
United States Olympic Committee
NGB Compliance and Audit Department



Report for:
USA Basketball

Review of:
Compliance Checklist

Dated:
May 10, 2019



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Jim Tooley
Chief Executive Officer
USA Basketball

Dear Jim,

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

USAB was compliant as it specifically related to the compliance checklist report for the questions outlined below in the following areas: governance and managerial; financial capability; SafeSport; and anti-doping. There were two deficiencies found in the following areas: due process and athlete representation. Prior to issuance of the final report, all deficiencies were remedied. There is one additional observation in the report that when implemented, would improve athlete representation.

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 Audit and Compliance

Rich Wright
Staff Auditor

cc: Rick Adams Chris McCleary Martin Dempsey
Wendy Guthrie Denise Parker Katie Smith
Onye Ikwuakor Sara Pflipsen



COMPLIANCE CHECKLIST REPORT

USA Basketball

OBJECTIVE AND SCOPE

The objective of the review is to verify USAB 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 USAB and the supporting documents provided by USAB. Compliance Checklist procedures are designed to verify that certain NGB policies are in place. This Compliance Checklist does not conclude on the effectiveness of any policies reviewed. 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 USAB. For any deficiencies, see the explanations and action plans after the chart.

	Question	Answer
Governance / Managerial		
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
Financial Capability		
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
Due Process and Athlete Representation		
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
SafeSport		
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
Anti-Doping		
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

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?

As it relates to internal grievance procedures, Section 14.4 of USAB's Bylaws follows Section 13.3 for the hearing process. But it does not follow the language in Section 13.2 which requires "Notice." Internal grievance procedures (Section 14.4) should reference Section 13.2 to ensure fair notice is applied to every grievance.

USAB Action Plan: USAB is revising that section of our constitution to provide fair notice and reference those requirements in section 13.2.

USOC Status Update: USAB updated its Constitution to address the deficiency. The updated Constitution, Article 14 points to Article 13, Section 13.2 regarding fair notice language. USAB is compliant as of April 16th for this requirement.

Do you require 20% athlete representation on all grievance panels?

USAB uses weighted voting in order to achieve 20% athlete representation on its Board. USAB's Board is also its grievance panel. Weighted voting is not permissible on grievance panels to achieve 20% athlete representation. USAB needs to either adjust the Board composition or grievance panel composition to ensure 20% athlete representation on all grievance panels. Also see the additional observation listed below.

USAB Action Plan: USAB is revising our constitution to provide for appointment of a committee of three disinterested individuals including one athlete representative to conduct any hearing on any grievance brought to USAB.

USOC Status Update: USAB updated Article 13 and 14 of its Constitution to provide for hearing panels comprised of three disinterested individuals to include one athlete representative. USAB is compliant as of April 16th.

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 at least 20% athlete representation on your board of directors?

USAB utilizes weighted voting for Board of Directors' Athlete Representatives. The USOC Bylaws allow for "proportional or weighted voting to achieve the necessary level of athlete representation in extraordinarily large legislative bodies such as 'Houses of Delegates' or 'Boards of Governors.'" In practice, USAB has 20% voting power from its Athlete Representatives but the USAB Board is not considered a large legislative body.

During the next quad, USAB should examine the Board structure when replacing Board members to ensure Athlete Representatives equal at least 20% of the voice and vote on the Board.

USOC Status Update: USAB confirmed they will modify this weighted voting option to ensure that athletes make up at least 20% (or any required increase in %) of the individuals that serve on USA Basketball's Board of Directors.

CONCLUSION

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