



UNITED STATES OLYMPIC & PARALYMPIC COMMITTEE

2020 USOPC Compliance Report

Following the Congressional hearings and an independent investigation into Larry Nassar, and the handling of that matter by USA Gymnastics and the USOPC, in September 2018 the USOPC Board of Directors created an independent commission, referred to as the Borders Commission, to “consider and recommend changes in the USOPC’s role and engagement with athletes and its responsibilities and oversight over, and engagement with, [National Governing Bodies (NGBs)].”¹ The Borders Commission issued its Final Report in July 2019.² Among the recommendations included in the Borders Commission report were a number of recommendations relating to USOPC compliance and the USOPC’s oversight of NGB compliance.

Specifically, the Borders Commission recommended that the USOPC create a Chief Compliance Officer (CCO) position to oversee the USOPC’s compliance with the Ted Stevens Act, and with athlete protection, SafeSport and child protection rules and regulations. Additionally, the Borders Commission suggested that the CCO’s responsibilities include oversight of a whistleblower policy and reporting system, and regular reporting to the USOPC’s Board of Directors. As part of this internal reform, the Borders Commission recommended the creation of a Compliance Committee to oversee USOPC Compliance, including the USOPC’s performance of NGB oversight and enforcement of reforms for non-compliance.

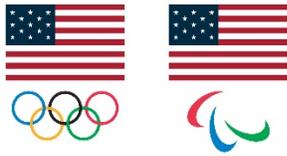
The Borders Commission also concluded that the USOPC had to take a proactive approach in its oversight of NGBs, including certifying NGBs. The Borders Commission recommended that the USOPC create compliance requirements that included requirements for governance, child and athlete safety protection, financial standards and reporting practices, operational standards, high performance standards, and dispute resolution. As part of the NGB oversight framework, the Borders Commission recommended that the USOPC design a thorough NGB audit process to detect non-compliance with the USOPC’s certification requirements, and measures to hold NGBs accountable for non-compliance.

As outlined in more detail in Section [refer to NGB Compliance Assessment section], the USOPC has created certification requirements for NGBs, as well as a year-long certification process that requires all NGBs to be certified once every four years. The USOPC also hired a Chief Ethics and Compliance Officer (CECO) in August 2020 who is responsible for USOPC Compliance matters, and NGB oversight, including NGBs’ compliance with the Ted Stevens Act, the USOPC’s compliance requirements, and NGB applications.

With the hiring of the CECO, the USOPC has undertaken a comprehensive review of its policies, procedures, and internal controls to identify and assess risk and any areas of non-compliance within

¹ All references to NGBs include Paralympic Sport Organizations (PSOs).

² See Borders Commission Final Report at 10, July 2019, teamusa.org/News/2019/July/17/US-Olympic-Paralympic-Committee-Responds-To-Athlete-NGB-Engagement-Commission-Report.



the organization. Beginning in early 2021, the CECO worked with the law firm DLA Piper LLP to conduct a Compliance Risk Assessment to identify compliance risks, and any opportunities for enhanced checks and balances. The individual who led the risk assessment was the former CECO for the Fédération Internationale de Football Association, or FIFA, who provided unique insight into the risks and compliance issues specific to sports and who operated in a similar sports ecosystem. This report includes a summary of DLA Piper's Compliance Risk Assessment and the organization's response to the Borders Commission Report.

The USOPC Compliance Risk Assessment, which concluded in Q2 2021, is based on the framework outlined in *The Department of Justice Criminal Division's Evaluation of Corporate Compliance Programs* guidance;³ a review of the USOPC's control framework at the department level; the Ted Stevens Act; USOPC policies and other documents; and interviews with key USOPC employees. The USOPC also provided DLA Piper with an inventory of its key policies and procedures, the Borders Commission Report, and the December 2018 Ropes and Gray Report of the Independent Investigation⁴ relating to Larry Nassar, among other items.

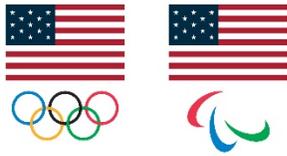
USOPC Compliance Risk Assessment

In its final report, DLA Piper grouped its findings into three separate categories based on the time-sensitive nature of the findings and recommendations. DLA Piper found that seven of its 37 findings required more immediate attention and worked with the CECO to assign ownership for each finding. For the remaining findings, DLA Piper recommended addressing 13 of those findings within the next 12 to 24 months and recommended addressing 16 findings within the next 6 to 18 months. The USOPC will take the following steps to address the seven findings requiring more immediate attention:

- Develop a Compliance training program for its employees that is tailored to specific departments and ensure those targeted trainings are conducted within a reasonable time after new employee onboarding.
- Define the roles of various USOPC departments that have investigative responsibilities, including Compliance, Legal, the USOPC's Ethics Committee, People & Culture, and Athlete Safety.
- Develop a streamlined grant approval and reconciliation process for grants issued to NGBs, including the creation of an internal control team responsible for ensuring adherence to contract terms associated with grants.
- Create a comprehensive Data Privacy Policy that provides transparency into how athlete data may be used.
- Given the lack of clarity regarding how SafeSport handles complaints under its exclusive and discretionary jurisdiction, and the risk that a valid complaint is not appropriately investigated by NGBs, discuss with the US Center for SafeSport development and implementation of a comprehensive process to manage all complaints. While the USOPC is mindful of SafeSport's independence, there is a risk that SafeSport sends some cases to NGBs, and those cases are not comprehensively investigated.

³ See U.S. Department of Justice Criminal Division, [Evaluation of Corporate Compliance Programs](https://www.justice.gov/criminal-fraud/page/file/937501/download), updated June 2020, <https://www.justice.gov/criminal-fraud/page/file/937501/download>.

⁴ See Ropes and Gray, [Report of the Independent Investigation: The Constellation of Factors Underlying Larry Nassar's Abuse of Athletes](https://www.ropesandgray.com/news/2018/12/10/nassar-investigation), December 10, 2018, [nassarinvestigation.com/en](https://www.ropesandgray.com/news/2018/12/10/nassar-investigation).



Overall, DLA Piper concluded that the USOPC has done well in creating and implementing a modern ethics and compliance program and noted that many components were already in place or were in the process of being implemented at the conclusion of the Risk Assessment. DLA Piper also noted that implementation of the recommendations accompanying each finding will help mitigate some of the key risks identified.

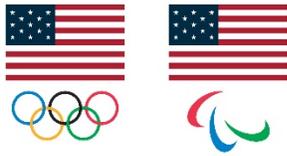
USOPC Compliance Reforms

In addition to conducting a compliance Risk Assessment, the USOPC has taken many other steps consistent with the Borders Commission recommendations to demonstrate the organization's commitment to compliance. In 2020, the USOPC created the NGB Oversight and Compliance Committee which is responsible for NGB oversight, including compliance and certification; oversight of sports managed by the USOPC; and the USOPC's dispute resolution procedures. To account for USOPC Compliance the USOPC has expanded the Ethics Committee's (now the Ethics and Compliance Committee) responsibilities to include USOPC Compliance. As part of the Ethics and Compliance Committee's work, the Committee has overseen the USOPC's evaluation of its existing suite of ethics and compliance-related policies and procedures, as well as the development of new policies and procedures where appropriate.

The USOPC is also in the process of working with an industry leading third-party vendor to implement a whistleblower tool that will allow athletes, NGBs, USOPC employees, and others within the Olympic and Paralympic movement to report concerns on an anonymous or confidential basis. As part of that work, the USOPC will more clearly define the responsibilities of the USOPC's Ethics and Compliance team, the Ombuds Office, and the US Center for SafeSport to help clarify the differences in the work for which each group is responsible. The CECO has and continues to communicate the Ethics and Compliance team's function within the USOPC at USOPC Athletes' Advisory Council (AAC) leadership and NGB Council meetings, and in meetings with individual NGBs while maintaining connectivity and transparency with those groups. Additionally, the CECO meets quarterly with USOPC's Board Chair to inform her of ongoing NGB investigations and other matters that may pose a risk to athletes, an NGB or the USOPC and provides regular updates to functional committees and to the Board of Directors. Finally, the CECO is working with the USOPC's NGB Audit team and its new NGB Audit Director to develop a risk-based approach to NGB audits. This new approach will allow auditors to focus on higher risk areas, such as conflicts of interest and governance, so audit reports more accurately reflect areas of concern within NGBs and provide athletes with better insight into their NGBs' performance.

In sum, as the USOPC Compliance Risk Assessment and the Borders Commission's One Year Progress Report⁵ reflect, the USOPC has made significant progress in developing an Ethics and Compliance program. However, there is still more work to be done, and the USOPC must address the findings outlined in the USOPC Compliance Risk Assessment to accelerate progress on that front. To that end, the CECO will ensure those findings are addressed by their respective owners and will provide quarterly progress reports to the Ethics and Compliance Committee. The USOPC will conduct another compliance risk assessment within approximately the next two years to measure the

⁵ See Borders Commission One-Year Progress Report, August 2020, teamusa.org/Media/News/USOPC/081820-The-Borders-Commission-Releases-OneYear-Progress-Report.



organization's progress and assess the effectiveness of new and enhanced controls, policies, procedures, and training.

NGB Compliance Assessment

With the enactment of the Empowering Olympic, Paralympic, and Amateur Athletes Act of 2020, Congress required the USOPC to not only recognize NGBs, but also to certify NGBs at least once every four years.⁶ The Borders Commission also outlined specific recommendations to ensure NGBs are held to the same standards and to ensure to the extent possible that NGBs are well-positioned to support athletes. To that end, the USOPC created NGB Compliance Standards and an accompanying implementation guide with input from stakeholders from the AAC, the National Governing Bodies Council (NGBC), and the United States Olympians & Paralympians Association. The NGB Compliance Standards outline core performance standards in the areas of Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protection and Rights, Sport Performance, and Operational Performance. The accompanying implementation guide lists specific elements required to meet each compliance standard. The USOPC is requiring NGBs to fully comply with these standards by December 31, 2021, subject to any requests for extensions approved by the USOPC, and by the AAC where applicable.

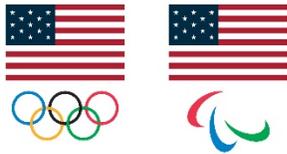
One of the most significant changes included in the Empowering Olympic, Paralympic, and Amateur Athletes Act of 2020 was the requirement for the USOPC and NGBs to increase athlete representation to at least one third on boards and "other such governing boards."⁷ NGBs are in the process of implementing this change on their boards, designated committees, and other groups that make recommendations or decisions directly impacting elite athletes, and NGBs must meet this requirement by December 31, 2021. To support NGBs seeking limited exceptions or extensions by which they must comply with this requirement, the USOPC has created an Athlete Representation Review Working Group, which includes one representative each from NGBs and the USOPC AAC, and an AAC representative from the NGB requesting the exception or extension.

A. Certification Renewals

In addition to developing compliance standards for NGBs, beginning in January 2021, the USOPC also certified all NGBs that the USOPC previously recognized as members. As part of this certification process, NGBs scheduled for certification renewal are subject to review by a Certification Review Group consisting of cross-functional stakeholders within the USOPC who assess each NGB based on their experience working with those organizations. To ensure athletes' voices are heard, the Chief of Athlete Services reaches out to the USOPC AAC representatives to obtain their views on their respective NGBs. At the conclusion of the Certification Review Group's assessment of NGBs, that group determines a recommended status using criteria such as audit results, and the number and nature of findings; patterns of similar or repeated compliance issues; engagement on topics related to medical services and athlete wellness, and athlete safety issues; effective use of high performance funding; a demonstrated commitment to Diversity, Equity, and Inclusion; and a culture of integrity. While NGBs are reviewed and certified once every four years, the USOPC may take any action necessary to address compliance matters outside of an organization's scheduled certification period.

⁶ 36 U.S.C. § 220521(d).

⁷ *Id.* at § 220522(13)(A).



During the certification renewal process the Certification Review Group engages NGB leadership and their AAC representatives, then submits recommendations to the USOPC's CEO. At the conclusion of its assessments, the Certification Review Group may recommend a status of Renewal in Good Standing, Renewal with Conditions, or Probationary Renewal. Renewal in Good Standing indicates overall satisfactory performance, while Renewal with Conditions indicates that an NGB has a significant deficiency in at least one but less than a majority of the review criteria. Probationary Renewal signals that an NGB is significantly under performing in a majority of the review criteria, in which case the USOPC will pause the renewal process and initiate decertification. Until decertification proceedings are concluded or until the NGB sufficiently addresses the identified deficiencies, the NGB is renewed on a probationary basis.

Once recommendations are approved by the USOPC's CEO, final recommendations are provided to the NGB Oversight and Compliance Committee (NGBOC). This committee, which launched in the beginning of 2021, is responsible for the USOPC's oversight and certification of NGBs, as well as the organizations' compliance with the Ted Stevens Act, USOPC Bylaws, and the USOPC's decertification and dispute resolution processes. After approval by the NGBOC, a final report is presented to the USOPC Board of Directors for ratification or modification. NGBs that satisfactorily address open audit findings or other areas of concern before or after the Board of Directors' approval may have their certification status updated. An organization's certification status at the time of renewal in addition to the organization's updated status will be made publicly available. Certification Renewal reports will also be shared with Congress.⁸ Summaries of the Certification Renewal Reports that are currently underway in 2021 will be included in the USOPC's 2022 annual report.

B. Compliance Concerns

The matters below summarize NGB compliance issues that were brought to the USOPC's attention in 2020 through complaints, proactive compliance actions, or audit findings that indicated a pattern of non-compliance or instances of non-compliance that warranted action by the USOPC's Compliance team. This section also includes matters that were initiated before 2020 but were still pending at the end of the year. Of note, the reports below represent updates through December 31, 2020. Outcomes based on work performed in 2021 will be summarized and included in the 2022 annual report.

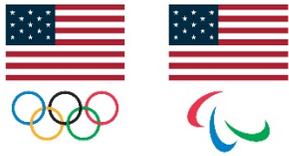
Compliance actions vary and range from reviews of an NGB's compliance with its own policies or procedures through investigations involving witness interviews. To the extent possible the USOPC has ensured that an NGB's USOPC AAC representatives were copied on correspondence with the organization or have otherwise been informed of an action or outcome.⁹

USA Archery

In Q4 2020, the USOPC's Ethics and Compliance team received multiple complaints about USA Archery including conflicts of interest, favoritism, unequal support of the Paralympic archery program, and general concerns of retaliation for speaking up. The USOPC began the process of reviewing these allegations in Q4 2020.

⁸ See 36 U.S.C. 220521(d)(3).

⁹ Because of the varied nature and formality of complaints, the USOPC is in the process of standardizing our processes regarding who must be informed of the results of Compliance actions.



USA Badminton

The USOPC conducted an audit of USA Badminton (USAB) in 2018 to measure the NGB's historical progress towards compliance in the areas of athlete safety, governance, financial capabilities and reporting, internal controls, and grievance procedures. In Q3 2018, before issuing the audit report, the USOPC sent a letter outlining findings concerning USAB's athlete safety program and demanding immediate action to address the non-compliance issues or risk possible decertification. In Q4 2018, the USOPC issued its audit report and identified eight other issues in many of the same areas of historical non-compliance

The USOPC continued to monitor USAB, including requiring certain reforms to avoid decertification. The USOPC eventually concluded that USAB was not in compliance and formally initiated decertification proceedings in Q4 2019 pursuant to Section 8 of the USOPC Bylaws. In Q2 2020 the parties reached a settlement agreement which included required reforms and penalties for historical non-compliance. A follow up audit in Q3 2020 found that considerable improvement had been made in addressing the identified deficiencies.

US Equestrian

Two separate complaints were filed in Q2 and Q3 2020 against the US Equestrian Federation (USEF) under Section 10 of the USOPC Bylaws seeking to compel the USEF to comply with the Ted Stevens Act and the USOPC Bylaws. In the first complaint, the complainants alleged that the USEF implemented the US Center for SafeSport's temporary measures and/or final decisions that affected the complainants' right to participate in the sport before holding a hearing. The hearing panel granted the USEF's motion to dismiss.

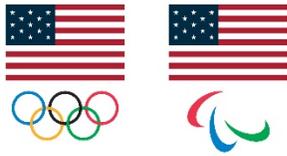
In the second complaint, the complainant alleged that the USEF imposed more restrictive conditions on their participation in the sport than the US Center for SafeSport and failed to provide for the prompt and equitable resolution of member grievances. This matter was pending as of the end of Q4 2020.

USA Gymnastics

In Q4 2018, the USOPC initiated proceedings under Section 8 of its bylaws to decertify USA Gymnastics (USAG) based, in part, on the organization's failure to implement recommendations from a June 2017 independent investigation that followed news reports revealing multiple instances of sexual abuse, including by Larry Nassar, in the gymnastics world. The USOPC's decertification proceedings were also prompted by USAG's failure to articulate a strategic plan; financial instability; and loss of athlete and public trust, among other reasons. Following USAG's December 2018 voluntary bankruptcy filing, the Section 8 hearing panel stayed the decertification proceedings in Q1 2019. During the pendency of the stay, the USOPC has continued to monitor USAG's overall compliance with the Ted Stevens Act and the USOPC's Bylaws, as well as USAG's continued progress in implementing the recommendations that resulted from the 2017 independent investigation.

USA National Karate-do Federation

In Q1 2020, a number of individuals contacted the USOPC to raise concerns about the USA National Karate-do Federation (USA-NKF), including conflicts of interest; poorly managed 2020 team trials; alleged inappropriate influence by the board chair; and bias favoring athletes from the board chair's and the national team coach's clubs. In Q4 2020 the USOPC engaged outside counsel to conduct an independent investigation and to make recommendations.



USA Racquetball

In Q3 2020, the US Center for SafeSport issued a letter to USA Racquetball (copying the USOPC) informing the organization that corrective actions required to address certain SafeSport audit findings were past due. According to the letter, USA Racquetball expressed that the remaining corrective actions would be completed by December 31, 2020.

USA Roller Sports

In Q3 and Q4 2020, the USOPC received general complaints regarding USA Roller Sports' managerial capability and management of day-to-day operations based on staff and board turnover. The USOPC also learned that USA Roller Sports' operational capacity was potentially at risk given its finances. USA Roller Sports is scheduled for certification renewal in 2021 and will be reviewed by the Certification Review Group as part of the certification renewal process.

USRowing

In early Q2 2020, the USOPC received a report alleging that USRowing continued to conduct in-person training sessions through late Q1 2020, despite local directives to shelter in place and to observe social distancing practices due to the Covid-19 pandemic. In response to an inquiry from the USOPC, USRowing denied the allegations and offered a timeline of its actions during the relevant time period. The USOPC shared USRowing's response with the US Center for SafeSport after it exercised jurisdiction over this matter, and the USOPC has had no further involvement to date.

Throughout the first half of 2020, a number of individuals contacted the USOPC to raise concerns about the culture within USRowing, including lack of trust, dissatisfaction with coaching methods, and fear of retaliation. The USOPC engaged outside counsel in Q3 of 2020 to conduct an independent review to evaluate whether USRowing's practices, including those relating to team selection, mental and physical health, resource allocation, and high-performance policies, were consistent with USRowing's general duties and obligations as an NGB. This matter was ongoing as of the end of Q4 2020.

USA Skateboarding

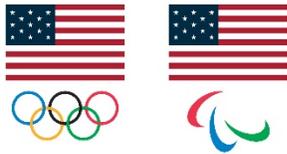
The USOPC received a complaint Q4 2020 alleging USA Skateboarding's non-compliance with USOPC Covid protocols for sanctioned events. The USOPC resolved the matter shortly after receiving the complaint, explaining that the event the complainant cited was not a USA Skateboarding sanctioned event, and therefore, there was no violation of USOPC Covid protocols.

US Speedskating

The USOPC learned from news reports in Q3 2020 that several athletes alleged US Speedskating's national team short track coach engaged in emotional abuse, bullying, and name calling. Because similar allegations were made in 2012 against another short track speedskating coach, the USOPC reviewed US Speedskating's handling of complaints and concluded that there was no evidence that US Speedskating encouraged or tolerated such behavior and determined that the organization took the appropriate steps to investigate and address the coach's conduct. The coach is no longer employed by US Speedskating.

US Soccer Federation

A complaint was filed against the US Soccer Federation (US Soccer) in Q1 2018 under Section 10 of the USOPC Bylaws alleging that US Soccer does not develop interest and participation in the sport,



does not treat female athletes equally, and does not provide reasonable direct representation on the NGB Board of Directors. The parties engaged in mediation, which was unsuccessful, and the matter was pending as of the end of Q4 2020.

US Squash

In 2019, the US Center for SafeSport conducted an administrative audit of US Squash, and in Q1 2020 notice was provided to US Squash of the organization's non-compliance based on its failure to complete SafeSport corrective actions by the agreed upon date. US Squash's President and Chief Executive Officer subsequently confirmed that the corrective actions had been implemented and the requirements of the audit were satisfied, which the USOPC verified in Q2 2020.

USA Surfing

A 2019 audit of US Surfing identified a number of issues, including failure to review and manage conflicts of interest, significant deficiencies with the organization's financial and accounting practices and financial controls, and failure to manage the operations of its high performance program. The USOPC has continued to closely monitor USA Surfing's performance and beginning in Q4 2020 required the organization to implement specific reforms.

USA Table Tennis

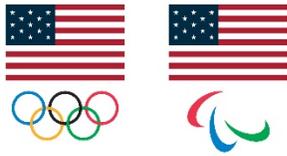
In 2019, the USOPC engaged outside counsel to investigate allegations of Board member misconduct and Board-level governance issues at USA Table Tennis (USATT), including Board members' inappropriate involvement in USATT operations, self-dealing, and failure to manage conflicts of interest. Following the conclusion of outside counsel's investigation, the USOPC required USATT to implement reforms to address the findings in the report, including asking for board member resignations. The USOPC monitored the initial implementation of reforms with USATT's cooperation throughout 2020. USATT's USOPC AAC representative has been engaged in the USOPC's ongoing monitoring efforts, and the USOPC has engaged with USATT's new board members through training and governance support.

USA Team Handball

In Q4 2020 the USOPC received a complaint concerning USA Team Handball's (USATH) 2019 general membership board election alleging that USATH board members may have had access to election results while the election was underway; the results were not made immediately available; and that ineligible persons were permitted to vote. This matter was pending further review as of the end of Q4 2020.

USA Track and Field

Over at least the last decade various individuals from within the USA Track and Field (USATF) community have expressed concern with USATF's governance structure, which provides USATF's Law and Legislation Committee, rather than USATF's Board of Directors, with the authority to approve bylaws changes that significantly affect USATF's governance and its governance structure. USATF athletes who agree and disagree with the existing governance structure are aware of and have been engaged on this issue. As of the end of Q4 2020, the USOPC intended to schedule an audit of USATF in 2021 to review its governance structure.



USA Water Polo

In Q4 2020 the USOPC learned of a number of civil complaints filed against USA Water Polo (USAWP) related to the suspension and later arrest of a club coach accused of sexually assaulting minor athletes. The USOPC also learned of allegations that USAWP senior management failed to properly address a 2009 sexual harassment grievance against a referee. The USOPC engaged USAWP senior leadership on these matters and continued to assess them as of the end of Q4 2020.

USA Weightlifting

In Q3 2020, the USOPC received an anonymous complaint about a conflict of interest involving a USA Weightlifting employee alleging that the employee indirectly benefited from their partner's employment with a third-party vendor used by USA Weightlifting. The USA Weightlifting employee acknowledged the conflict, and the USOPC required USA Weightlifting to address and manage the conflict. The USOPC also informed the complainant of the USOPC's conclusions. USA Weightlifting no longer used the third-party vendor as of Q4 2020.