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**AMERICAN YOUTH SOCCER ORGANIZATION,**  
*Complainant*

*v.*

**UNITED STATES SOCCER FEDERATION,**  
*Respondent*

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**ARTICLE VIII, SECTION 1, COMPLAINT  
USOC CONSTITUTION & BYLAWS**

**UNITED STATES OLYMPIC COMMITTEE  
HEARING PANEL  
SUMMARY OF EVIDENCE and RECOMMENDATION**

**June 25, 1997**

**USOC HEARING PANEL**  
**SUMMARY OF EVIDENCE AND RECOMMENDATION**

**I.**  
**INTRODUCTION**

This Article VIII, Section 1, Complaint was filed by the American Youth Soccer Association ("AYSO"), the COMPLAINANT, on May 6, 1996. Subsequently, the United States Soccer Federation ("USSF"), the RESPONDENT, filed a Motion to Dismiss on procedural, jurisdictional and technical grounds on June 7, 1996. A Hearing Panel was appointed by the United States Olympic Committee ("USOC") President, Dr. LeRoy Walker, in accordance with Chapter VIII, Section 3, (A) of the USOC Bylaws to hear the Motion to Dismiss and render a decision.

The Hearing Panel conducted a Hearing on September 17, 1996 in Chicago, Illinois, on the Motion to Dismiss and, on October 7, 1996, rendered its Decision that the Motion to Dismiss should be denied. A copy of that Decision is attached as APPENDIX A.

Following this Decision, the RESPONDENT filed an Answer to the Complaint on November 15, 1996. In accordance with Chapter VIII, Section 5(B) and related Articles and Chapters of the USOC Constitution and Bylaws, the current USOC President, William J. Hybl, appointed a new Hearing Panel (the "Panel") and charged this Panel to conduct a hearing on the merits of the Complaint. The Panel was further charged to report to the USOC Board of Directors as outlined in the USOC Constitution and Bylaws and to make a recommendation to the USOC Board of Directors regarding the disposition of the Complaint. A hearing was scheduled for May 19-20, 1997 in Colorado Springs at the Sheraton Hotel.

On May 19, 1997, the Parties appeared before the Panel. One of the Hearing Panel members, Tim Richardson, was unable to attend at the last moment due to personal family matters. Both Parties agreed that the Hearing should proceed

without Mr. Richardson's presence. The Panel and the Parties agreed that he would not participate in deliberations relative to the Hearing. The Parties had previously submitted documents which included Hearing Briefs, Witness Lists, and Exhibits . . . 14 from the COMPLAINANT and 34 from the RESPONDENT to the Panel for its consideration during the Hearing. The Parties were advised that, in resolution of the Complaint, the USOC Board of Directors may determine that the RESPONDENT (1) is in compliance with the requirements of the USOC Constitution & Bylaws as well as the Amateur Sports Act of 1978 (the "Act"), or (2) is not in compliance and should be placed on probation, or (3) is not in compliance and should have its recognition as a National Governing Body ("NGB") revoked.

The Hearing was conducted in accordance with the hearing procedures set forth in Chapter VI of the USOC Bylaws. Both Parties were allowed opening statements. The Parties were given a reasonable opportunity to present oral and written evidence, to cross-examine witnesses and to present factual or legal claims as desired. The rules of evidence were not strictly enforced and rules of evidence generally accepted in administrative proceedings were applied.

The burden of proof was initially placed on the COMPLAINANT which was given the burden of going forward with evidence. The RESPONDENT then presented evidence in support of its position. The COMPLAINANT was allowed rebuttal testimony, however, no rebuttal was presented. Both Parties requested the opportunity to file post hearing briefs in lieu of presenting closing statements and were granted that request.

The Hearing was open to the public and was stenographically reported. The Hearing concluded in the afternoon of Tuesday, May 20, 1997. Following conclusion of the Hearing, the Panel deliberated and now provides this Summary of Evidence and Recommendation.

**II.**  
**SUMMARY OF EVIDENCE**

**A. WITNESSES**

The parties presented the following witnesses to the Panel:

**AYSO:**

**Burton Haimes** - AYSO President for past 7 years (succeeded Don West); Current Chair of the Board of Directors; Affiliate Representative on the USSF Board of Directors.

**Don West** - past president of AYSO; member of the USSF Board of Directors; Served on USSF Committees for the past 16 years.

**Frank Filo** - Regional Commissioner for Plano, Texas, in the North Texas State Soccer Association.

**USSF:**

**Hank Steinbrecher** - Executive Director/ Secretary General of the USSF.

**Larry Monaco** - Secretary of the Virginia Soccer Association (NSA); Executive Vice President of the USSF; ex-officio member of the USSF Foundation; Acting President of the USSF Professional Division; immediate past chairman of the USSF Rules Committee; served on the USSF Appeals Committee.

**Bob Contiguglia** - past vice president for the USYSA; Chair of the USSF Coaching Committee; founding member of the USSF Foundation.

**Virgil Lewis** - past chairman of the Boy's Olympic Development Program (1990-1994); current Vice President of the USYSA (since 1996).

## B. **BACKGROUND**

The AYSO is a California non-profit corporation founded in 1964. AYSO has participation in regions of at least 44 states. The players are between the ages of 4 and 18 years old. AYSO currently has approximately 550,000 registered players.

The mission of the AYSO is to develop positive character through participation in the sport of soccer based on AYSO's philosophies of "Everyone Plays", open registration, balanced teams, good sportsmanship and positive coaching. The national office is located at 5403 West 138th Street, Hawthorne, California 90250.

The USSF is the NGB for the Sport of Soccer in the United States. It is a New York non-profit corporation with its national office at 1801-1811 South Prairie Avenue, Chicago, Illinois, 60616.

The USSF has approximately 3.5 million players and 300,000 teams. There are three Divisions within the USSF, the Amateur Division (United States Amateur Soccer Association, Inc. and its members and affiliates), the Youth Division (United States Youth Soccer Association, Inc. ("USYSA") and its members and affiliates) and the Professional Division.

The USYSA has approximately 2.5 million players. The Youth and Amateur Divisions have National State Associations ("NSA") which are responsible for administering and coordinating USSF programs at the state and local levels. Players are registered with the USSF through the appropriate Organization Member.

Affiliate membership, which includes AYSO, is a membership category within the USSF for "any multi-sport or single sport organization which independently conducts soccer programs in the United States at the national level...". Each Affiliate member has one representative on the USSF's Board of Directors, but Affiliate Members collectively have a maximum of three votes on the Board of Directors.

In August of 1969, the United States Soccer Football Association (“USSFA”) (predecessor to the USSF) appointed a national development committee to investigate soccer development in the United States and to set up guidelines for a national youth soccer program. In 1974, the NGB restructured by separating the youth, senior and amateur organizations and changing its name to the United States Soccer Association. The USYSA was formed at this time.

The USSF Official Rule Book Supplement of 1974 states the USYSA shall be “. . .an affiliated division of, and comply with the authority of the United States Soccer Federation, Incorporated and through such affiliation shall be affiliated with the respective USSF designated (Senior) State Association”.

The USYSA was incorporated as a Tennessee non-profit organization in 1983.

AYSO became an Affiliated member with the USSFA, USSF’s predecessor, in 1965. The USSF terminated AYSO’s Affiliated status in 1967. AYSO filed an Article VIII, Section I, Complaint with the USOC on July 30, 1988 in efforts to regain its membership status. The parties resolved the complaint by entering into a Settlement Agreement in 1989.

AYSO filed its current Article VIII, Section I, Complaint on May 6, 1996.

**C. DISPUTED FACTS/ALLEGATIONS**

**Count I - THE USSF HAS VIOLATED SECTION  
201(B)(4) OF THE ACT BY  
DELEGATING ITS NGB DUTIES**

AYSO alleges that the USYSA and its NSA’s have full authority for programs, competitions and activities relating to youth soccer and that the USSF’s rules do not provide for any accountability to the USSF on the part of the USYSA or its NSAs for its delegated authority.

Further, in support of its allegations, AYSO states that: 1) the USYSA and NSAs are governed by their own board of directors and officers who dictate their

rules and procedures, finances, personnel decisions and programs; 2) the USSF financial statements show that the USYSA is a separate, autonomous legal entity with an independently selected Board; 3) the USSF board cannot exert any influence or authority over the USYSA's five directors that sit on the Board; and 4) the USSF does not have the governing documents and rules from 41 of the 55 NSAs even though submittal of the rules is required by the USYSA bylaws, therefore, the USSF has not reviewed and approved the NSAs bylaws and rules.

AYSO also alleges that its ability to participate in the USSF is unfairly hindered by the "100% rule", NSA rules prohibiting interplay, and the 1995 amendments to the USYSA rules adopted at the 1995 USSF Annual General Meeting.

In response, the USSF states that it retains the power to rescind whatever authority it has delegated to the Youth Division and the NSAs to organize and manage programs, competitions and activities (Article 103 (3)). The USSF states that its evidence is uncontroverted that the USYSA and NSAs are fully accountable to the USSF.

In its support, the USSF states: 1) that it must review and approve each NSA's charter, bylaws, rules and regulations and the USSF has the authority to require changes in order to bring each organization into compliance; 2) that each division and NSA must submit annual reports and financial statements to the USSF, and must register every player, coach and team that is sponsored, financed, coached or administered by the organization or by any club or league that is a member of the NSA (Rule 2011); and 3) that it has the authority to remove from office any director, officer or board member of the Youth Division (Rule 2054).

The USSF states that there have been instances where local activities and local rules have escaped oversight, but these incidents are few and far between considering the number of players and teams. When these incidents came to the

attention of the USYSA and the USSF, the USSF states that they were vigorously addressed.

In further support, the USSF states that what is delegated to the Divisions and National State Associations are the administration, coordination and implementation of USSF-approved programs. The USSF states that the USYSA was itself formed and designated by the USSF when the USSF reorganized itself and it developed the Constitution and Bylaws of the USYSA and incorporated those provisions into the USSF's 1974 Official Rule Book Supplement. Through hearing testimony, the USSF stated that the separate incorporation was to enable the USYSA to conduct fund raising on a local level.

**Count II - THE USSF HAS VIOLATED SECTION  
201(B)(9) OF THE ACT BY FAILING TO  
PROVIDE AYSO WITH REASONABLE  
DIRECT REPRESENTATION ON ITS  
VARIOUS GOVERNING BOARDS**

AYSO alleges that the limitation on the voting rights of the Affiliate members on the USSF Board and requirement that the USSF Board members pay their own way has resulted in the creation of two tiers of USSF Board members, one consisting of the USYSA representatives which have full rights and full reimbursement of their participation, and the other consisting of the Affiliates with less voting rights and no reimbursement of expenses.

In support of this allegation AYSO alleges: 1) that as the number of Affiliate members grows beyond three, the respective vote of each Affiliate member shrinks; 2) requiring Affiliate members to serve on the USSF's Board of Directors at their own expense is aimed at discouraging participation by the Affiliate members; 3) Affiliate members are provided no vote on the National Executive Committee, only observer status; 4) Affiliate members only have one vote on the National Council for every 50,000 members, whereas USYSA has one vote for approximately every



12,500 members; and 5) that it has no vote on the Board of the USSF Foundation (1994 World Cup funds) which significantly diminishes their role within the USSF.

In response, the USSF states that AYSO failed to establish that it conducts any program or competition which meets the level of proficiency required by the Act. The USSF states that AYSO is purely recreational and there is no real effort made to promote and develop players for the national team; AYSO discourages participation in non-AYSO programs; and gifted players are ceded to the USSF.

The USSF states further: 1) that AYSO has demonstrated no interest in integrating its youth with those that are promoted by the USSF; 2) the nature of AYSO's programs is child development and the reduction of juvenile delinquency; 3) AYSO has no competitive programs and no professional coaching staff; 4) the Soccer Foundation does not carry out governance functions and its sole function is to review and consider grant applications; 5) AYSO is entitled to one vote on the USSF's National Council for every 50,000 registered players and AYSO's votes on the National Council will increase as AYSO itself grows; 6) since 1994 the USSF's Executive Committee has only met a few times and then by conference call and has no legislative authority; and 7) AYSO delegates are eligible to be officers of the USSF and would therefore be eligible to be elected to serve on the Executive Committee.

**Count III - THE USSF HAS VIOLATED SECTION  
202(A)(1) OF THE ACT IN THAT ITS  
ACTIONS ARE INCONSISTENT WITH  
DEVELOPING INTEREST AND  
PARTICIPATION IN SOCCER AND  
BEING RESPONSIBLE TO THOSE IT  
REPRESENTS**

In support of Count III, AYSO alleges the following: 1) that the "100% rule" promulgated by the USYSA requires that a club, in order to participate in a USYSA program, must register all of its players with an NSA; 2) that some NSAs have

promulgated their own rules that specifically ban play with any non-NSA members, also known as “interplay”; and 3) that the USYSA restricts participation in national competitions and Olympic Development Programs (“ODP”) to only teams and individuals registered with the NSAs.

In response, the USSF states the following: 1) its achievements in international competition are recognized worldwide; 2) the USYSA’s membership has grown from 100,000 in 1977 to over 2.5 million by 1996; 3) affiliate members such as AYSO (20,000 players in 1964 to 500,000 in 1996) have experienced growth; 4) the “100% rule” is principally designed to ensure that all participants in USSF activities are registered and accounted and any misapplication of this rule has been quickly, equitably and informally resolved; 5) it encourages interplay and the alleged improper implementation of the rule was addressed and any further inconsistent NSA rules will be changed; and 6) its ODP is open to any American citizen and is widely advertised and the 1991 guidelines of cooperation, made it clear that AYSO would utilize USYSA’s ODP, were published by the USYSA and disseminated to thousands of members.

**D. POST HEARING BRIEFS OF THE PARTIES**

The Parties were allowed, following the Hearing, to provide post hearing briefs. These documents are attached as APPENDIX B [ the COMPLAINANT] and APPENDIX C [the RESPONDENT].

**E. TRANSCRIPT**

The Transcript of the proceeding is attached as APPENDIX D.

F. **RECOGNITION OF AN NGB FOLLOWING THE AMATEUR SPORTS ACT**

The Act, *36 USC 381-396*, provides for the basis for recognition or continued recognition of NGB[s] for Olympic and Pan-American Sports by the USOC. In addition, the USOC Constitution, Articles IV and VII, contain similar requirements. These requirements are the basis for the recognition of NGBs for USOC membership following passage of The Act. The USSF was granted continued recognition in the USOC as the member for the Sport of Soccer following passage of the Act.

**III.**  
**CONCLUSION**

The Panel concludes that the Sport of Soccer in the United States is a vibrant, growing, world-class Sport which, as a sport in the United States, is on the verge of taking a huge leap into the 21st Century. The Panel is also of the opinion that the organization responsible for the Sport of Soccer in the United States, the USSF, is plagued with the problem of huge numbers of people being involved in the administration of this "leap". These people encompass youth, developed amateurs, elite athletes, professionals, independent corporations, separately incorporated state organizations, as well as local organizations, and member organizations which sometimes are competing with the interests of the USSF and its perceived constituency.

This constituency has created an organizational structure which appears to the Panel to operate against the needs of the organization overall and which clearly places it in violation of the Act and the member requirements under the USOC Constitution & Bylaws. Specifically, the Panel has determined the following:

A. **The USSF is in violation of the Act, 36 USC 391, Section 201 (b)(4) and the USOC Constitution, Article IV, Section 4, (C)(4)** in that it delegates its governance and administration of its Sport and, therefore, its control. This delegation, in the opinion of the Panel, is not a lawful or necessary delegation. This delegation especially occurs with regard to youth activities in the Sport of Soccer in the United States. The USYSA is a separate entity within the Sport of Soccer, and it administers and controls youth soccer in the United States. It is separate and independent from the USSF, with offices in the State of Texas. The Audit Report of the USSF indicated that the USYSA is a member of the USSF which is separate and autonomous from the USSF. It has a separate staff and budget, and is in complete control of any changes to its Bylaws. There is no real right of review by the USSF over any of these matters.

In addition, separate and distinct NSAs administer and control the Sport of Soccer at the local level. It is apparent that these organizations appear to be independent from the USSF, separately incorporated, and it is questionable whether, in many cases, they are under the control of the USYSA.

The Act, 36 USC 392, Section 202, and USOC Constitution, Article VII, create a duty for all NGBs to perform many activities in accordance with their recognition which the USSF has delegated to the USYSA and NSAs, and which it does not control in the area of youth soccer. Based on the evidence provided, the USSF should not be relying on the USYSA and NSAs to fulfill these duties under present circumstances. The Panel will comment further on this issue in its Recommendation.

B. **The USSF is not in violation of the Act, 36 USC 391, Section 201 (b)(9) and USOC Constitution, Article IV, Section 4 (C)(9)** with regard to its obligation to provide reasonable direct representation on its governing boards or such other governing boards as provided in this Section. The COMPLAINANT has

not proven, to the satisfaction of the Panel, that it conducts programs identified in this Section. Nonetheless, the Panel supports the concept that the AYSO should have representation in the USSF at the level that it currently enjoys and does not believe that this representation should be diminished. Such representation, or any changes, must be carefully weighed in making any changes pursuant to the recommendations of the Panel identified in another section herein.

C. **The USSF is not in violation of that part of the Act, 36 USC 392, Section 202 (a), USOC Constitution, Article VII, Section 1. (A)** requiring it to develop interest and participation throughout the United States. The Panel concluded from the evidence that the USSF has done a good job in this area and, the delegation issue aside, does not regard this issue as needing further comment.

D. **The USSF is in violation of that part of the Act, 36 USA 392, Section 202 (a), USOC Constitution, Article VII, Section 1 (A)** which requires it to be responsible to the persons and amateur sports organizations it represents. The Panel reaches this conclusion based on its determination in Paragraph A, *supra*. The USSF must exercise the duty to be responsible to persons and organizations it represents totally within its own control and authority and not through the USYSA or NSAs. The evidence relates substantial information that the delegation of this duty to the USYSA and NSAs in the Sport of Soccer is not an acceptable manner to administer this duty.

#### IV.

#### **RECOMMENDATION**

After careful review of the evidence and issues presented, the Panel concludes that the USSF is not in compliance with the membership requirements of the Act and/or the USOC Constitution & Bylaws. It is the opinion of the Panel,

after hearing all the testimony and reviewing all of the evidence, that the USSF has not fully met the membership requirements since being admitted as a member of the USOC following the passage of the Act.

The Panel is of the opinion that the failure of the USSF to meet its membership requirements is of such a nature, both in the past and during the present, that measures must be taken in order to properly support the Sport of Soccer in the United States and the athletes engaged in the Sport. The problems existing in the present system cannot be rectified without substantial changes in the governance structure and operating procedures of the USSF.

**This Panel, therefore, unanimously recommends that the USSF be placed on probation** for a period of time extending until the USOC Board of Directors ("the Board") meeting in Portland, Oregon, April 4-5, 1998. At such time, the Board should review the status of the USSF and its compliance with the Act and the USOC Constitution & Bylaws, as well as the conditions of probation which follow. If the USSF is not in compliance with the Act and the USOC Constitution & Bylaws and conditions of probation, at that time, its membership within the USOC shall be revoked in accordance with Chapter VIII, Section 6, (B)(2) of the USOC Bylaws.

**The Panel recommends that the USOC Board of Directors impose the following conditions of probation:**

1. The USSF immediately convene a constitutional convention or such other appropriate mechanism to restructure its organization, including the dissolution of the USYSA as a separate corporation and bring it into the NGB as a committee under the complete control and authority of the USSF. The Panel recommends that the Texas office of the USYSA be moved to the

national headquarters of the USSF in order to accomplish the necessary elements of this reorganization.

2. The USSF be scheduled for member compliance review by the USOC Membership & Credentials Committee (the "Committee") at its September, 1997, meeting. The USSF must address any and all member compliance issues raised by the Committee and come into member compliance with any requirements identified by the Committee by the time of the Board review of the USSF at its April 4-5, 1998 meeting.

3. The USSF must recreate NSAs as divisions of the USSF, fully responsible to and completely under the control and governance of the USSF.

4. Member or "outside" organizations must have the opportunity to be represented and/or involved in whatever structure the USSF creates regarding its NSAs.

5. Amateur and professional voting strength must be separately addressed in the reorganization in order to assure proportionate representation. This action must be acceptable to the Committee in its compliance review of the USSF.

6. The so-called "100% rule" and interplay rules must be eliminated in the restructuring and the USSF itself will determine fair and equitable rules for play by individuals and teams in youth soccer to assure that there are no impediments to the participation of the youth of America in the Sport of Soccer.

7. A USOC Oversight Committee, appointed by the USOC President, will oversee, assist and participate with the USSF in its compliance with these terms of probation.

The Panel unanimously recommends to the USOC Board of Directors that the USSF be placed on probation with the above-mentioned conditions.

/S/

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Sandy Baldwin, Chair

Cynthia Kelly

Tom Satrom

Perry Toles

Dated: June 25, 1997