

---

# United States Olympic Committee

## Audit Division



---

Report for:

**USA Gymnastics**

Review of:

**Compliance Checklist**

Dated:

**January 9, 2019**



January 9, 2019

Kathryn Carson  
Board of Directors Chair  
USA Gymnastics

Dear Kathryn,

Enclosed is the United States Olympic Committee's (USOC) report on the 2018 Compliance Checklist for USA Gymnastics (USAG). We want to express our appreciation for the time you and your staff spent completing the Checklist and providing documents during the review.

USAG was compliant in the areas as it specifically relates to the compliance checklist report for the questions outlined below in the following areas: of governance/managerial, financial capability, due process and athlete representation, SafeSport, and anti-doping. The review initially identified two deficiencies related to audited financials and athlete representation. USAG remedied these deficiencies and is now fully compliant. There are also additional observations in the report that when implemented, would align online requirements for the named entities requiring background checks and training with the SafeSport policy and improve compliance for SafeSport 2018 requirements.

The report will be presented to the USOC Athlete and NGB Engagement Committee and be made available on the Team USA website. We hope you found the review process to be helpful. If you have any suggestions, please do not hesitate to share them with us.

Sincerely,

Bridget Toelle, CPA, CIA  
Vice President, NGB Compliance and Audit

Rich Wright  
Staff Auditor

cc: Rick Adams                      Chris McCleary                      Steven Legendre  
Wendy Guthrie                      Denise Parker  
Onye Ikwuakor                      Sara Pflipsen



# COMPLIANCE CHECKLIST REPORT

## USA Gymnastics

### OBJECTIVE AND SCOPE

The objective of the review is to verify USAG is in compliance with key elements of the Ted Stevens Olympic and Amateur Sports Act, the USOC Bylaws and certain USOC policies, in order to demonstrate ongoing commitment to the values and requirements of membership in the USOC. The scope includes the 2018 Compliance Checklist certified by USAG and the supporting documents provided by USAG. Compliance Checklist procedures are designed to verify that certain NGB policies or processes are in place. This Compliance Checklist does not conclude on the effectiveness of any policies questioned in this report. Additional audit procedures are completed on select NGBs each year to verify various policies and processes are being followed.

The following chart shows all the requirements in the Compliance Checklist and corresponding status for USAG. For any deficiencies, see the explanations and action plans after the chart.

	Question	Status
<b>Governance/Managerial</b>		
1	Do you have a code of conduct for your employees, members, board of directors and officers?	Compliant
2	Do you have a strategic plan that is capable of supporting athletes in achieving sustained competitive excellence, and in growing the sport?	Compliant
3	Do you have your current bylaws posted on your website?	Compliant
<b>Financial Capability</b>		
4	Are you recognized by the IRS as a tax-exempt organization?	Compliant
5	Are you incorporated under the laws of a state of the United States or the District of Columbia as a not-for-profit corporation?	Compliant
6	Do you have your three most recent IRS Form 990s on your website?	Compliant
7	Have you completed and posted on your website your three most recent annual audited financial statements?	Compliant
8	Do you have written financial policies and procedures?	Compliant
9	Do you have an approval and/or review process for cash disbursements?	Compliant
10	Do you provide frequent (monthly or quarterly) financial statements to your board or designated committee?	Compliant
11	Do you have a board-approved annual budget?	Compliant
12	Have you spent USOC funds as required by the funding agreements in the previous 12 months?	Compliant
<b>Due Process and Athlete Representation</b>		
13	Do you provide procedures for the prompt and equitable resolution of grievances of your members?	Compliant
14	Do your grievance procedures provide for fair notice and opportunity for a hearing to any athlete, coach, trainer, manager, administrator or official before declaring the individual ineligible to participate?	Compliant

15	Do you require at least 20% athlete representation on grievance panels?	Compliant
16	Do you have at least 20% athlete representation on your board of directors?	Compliant
17	Do you have at least 20% athlete representation on your budget committee?	Compliant
18	Do you have at least 20% athlete representation on your selection committee, which prepares, approves or implements selection of international, Olympic, Paralympic and Pan American Games team members, including athletes, coaches, administrators and sport staff?	Compliant
<b>SafeSport</b>		
19	Do you have USOC SafeSport language in your bylaws that provides jurisdictions to the U.S. Center for Safe Sport?	Compliant
20	Do you have a USOC-compliant Athlete Safety Policy?	Compliant
21	Do you have a grievance process that is materially free of bias and conflicts of interest for SafeSport allegations, and includes the opportunity for review by a disinterested individual or body?	Compliant
22	Does your policy require criminal background checks, at least every two years, for those individuals that are formally authorized, approved or appointed (a) to a position of authority over, or (b) to have frequent contact with athletes?	Compliant
23	Does your policy require education and training specific to SafeSport for those individuals that are formally authorized, approved or appointed (a) to a position of authority over, or (b) to have frequent contact with athletes?	Compliant
<b>Anti-Doping</b>		
24	Do you inform Athletes, Athlete Support Personnel and other Persons in your sport of the USOC National Anti-Doping Policy and of the USADA Protocol?	Compliant
25	Unless otherwise agreed by USADA, at least quarterly do you provide USADA with an updated list of athletes, proposed by your NGB, to be included in the USADA RTP? With respect to each athlete on such list and such additional athletes as may be designated by USADA for inclusion in the USADA RTP, do you provide USADA with initial contact information which shall, at a minimum, include accurate residential, mailing and email addresses (if available) and phone numbers for each athlete?	Compliant
26	At least six months prior to the commencement of the most recent applicable Olympic or Paralympic Games, did you provide USADA with a list of all athletes that may have reasonably been selected to represent the U.S. in such Games?	Compliant
27	Do you have an identified staff member to act as a liaison with USADA?	Compliant

## DEFICIENCIES

***Have you completed and posted on your website your three most recent annual audited financial statements?***

USAG did not have the three most recent annual audited financial statements posted to their website. The most recent audit is from 2015. USAG is not in compliance with this requirement.

**USAG Action Plan:** *USAG self-identified this matter in its completed checklist in April 2018. USAG has already communicated its plan of action for this deficiency and will upload the 2016 and 2017 audits to their website when they are completed. The audits for 2016 and 2017 were recently completed and USAG expects to post the audited financial statements by September 30, 2018.*

**USOC Status Update:** USAG uploaded the completed 2017 IRS Form 990 and 2016-2017 audited financials report to its website. USAG is compliant as of November 8, 2018.

***Do you have at least 20% athlete representation on your budget committee?***

USAG's Finance, Compensation and Audit committee has one athlete representative, however, this member does not meet the eligibility requirements. Tasha Schwikert competed in the 2003 World Championships and was elected to the Finance, Compensation and Audit Committee in 2017 and this is outside the 10-year requirement in the USOC Bylaws, Section 8.8.2.

USAG informed us that Tasha Schwikert resigned from her position on the Finance, Compensation and Audit Committee during this review period. USAG is in the process of filling the vacancy.

**USAG Action Plan:** *USAG has already asked the Chair of its Athlete's Council to identify an athlete that meets the applicable athlete criteria who is able to serve on its Finance, Compensation and Audit Committee. This will be in conjunction with USAG's Treasurer, Stefanie Korepin. Upon identification and acceptance of this individual to serve, USAG Board Chair, Karen Golz will appoint that individual and ask USAG Athlete's Council to affirm the appointment in accordance with USOC Bylaws 8.8.5. USAG anticipates completion of this by September 30, 2018.*

**USOC Status Update:** USAG submitted the information for the new athlete representative on its Finance, Compensation and Audit Committee. USAG appointed the new athlete representative on October 12, 2018. USAG is now in compliance with this requirement.

## ADDITIONAL OBSERVATIONS

During the review we identified additional areas for improvement. The additional observations do not impact the compliant status but could impact it in the future.

***Do you have a USOC-compliant Athlete Safety Policy?***

Auditor completed a review of USAG's SafeSport program based on requirements as of the compliance review date of July 17, 2018. Auditor also identified as of that date, the USAG SafeSport Policy is in compliance with some of the requirements as of the time of this review; however, USAG's SafeSport Policy is not yet in compliance with the SafeSport Policy requirements and should ensure their SafeSport program is updated prior to September 2018.

USAG needs to update their SafeSport policy language for the following elements:

- The policy should specifically state, "Background checks and SafeSport training will be completed before contact with athletes begins and in any event within 60 days of the new role."
- Include NGB tracking and periodic checks for compliance.

Additionally, it is not yet required in USOC Athlete Safety Policy, however NGBs must comply with the Protecting Youth Victims from Sexual Abuse and Safe Sport Authorization Act of 2017. The legislation requires that any reports of child abuse go to the US Center for SafeSport, however USAG's policy did not specifically require this at the time of review. USAG should update policies to ensure they comply with the legislation.

**USAG Action Plan:** *USA Gymnastics fully supports the Protecting Young Victims from Sexual Abuse and Safe Sport Authorization Act of 2017 and the U.S. Center for SafeSport. USA Gymnastics will update, as soon as possible, Part II.A (and/or other applicable Part(s)) of its Safe Sport Policy to comply with the Protecting Young Victims from Sexual Abuse and Safe Sport Authorization Act of 2017's requirement that reports of child abuse be made to the US Center for SafeSport. USA Gymnastics' Safe Sport Policy currently requires that these reports be made to the appropriate law enforcement agencies.*

*USA Gymnastics will also update, as soon as possible, Part III.A (and/or other applicable Part(s)) of its Safe Sport Policy to require that background checks and SafeSport training be complete before contact with athletes begins and in any event within 60 days of the new role that requires the member to comply with background check and SafeSport training requirements.*

*Regarding NGB tracking and periodic checks for compliance, USA Gymnastics' Safe Sport Policy currently states: "USA Gymnastics will continually monitor and review the individuals who are subject to criminal background searches, with the primary goal of safeguarding gymnasts and other participants through proactive measures while conforming to legal norms and industry best practices." USA Gymnastics will add SafeSport training to this language. In practice, USA Gymnastics already monitors, through its membership database system, compliance with the background check and Safe Sport training requirements.*

*USA Gymnastics will consider any additional language that the USOC believes is necessary or appropriate to address this observation.*

## CONCLUSION

With USAG's remedies to the initial deficiencies identified during the USOC Compliance Review, it is now fully compliant with the USOC's 2018 Compliance Checklist. This Compliance Checklist does not conclude on the effectiveness of any policies questioned in this report. Additional audit procedures are completed on select NGBs each year to verify various policies and processes are being followed.