond by March 23, 2026.

SPARTA'S REQUIREMENTS

Enacted in 2004, SPARTA is a federal consumer protection law designed to safeguard college athletes from unfair or deceptive practices by sports agents. Among other things, SPARTA imposes several obligations on sports agents, including:

- *No False/Misleading Information:* agents may not provide false or misleading information to college athletes while recruiting or representing them;
- *No Inducements:* agents may not offer anything of value to college athletes or their family members to induce them to be represented by the agent;
- *Disclosure of Eligibility Impacts:* agents must provide athletes with a written disclosure—that the athlete (or his/her guardian) must acknowledge in writing—warning that the athlete may lose college athletic eligibility if he or she is represented by an agent; and
- *Disclosure to Schools:* agents must notify an athlete's school that they entered into a contract with an athlete within 72 hours of signing the contract or before the athlete's next athletic event—whichever comes first.

SPARTA gives the FTC full enforcement authority. It treats violations of SPARTA as unfair or deceptive acts under federal law and subjects violators to civil penalties and injunctive relief. It also vests state attorneys general with authority to prosecute violations in federal court. And schools are entitled to pursue actions against agents to recover any losses if the agent's violation of SPARTA results in the school being penalized or otherwise harms the school.

UNIVERSAL LACK OF SPARTA ENFORCEMENT

Despite its specific requirements and broad enforcement authority, SPARTA has rarely, if ever, been publicly enforced. And since the NCAA modified its rules in 2021 to permit athletes to pursue endorsement (NIL) agreements and be represented by agents, some of SPARTA's provisions—like those requiring an agent to warn athletes of potential loss of athletic eligibility by signing with an agent—are outdated. As a result, strict compliance with SPARTA is likely to create confusion, not the clarity that SPARTA was originally intended to provide.

THE FTC'S INQUIRY AND WHAT COMES NEXT

The FTC is collecting data and documents from universities dating back to July 1, 2021, to assess whether sports agents are providing required pre-contract disclosures, giving timely notice to schools, and refraining from false or misleading recruitment conduct or providing things of value prior to contract formation. The requests require schools to submit a standardized spreadsheet capturing agent and contract details—such as the student-athlete's sport, contract date, date of next eligible competition, the dates of written and verbal notice provided to the school, agent identity and contact information, and whether the school received any related complaints—plus redacted copies of the agency contracts.

If the FTC's inquiry results in widespread non-compliance, it could pursue civil penalties and injunctive relief against individual agents or agencies. Alternatively, the FTC could recommend that Congress consider changes to SPARTA to address changes in the NCAA's rules.

ARE STATE SPORTS AGENT LAWS ALSO RIPE FOR ENFORCEMENT?

Congress has also encouraged states to adopt their own laws to regulate sports agents and incorporate SPARTA's requirements. The Uniform Athlete Agents Act (UAAA), introduced in 2000, is a model state law designed to regulate agents and protect college athletes and universities. Most states currently have laws regulating sports agents' recruitment or representation of college athletes.^[2] These state laws generally cover the same conduct addressed by SPARTA but also impose specific registration and disclosure requirements on agents and harsher penalties for violations (including the return of any commissions received by an agent who violated the state's law).^[3] But many also contain eligibility-related disclosure requirements that have become outdated in light of recent changes in NCAA rules. For example, the UAAA and many state agent laws mandate specific language in any representation agreement warning college athletes about potential loss of collegiate eligibility if they hire an agent.^[4]

And like SPARTA's lack of federal enforcement, state agent regulations have rarely been publicly enforced. To date, there have been a handful of private enforcements, typically by athletes seeking to void representation agreements and/or recover commissions paid to agents who violate the state regulations, and a few enforcement actions by states.^[5]

The FTC's renewed interest in SPARTA may spark state regulators to renew their interest in their respective sports agent laws.

WHAT DOES THIS ALL MEAN?

Whether you're a sports agent or a college athlete, the FTC's renewed interest in SPARTA likely affects you.

- *Sports Agents*: Now is the time to review your compliance with SPARTA and state sports agent laws where you operate, where you have existing clients, or where you recruit potential clients.
- *Athletes*: Know your rights. SPARTA and state sports agent laws were designed to protect *you*. Particularly in the new college sports landscape, where new agents and agencies are appearing every day, an agent's compliance with state and federal laws can be a good sign of the agent's sophistication and understanding of the industry.

Winston's team of attorneys is well-versed in the intricacies of SPARTA and state sports agent regulations and has assisted athletes in enforcing their rights and agents and agencies in ensuring that they are operating in compliance with the laws that apply to them.

[1] See <https://www.ftc.gov/news-events/news/press-releases/2026/01/ftc-seeking-information-20-universities-sports-agents-compliance-law-aimed-protecting-student>.

[2] Some states, including California, also regulate and impose requirements on agents representing professional athletes. See Miller-Ayala Athlete Agents Act, Cal. Bus. & Prof. Code, §§ 18897–18897.5.

[3] See O.C.G.A. § 43-4A-4(c) (“An agency contract resulting from conduct in violation of this Code section shall be void, and the athlete agent shall return any consideration received under the contract”) (Georgia).

[4] In the wake of changes to NCAA rules regarding athlete compensation, some states acted to amend their sports agent laws to address the expected increase in sports agents working with college athletes, but many states still retain requirements that are inconsistent with the current college sports landscape.

[5] See, e.g., Memorandum Opinion and Order, *Williamson v. Prime Sports Marketing, LLC*, No. 1:19-cv-593 (M.D.N.C. Jan. 20, 2021) (Dkt. No. 49); *Sloane v. Tenn Dep’t of State*, 2019 WL 4891262 (Tenn Ct. App. Oct. 3, 2019); *Howard v. Mississippi Sec’y of State*, 184 So. 3d 295, 297 (Miss. Ct. App. 2015).

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