

UNITED STATES OLYMPIC COMMITTEE

IN THE MATTER OF	)	
	)	
	)	ORDER
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USA TAEKWONDO'S PROBATION	)	September 3, 2013

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I. BACKGROUND

1. On February 27, 2012, the Hearing Panel issued its Report, Decision and Recommendation (“February 27 Decision”), which found that USA Taekwondo (“USAT”) was not meeting its National Governing Body (“NGB”) requirements and obligations as set forth in the Ted Stevens Olympic and Amateur Sports Act (the “Act”) and the USOC Bylaws. The Hearing Panel recommended that the USOC Board of Directors find USAT non-compliant, place USAT on probation for six (6) months and take other corrective action to come into compliance.

2. On March 16, 2012, the USOC Board approved the Hearing Panel’s recommendation finding USAT out of compliance and placing USAT on probation for six (6) months, or until September 17, 2012.

3. Upon the recommendations of the Hearing Panel and approval by the USOC Board, USAT’s probation was extended until March 21, 2013, and then again until September 17, 2013.

II. HEARING PANEL REVIEW

4. The Board directed that the Hearing Panel continue its jurisdiction over the Section 10 proceeding and report back to the USOC Board after September 17, 2013, on USAT’s efforts to fulfill its obligations as an NGB.

5. The Hearing Panel continued to monitor and evaluate USAT's compliance efforts throughout the probationary period.

6. In order for the Hearing Panel to further evaluate USAT's efforts to meet its obligations prior to the Hearing Panel's report to the USOC Board, the Hearing Panel determined that it needed additional information. It also wanted to allow USAT the opportunity to present any information it considered relevant to its efforts to meet its NGB obligations and concerning its NGB status.

7. Accordingly, the Hearing Panel directs that USAT respond to the issues set forth below by September 18, 2013. Additionally, the Hearing Panel will hold a hearing the week of September 23, 2013, at which time USAT shall appear, respond to any Hearing Panel inquiries and provide any information it considers relevant.

### III. ISSUES

8. Please respond with specificity to the following issues (for ease of review, please recite the issue and then immediately follow with the response):

- 1) Organizational Structure. USAT established a Governance Task Force to review USAT's governance structure, including whether a constituency based or more independent based Board would best serve USAT's needs.
  - Has the Task Force made a recommendation? If so, what is that recommendation?
  - If the Task Force has not concluded its review, what is the status of that review?
  - If the Task Force has not concluded its review, why not?
- 2) Independent Board Seats. USAT currently has three Board seats designated for independent members. USAT was undertaking a review of how it defines independence.
  - Has USAT concluded its review of the definition of independence? If so, what is result of USAT's review?
  - If the review has not been completed, why not?

- Would USAT agree to a Board whereby a majority of its members are independent?
  - Would USAT agree to a Chair who is an independent Board member?
- 3) Constituent Board Seats. USAT's Board currently consists of thirteen (13) seats. Of these, three (3) are designated seats for clubs, one (1) is a designated seat for a coach and one (1) is a designated seat for a referee. Under the proposed amendments dated July 29, 2013, it appears that one (1) is a designated seat for clubs, one (1) is a designated seat for coach, one is a designated seat for referees, one (1) is a designated seat for a state association representative and one (1) is a designated seat for membership at-large.
- Does USAT believe that a constituency based Board is an effective means for governance of taekwondo?
  - Historically, has it proven to be effective?
- 4) Bylaws. USAT provided a copy of proposed Bylaw amendments dated July 29, 2013. On August 15, 2013, The Hearing Panel provided comments and asked questions concerning the proposed amendments.
- Please provide responses to the comments posed and questions asked by the Hearing Panel in its August 15 communication. The responses should be set forth in a separate document corresponding with each issue raised by the Hearing Panel.
  - Explain the process that has been utilized by USAT in review of its Bylaws and in formulating amendments to its Bylaws.
  - What is USAT's timeline in approving the proposed amendments to its Bylaws?
- 5) Priorities. On February 27, 2012, the Hearing Panel found USAT to be out of compliance and recommended that USAT be placed on probation. The Hearing Panel's finding and recommendation was approved by the USOC Board of Directors on March 16, 2012. Nearly a year and half have passed and USAT has yet to finalize an organizational structure or revise its Bylaws to guide the organization going forward. It appears to the Hearing Panel that USAT has dealt with a number of less important items, or items of no importance, rather than focusing on the primary issue of governance and Bylaw revision.
- Why wasn't it a priority of USAT to deal with its organizational structure?
  - Why hasn't USAT yet revised its Bylaws to deal with governance issues?

- 6) Nominating and Governance Committee. USAT had a Nominating and Governance Committee. It then did away with this Committee. It now has reconstituted this Committee so that its membership is comprised solely of USAT Board members.
- Provide a summary of the duties and responsibilities of USAT's Nominating and Governance Committee.
  - Does the Nominating and Governance Committee vet candidates for the Board?
  - How many times has this Committee met within the last year?
  - How many independent Board members are on the Nominating and Governance Committee?
  - What is the rationale for having only Board members on the Nominating and Governance Committee? Does this create the potential for a self-perpetuating Board?
- 7) Coaching Science Committee. USAT's proposed Bylaw amendments dated July 29, 2013, provides for a Coaching Science Committee.
- What is the purpose/importance of this Committee?
  - Why is it considered necessary to make it one of the standing Committees set forth in USAT's Bylaws (currently there are four standing committees)?
- 8) Financial Situation. The Hearing Panel raised a number of financial issues in its report and recommendation dated February 27, 2012. The Hearing Panel has continued to voice concerns about USAT's financial wellbeing. One of the Hearing Panel's recommendations was that USAT hire a full-time on staff financial expert/CPA.
- Please provide information on USAT's current financial position and how it has changed since February 2012.
  - What is the status of USAT's outstanding payables?
  - What financial strategy has USAT implemented to ensure its financial position improves in the future?
  - What are the terms of USAT's repayment plan to the USOC? Has the repayment plan been adhered to? How will USAT make certain the plan is followed?
  - What steps will USAT take to ensure that someone with the necessary financial expertise and knowledge is on staff to assist USAT with its financial needs?
  - How will USAT guarantee that USOC performance funding is spent appropriately?
- 9) Budget. It is crucial that USAT have a sound budgeting process for future financial success.
- Please provide USAT's budget for 2013.
  - What is USAT's budgeting process for 2014?

- 10) Strategic Plan. USAT provided the Hearing Panel with a strategic plan dated May 20, 2013, which set forth a number of goals and strategies for meeting those goals.
- Please provide an update on USAT's progress in adhering to its strategic plan.
  - How does USAT monitor whether or not it is achieving the benchmarks set out in the strategic plan.
  - Does USAT have an ongoing Strategic Planning Committee?
- 11) Grievances. In the past USAT has experienced problems with handling grievances/complaints/alleged ethics violations filed pursuant to its procedures.
- Please explain how USAT has addressed this problem.
  - How many grievances/complaints/alleged ethics violations have been filed with USAT over the last twelve months?
  - What is the status of grievances/complaints/alleged ethics violations filed within the last twelve months?
  - Are there any grievances/complaints/alleged ethics violations that are still open that were filed prior to the last twelve months? If so, please list and explain the delay in resolving.
- 12) High Performance Plan. It is important that USAT have a High Performance Plan that can set forth future goals and provide a road map for meeting those goals.
- Please provide USAT's proposed 2014 High Performance Plan (HPP).
  - Please indicate how this Plan was developed and whether USAT is committed to meeting its stated objectives.
- 13) Athlete Competitiveness. US athletes won no medals at the World Championships held in August.
- What is the outlook for the international competitiveness of US athletes going forward?
  - What plan does USAT have to strengthen its athlete pool?
- 14) Conflict of Interest. An issue recently arose concerning Board members being selected/appointed as U.S. coaches for international competitions. It was reported that this created a conflict of interest.
- Please explain what the facts were giving rise to this issue.
  - How was the issue handled/resolved?

- 15) CEO Hiring Process. USAT recently hired a permanent CEO. A process for hiring the CEO had been set forth by USAT. However, it appears that USAT diverted from that process.
- Please explain why this occurred.
  - Was the full Board in agreement as to the change in the hiring process?
- 16) Resignations. Recently an Independent member of the Board resigned. Also, four USAT staff, the High Performance Director, the Controller, the Membership Manager and the Events Director, recently resigned. Additionally, the Chair of the Ethics Committee resigned from that position.
- What was the reason for the resignation of the Independent Board member?
  - What is USAT's plan for filling the now-vacant Independent Board seat?
  - What was the reason for the Chair of the Ethics Committee?
  - What is USAT's plan for filling the now-vacant Chair position?
  - Please provide information on how USAT intends to fill the vacant staff positions.
  - Were the staff resignations coincidental, or are they indicative of morale or other problems that needs to be addressed by USAT?
- 17) Information. The Hearing Panel is interested in receiving any further relevant information that USAT would like to provide concerning USAT's probationary status and the Hearing Panel's review of USAT and recommendation to the USOC Board.
- Please provide any information that USAT considers relevant and that it would like the Hearing Panel to consider.

#### IV. ORDER

9. USAT is ordered to comply with all requests for information and to appear for a hearing as set forth above in this Order.

Dated this 3rd day of September, 2013.



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Susanne Lyons, Chair

Sarah Konrad, Panel Member

Glenn Merry, Panel Member