

**Minutes**  
**USOC Board of Directors Meeting**  
**Redwood Shores, California**  
**December 14, 2018**

A meeting of the Board of Directors (the “Board”) of the United States Olympic Committee (“USOC”) took place on December 14, 2018 following notice duly given pursuant to the USOC Bylaws. Present were Larry Probst (Chair and IOC Member, *ex officio*), Robbie Bach, Jim Benson, Cheri Blauwet, Anita DeFrantz (IOC Member, *ex officio*), Dan Doctoroff (attending by videoconference), Sarah Hirshland (USOC CEO, *ex officio*), Nina Kemppel, Susanne Lyons, Bill Marolt, Steve Mesler, Dave Ogreaan, Whitney Ping, Kikkan Randall (IOC Member, *ex officio*, attending by videoconference), Kevin White, and Robert Wood. Attending Board members constituted a quorum of the Board under USOC Bylaws.

Attending USOC staff were Rick Adams, Jon Denney, Brian Gordon (attending by videoconference), Morane Kerek, Kevin Penn, Patrick Sandusky, and Chris Sullivan. The minutes were recorded by Christopher McCleary, Secretary.

**1. Call to Order and Welcome**

The Chair called the meeting to order at 7:29am Pacific Time. He welcomed Board members and attending USOC staff and thanked each of three Board members who, in addition to himself, would complete their USOC Board service as of the end of 2018: Jim Benson, Nina Kemppel, and Dave Ogreaan. Each of these Board members was thanked by the Board for their dedication and service, and each offered brief comments and thanks in return.

At the Chair’s invitation, Sarah Hirshland reviewed the agenda for the day, which had been modified to ensure the fullest possible Board engagement on the timely and important issues before it.

**2. Sport Services Update**

Sarah Hirshland referred to advance materials for the meeting and provided the Board with a brief update on USOC high performance athlete training and support plans and prospects for 2019 and 2020. Board discussion and questions included the departure earlier in the week of USOC Chief of Sport Performance Alan Ashley and the means by which the USOC, with leadership from the sport performance team, would take advantage of established plans and tools to keep these plans and prospects on track. Ms. Hirshland also discussed her thoughts on organizational and leadership needs in this area and across the USOC.

Further Board discussion focused on athlete mental health support and services in place at the USOC and opportunities to grow and raise awareness of these. Board members shared thoughts on potential means for advancing this work and approaches to the issue generally. It was agreed that this should be a point of emphasis for the Board and the USOC in the area of athlete services and that staff would press on with this work and report back to the Board at its next scheduled meeting.

### **3. Advance Materials Q&A**

Sarah Hirshland referred to additional advance materials for the current meeting on topics including year-to-date financial results, a development update, and a marketing update, and invited Board member questions or discussion on any of these, as the materials' authors and subject matter experts were in attendance to provide further information.

Board discussion on these items included specific budget elements and developments in the 2018 results, emerging opportunities and challenges in the development area, and the USOC's role in the USOC-Los Angeles 2028 US Olympic and Paralympic Properties marketing joint venture and its work to date.

### **4. Mission and Guiding Principles Review**

Sarah Hirshland opened a Board discussion on the ongoing Board-led project concerning possible amendments to the USOC's organizational mission and operating principles. She refreshed the Board on the elements and progress of this effort to date and, referring to advance materials for the meeting, took the Board through a number of proposals and recommendations.

Board questions and discussion followed, including as to current and future circumstances impacting appropriate specifics in the mission and operating principles, particularly in the areas of athlete safety, support, and voice throughout the organization; athletic achievement in international sport and the proper role of the USOC in that realm; and the USOC operating environment in the run-up to the 2028 Los Angeles Olympic and Paralympic Games.

After this discussion and taking into account a number of Board member suggestions and recommendations, Ms. Hirshland agreed that USOC staff would update its work product on the project and report back to the Board with results. She indicated that the results of this work would also feed a 2019 project on organizational strategy and promised an update on that topic at the Board's next scheduled meeting.

## **5. 2019 Budget**

Sarah Hirshland invited USOC Chief Financial Officer Morane Kerek to present a proposed budget for calendar 2019. Ms. Kerek referred to advance materials for the meeting in taking the Board through specific projections and proposals as to revenues and expenses overall, staffing plans, potential extraordinary expenses that may occur and the means by which the USOC would address these, cash flow and reserves including as they tend to vary in a fairly consistent pattern through each Olympic and Paralympic quadrennium, potential approaches to particular areas of insurance and risk mitigation, and proposed spending increases in specific areas of athlete safety and protection (including in connection with the US Center for SafeSport) and the means to ensure that such spending has the greatest possible impact.

Board discussion and questions concerned each of these areas and other specific items as to revenue, and a discussion on keeping USOC administrative expenses to a minimum.

After this discussion and on a motion duly made and seconded, the Board approved the 2019 budget set out in the advance materials for the meeting.

## **6. Administrative Items**

At the Chair's invitation, Chris McCleary asked for Board attention on a number of administrative items.

First, he asked Rick Adams to update the Board on progress as to the Board-requested USOC staff project to analyze potential steps in connection with its status as a National Paralympic Committee. Mr. Adams refreshed the Board on its previous discussion on this project and updated it on further work and progress in analyzing opportunities and costs that may be associated with possible organizational steps to better reflect the USOC's status as an NPC. Board members discussed these and exchanged views on whether and how these steps may be taken, identifying a number of appropriate next steps in the work.

After this discussion, the Board indicated its general sense that work in this area should move forward and a specific proposal brought to the Board at the appropriate time.

Next, Mr. McCleary reminded the Board of the placement of several additional sports on the program for the 2020 Olympic Games in Tokyo, and that, in the case of each of these sports, current USOC member organizations have sought USOC Olympic Sport Organization status in anticipation of the Tokyo Games. Referring to advance materials for the meeting, he indicated that the last of these, USA Softball, had completed the process of applying to become an Olympic Sport Organization and that its application had been approved by the USOC Membership Working Group.

Board discussion followed, after which, and on a motion duly made and seconded, it was resolved that USA Softball, pursuant to Sections 220505(b)(8), 220521 of the Ted Stevens Olympic and Amateur Sports Act and Section 8.1 of the USOC Bylaws, is transferred from the status of a Pan American Sport Organization member to the status of an Olympic Sport Organization member of the USOC, and that USA Softball will remain recognized as the National Governing Body for the sport of Softball in the United States of America.

Again referring to advance materials for the meeting, Mr. McCleary described a specific revision to the USOC Code of Conduct that had been proposed by members of the USOC Diversity & Inclusion Committee to clarify the USOC's prohibition of discrimination in fair treatment and equal opportunity.

Board discussion of the proposed changes followed, during which members of the Board reflected on the importance of a clear organizational position against such discrimination. On a motion duly made and seconded, it was resolved that the USOC Code of Conduct be amended as set out in the advance materials for the meeting, effective immediately.

Mr. McCleary next asked for Board approval of the draft minutes of the Board's special telephonic meetings of October 22 and November 4, 2018, which draft minutes were included in the advance materials for the meeting. On a motion duly made and seconded, the Board voted to approve both sets of these draft minutes in the form so included.

Finally, Mr. McCleary informed the Board of two matters involving Board meeting scheduling: He noted that the process of identifying optimal dates for calendar 2020 meetings would begin shortly via emails to be sent to all Board members for their views, and he informed the Board that the previously scheduled September 19-20 2019 Board and Committee meetings would be rescheduled for September 12-13, owing to the fact that the 2019 USOC Olympic and Paralympic Assembly was being moved to those dates as well.

Susanne Lyons closed this discussion by noting that she would engage in a review of the USOC approach to arranging and conducting Board meetings, with an eye towards identifying any opportunities to update this approach to make meetings as effective and efficient as possible.

## **7. Executive Session, Committee Reports**

At this point, attending USOC staff other than Sarah Hirshland and Chris McCleary left the meeting.

### **7.1 USCSS Update**

Ms. Hirshland provided the Board with a short update on her understanding of developments concerning the US Center for SafeSport and the critical deliverables and

steps discussed with the Center for 2019. She underlined that the USOC would continue to honor its commitment to respect fully the USCSS need for absolute independence in governance and investigative work, while at the same time engaging as appropriate as an entity under USCSS jurisdiction and the leading source of USCSS funding.

## **7.2 Winter Games Hosting Bid Process**

Ms. Hirshland next introduced USOC Vice President, Bids and Protocol Chris Sullivan to update the Board on the USOC's process for choosing a US city to work with in the event that the USOC determines to pursue a bid for the right to host an upcoming Olympic and Paralympic Winter Games during the next several years.

Mr. Sullivan reviewed this process and the work behind it to date, referring to advance materials for the meeting and to a Board working session on the topic held on December 3, 2018. He reported on further learnings and developments concerning each of the two finalist cities that had completed the submission and interview process, noting the significant strengths and high quality of each city's submissions and approach overall. He underlined that what was being sought from the Board at this point is not a commitment to bid for any particular Games or to follow any particular timeline for any such bid, but rather a decision as to which of these cities the USOC intends to work with in the event the Board does determine to commit to these at some point in coming years.

Board discussion and questions followed, including on a number of infrastructure, operations, and international considerations, as well as the importance of the IOC's "New Norm" approach to containing costs for Games bids and Games hosting. After this discussion, and on a motion duly made and seconded, it was resolved that the USOC would continue to consider whether and how to enter a bid to host an Olympic and Paralympic Winter Games, and that based on the information currently before the Board, any such bid would be in cooperation with the City of Salt Lake City.

## **7.3 Audit Committee**

At the Chair's invitation, USOC Audit Committee Chair Dan Doctoroff reported on the work of the Committee and its meeting of the previous day. He reviewed Committee work and decisions on 2018 year-to-date financials, 2019 budget, litigation and dispute resolution matters, NGB audit results, external audit resources, USOC investment strategy, risk mitigation items, and a proposal that the USOC NGB audit function shift its ongoing reports from the Audit Committee to the new USOC Athlete and NGB Engagement Committee. Mr. Doctoroff indicated that the Audit Committee expressed its support of this proposal and recommended that the Board consider it immediately.

Board discussion on these items followed, after which members of the Board recommended that the Board consider adopting revisions to the USOC Bylaws necessary to shift committee review of NGB audit operations and results from the Audit Committee

to the Athlete and NGB Engagement Committee and asked that USOC staff post such edits for public consideration and comment in line with standard USOC Bylaw amendment procedures.

#### **7.4 Compensation Committee**

Next, Compensation Committee Chair Bob Wood reported on the Committee's work including at a meeting the day before. He reviewed specific Committee proposals on USOC staff merit plan compensation, the 2018 performance screen and bonus payouts set to reflect the organization's results against these measures, and on configuration of a new set of performance screen measures for 2019.

Board discussion on these items followed, and on details around recent separations with senior staff members, related legal and operational questions, succession planning as to key roles, USOC organizational design and operational stability, and the importance of ensuring that this organizational design ensures Board visibility on important organizational questions and issues as they develop.

At this point, Sarah Hirshland left the meeting and the Board held a discussion on her performance in the role to date. Board members discussed Compensation Committee recommendations as to her merit plan and bonus payout for 2018, and areas for continued focus and improvement in her performance overall in 2019.

After this discussion, Ms. Hirshland rejoined the meeting and Mr. Bach reported the results of that discussion to her.

After these Board discussions and on a motion duly made and seconded, the Board ratified the Compensation Committee's proposals on 2018 merit plan and performance screen incentive payouts, the 2019 merit performance screen plans, and 2019 CEO compensation steps, all as set out at the meeting.

#### **7.5 Nominating and Governance Committee**

USOC Nominating and Governance Chair Dave Ogrea led a Board discussion on the work of that Committee and a number of items due for Board review and decisions in the area of USOC governance and leadership.

First, Mr. Ogrea referred to advance materials for the meeting in reviewing the Committee's search process and search results for three Board seats set to open at the end of calendar 2018 – one each among independent, AAC nominee, and NGBC nominee seats. He discussed the months-long process supported by a professional board search firm (in the case of the independent seat), the AAC (which searched for, vetted, and elected two nominees for the AAC nominee seat), and the NGBC (which did likewise for the NGBC nominee seat). He also described the newly-drafted board member criteria

developed by the Committee with the help and support of the AAC, NGBC, and other subject matter experts, and encouraged the Board to employ these criteria in its current and future selections and evaluations of Board members. He noted the Committee's position that these criteria could form part of an enhanced and clarified approach to Board member evaluation and education, which the Committee feels would be an appropriate project in the coming year.

Mr. Ogreaan confirmed that the Committee had arrived at recommendations for each of the three seats by unanimous vote, even as Committee members had acknowledged the difficulty of making final selections in light of the strong finalist candidates across the board. He reported that Beth Brooke-Marciniak was the Committee's recommendation for the independent seat, Brad Snyder was the Committee's recommendation for the AAC-nominee seat, and Rich Bender was the Committee's recommendation for the NGBC-nominee seat.

Board discussion followed, including as to the search process and the qualifications, experience, and character of the nominees. After this discussion, and on a motion duly made and seconded, the Board elected Beth Brooke-Marciniak, Brad Snyder, and Rich Bender to the USOC Board as set out in the advance materials for the meeting, subject in each case to standard USOC background checks and with terms beginning on January 1, 2019.

Next, Mr. Ogreaan noted that four current members of the Board - Dan Doctoroff, Steve Mesler, Kevin White, and Robert Wood - would be completing their initial four-year terms with the end of 2018, and that it would therefore be timely for the Board to consider their re-election to subsequent four-year terms.

Each of Messrs. Doctoroff, Mesler, White, and Wood left the meeting.

Board discussion followed, both as to these particular Board members and to the advisability of enhanced and clarified evaluation procedures for all members of the Board. After this discussion and on a motion duly made and seconded, the Board voted to re-elect Dan Doctoroff, Steve Mesler, Kevin White, and Robert Wood to four year terms to run from 2019 through 2022.

Messrs. Doctoroff, Mesler, White, and Wood rejoined the meeting.

At Mr. Ogreaan's invitation, Chris McCleary briefly reviewed the orientation process that would be provided to the Board's new members during early 2019. Board members offered suggestions on updates and additions to that process that can best help new Board members prepare for service.

Mr. Ogreaan also referred to the Committee's work in identifying and naming two At-Large members of the new USOC Athlete and NGB Engagement Committee. He indicated that this work is ongoing and the Committee is hopeful of completing it soon.

Finally, Mr. Ogreaan reminded the Board of the ongoing work of Committee members and others, in cooperation with AAC leadership, on addressing a number of AAC requests for changes in connection with athlete representation on the USOC Board. Among these potential changes, also being reviewed by the Borders Commission, Mr. Ogreaan noted that members of AAC leadership had requested particularly that the USOC Board consider the request that the USOC Bylaws be amended to require specifically that, of the three AAC-nominee members of the USOC Board, at least one be from a Paralympic sport. He invited Whitney Ping and Steve Mesler, who had each been involved in the most recent discussions on this topic, to provide their perspective.

Ms. Ping and Mr. Mesler reported on most-recent work and discussions in this area, and led a Board discussion on the issues surrounding this request. Board members offered ideas and views for moving forward cooperatively with the AAC on this issue and on optimal means for ensuring a strong athlete voice in the governance and operation of the USOC in general.

After this discussion, on a motion duly made and seconded, the Board voted to support an amendment to the AAC Bylaws to call for at least one of the three AAC-nominated Boards seats be held by a Paralympian.

## **7.6 Ethics Committee**

Nina Kempel, Chair of the USOC Ethics Committee, updated the Board on that Committee's work and leadership on a number of ethics-related policies and practices. She noted that her service in this role would end along with her USOC service, and thanked the Board for the opportunity to serve in this important area.

## **7.7 Paralympic Advisory Committee**

Paralympic Advisory Committee Chair Jim Benson discussed recent work by that Committee in updating its strategic plan and areas of focus for the future, as well as ensuring that its roster included diverse and strong voices overall. He noted progress in clarifying and defining the Committee's role vis-à-vis the US Olympic and Paralympic Foundation's work in the area of Paralympic sport-related fundraising and development.

## **7.8 New Committee, Committee Assignments**

Finally, incoming Board Chair Susanne Lyons discussed USOC Committee appointments to take effect with the beginning of 2019. In particular she discussed current efforts to complete the initial roster of the new USOC Athlete and NGB Engagement Committee and

her plans for ensuring that this Committee gets off to a strong start in 2019. She shared her intended appointments for each Committee and each Board member, all of which were supported and proposed for Board approval by the current Chair.

Board discussion followed, after which and on a motion duly made and seconded, the Board approved the 2019 Committee assignments presented during the current meeting and asked that they be posted publicly in line with USOC standard practice.

## **8. Investigation, Inquiry Updates**

At the Chair's invitation, Sarah Hirshland opened a Board session on several ongoing investigations and inquiries. She noted the days-earlier public release of the complete independent investigation report produced by the law firm of Ropes & Gray and welcomed Nancy Kestenbaum, Brian Smith, Carolyn Kubota, and Mitch Kamin, from the law firm of Covington & Burling (outside counsel to the USOC), who all joined the meeting at this point.

Ms. Hirshland invited USOC General Counsel Chris McCleary to provide further context to this discussion. Mr. McCleary reviewed the respective roles of each attending Covington attorney and set out the context and considerations for the Board's opportunity to discuss the Ropes & Gray investigation with the lead investigators on that project.

### **8.1 Independent Investigation**

Joan McPhee and James Dowden of Ropes & Gray, who led the independent investigation, joined the meeting.

Nancy Kestenbaum introduced Ms. McPhee and Mr. Dowden and reported to the Board on the process by which the USOC commissioned and supported the investigation with a focus on leaving Ms. McPhee and Mr. Dowden and their team free to conduct the work with absolute independence and access to all necessary resources. Ms. Kestenbaum invited further comments from Ms. McPhee and Mr. Dowden.

Ms. McPhee and Mr. Dowden both offered a number of observations and reflections on the process of their work and its result. They noted the serious and difficult nature of the work for USOC staff and leadership in connection with supporting and cooperating with the investigation and of grappling with the report resulting from it. They thanked the Board for leading the USOC to honor assiduously their need for independence and a free hand to fully explore their subject matter and to create a comprehensive and in-depth analysis both as to the USOC and to USA Gymnastics.

Further comments from Ms. McPhee and Mr. Dowden concerned the importance of the US Center for SafeSport in addressing a number of the systemic and organizational issues identified in the report, on challenges identified by interested parties in the current

resources and capacity of the USCSS, and on the need for further and continued focus in this area from the USOC and the USOC Board. They also discussed the fact that the USCSS cannot on its own address the entire need for the US Olympic and Paralympic community to address athlete safety, particularly in the area of abuse, whether sexual or otherwise. They offered thoughts on other efforts that can help in these areas. They reflected on their perceptions of progress and further work that can be done in the area of USOC and NGB medical support for athletes. They acknowledged the complexity of the environment in which the USOC works and discussed with Board members particular ideas on providing positive leadership in this environment.

In the area of ensuring appropriate athlete voice in the USOC and throughout the leadership and work of the US Olympic and Paralympic community, they discussed the range of varied and sometimes contradictory views voiced by members of the US athlete community at all levels of participation. They and Board members discussed a number of possible approaches to honoring and balancing these views. In the area of NGB engagement and oversight, Ms. McPhee and Mr. Dowden reported on their sense of the extreme diversity of NGBs in terms of governance and organizational capacity and resources, and the difficulties that come with managing the diverse set of risks that may come with these.

Further Board discussion and questions of Ms. McPhee and Mr. Dowden followed, including as to building a more positive and healthy culture at all levels of the Olympic and Paralympic community, particular learnings offered by the experience and failures of USA Gymnastics in the area of athlete safety, the need for continued Board-level engagement on important issues and developments in this area and others, learnings as to law enforcement's role in the Nassar case overall and its development during 2015-2016, and several tools that must be employed in creating a culture and atmosphere hostile to abusers throughout the community.

With the Board's thanks, Ms. McPhee and Mr. Dowden left the meeting.

## **8.2 Congressional Inquiries**

Next, Chris McCleary and Brian Smith provided the Board with an update on multiple ongoing Congressional inquiries and points of contact in which the USOC is engaged around the Nassar case and athlete safety overall.

Mr. Smith reported on developing Congressional calls for further investigation, including on the part of law enforcement, on the subject matter of the Ropes & Gray report. Board members discussed specifics in these matters with Mr. Smith and Mr. McCleary, and possible scenarios in coming weeks and months.

Further discussions concerned USOC options and opportunities that may arise in coming weeks to help support ongoing Congressional work in the area of athlete safety.

## **9. Litigation Discussion and Update**

Next, and again at the Chair's invitation, Chris McCleary initiated an attorney-client privileged Board session on current litigation matters affecting the USOC, particularly those involving Larry Nassar and USA Gymnastics.

Mr. McCleary, Carolyn Kubota, and Mitch Kamin provided the Board with a detailed review of current case status and next steps across the range of litigation currently involving the USOC, discussed pertinent insurance questions and issues as to both the USOC and USAG, reviewed the status and possible effects of USA Gymnastics' recently announced bankruptcy filing, reviewed the Ropes & Gray report's relationship to the issues underlying all these, and led a discussion on a number of different scenarios under which elements of this litigation might come to resolution in the future.

Extensive Board questions and discussion followed, during which Board members expressed views and deepened their understanding on these subjects and discussed next steps for USOC staff and counsel, and counsel provided the Board with a number of specifics in this regard. Among the topics of this discussion was the USOC's recent filing to seek termination of NGB recognition for USA Gymnastics and possible effects on that process from the USA Gymnastics bankruptcy filing. The Board discussed potential USOC approaches to that situation as it develops.

At this point, the Covington attorneys left the meeting. Cheri Blauwett and Dave Ogreaan also left to meet travel commitments.

## **10. NGB Membership, NGB Support**

At this point, attending members of USOC staff rejoined the meeting.

Sarah Hirshland invited USOC Chief of Athlete and NGB Services Rick Adams to brief the Board on the work of his new organizational structure and team, and on a number of specific developments among certain NGBs that have been a focus of that team's most recent work.

Mr. Adams described a number of instances where his team is engaged in helping NGBs resolve governance and structure issues that appear to be impacting their members, and reviewed with the Board the process by which the USOC would deal with any failures to resolve these issues. Board discussion on these topics included contingencies for any instance where, for any period of time, no NGB remained in place in a particular sport, including as to athlete support, training, and team selection for international events such as the Pan American and ParaPanAm Games set to take place in 2019. Board members discussed the need for USOC and NGB accountability in a number of areas, and possible

USOC approaches to ensuring that all parties fully understand and are able to live up to their respective responsibilities.

#### **11. Borders Commission**

At Sarah Hirshland's invitation, Chris McCleary updated the Board on the work of the Borders Commission on Athlete and NGB Engagement. Referring to advance materials for the meeting, he reviewed the current status of the Commission and its work, discussed the working sessions engaged in by Commission members since their first meeting on September 22, 2018, and detailed the Commission's plans for a full-day in-person working session on December 18, 2018.

Board discussion on the Borders Commission included the manner of its engagement with and contemplation of the Ropes & Gray report, which covers a range of subject matter and considerations forming part of the Commission's charter and ongoing efforts. Mr. McCleary agreed to continue ongoing reporting to the Board on progress of the Commission.

#### **12. International Updates**

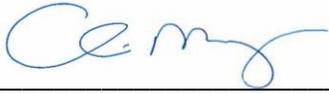
Finally, Board member and IOC Member and Vice President Anita DeFrantz discussed IOC developments, including from her perspective as a member of the IOC Executive Board, and discussed the multiple and varied roles played in international sport by different members of the US Olympic and Paralympic community. She and other members of the Board underlined the importance of continued efforts to ensure that these people and others can provide positive and impactful support and leadership internationally.

#### **13. Adjournment**

The Chair reiterated his thanks to members of the Board and USOC staff for their hard work and commitment, his appreciation for the service of fellow Board members completing their Board service, and his gratitude for the opportunity to serve as USOC Board Chair and President of the USOC. In turn, members of the Board emphasized their appreciation for the strong and dedicated leadership of the Chair and wished him well.

There being no further business, the meeting was adjourned at approximately 3:00pm.

This document constitutes a true and correct copy of the minutes of the December 14, 2018 meeting of the Board of Directors of the United States Olympic Committee.



---

Christopher McCleary  
Secretary

---

January 14, 2019

Date