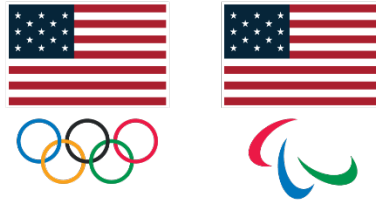

United States Olympic & Paralympic Committee

Audit & Organizational Advancement



Report for:
US Sailing

Review of:
2019 Compliance Checklist

Dated:
February 3, 2020



UNITED STATES
OLYMPIC & PARALYMPIC
COMMITTEE
1 Olympic Plaza
Colorado Springs, CO 80909

February 3, 2020

Jack Gierhart
Chief Executive Officer
US Sailing

Dear Jack,

Enclosed is the United States Olympic and Paralympic Committee's (USOPC) report on the 2019 Compliance Checklist for US Sailing. We want to express our appreciation for the time you and your staff spent completing the Checklist and providing documents during the review.

US Sailing was compliant as it specifically relates to the compliance checklist report for the questions outlined below in the following areas: governance/managerial; financial capability; due process and athlete representation; and anti-doping. There were initially two deficiencies identified in the following areas: governance/managerial and due process and athlete representation. With updates to its policies, US Sailing remedied these deficiencies and is now fully compliant with the 2019 USOPC Compliance Checklist. There are also additional observations in the report that, when implemented, will improve the code of conduct and anti-doping policies.

As of September 13, 2019, the USOPC Board approved the revised the NGB and HPMO Athlete Safety Policy. In an effort to align the Compliance Checklist process with the NGB and HPMO Athlete Safety Policy, eliminate redundancies, and ensure clarity as it relates to what entity is solely responsible for auditing SafeSport requirements, the auditing of athlete safety requirements now falls under the jurisdiction of the U.S. Center for SafeSport.

The report will be presented to the USOPC Athlete and NGB Engagement Committee and be made available on TeamUSA.org. 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,

Audit & Organizational Advancement Team

| | | | |
|-----|---------------|----------------|--------------|
| cc: | Rick Adams | Chris McCleary | Cory Sertl |
| | Wendy Guthrie | Denise Parker | Sally Barkow |
| | Onye Ikwuakor | | Justin Sterk |



2019 COMPLIANCE CHECKLIST REPORT

US Sailing

OBJECTIVE AND SCOPE

The objective of the review is to verify US Sailing is in compliance with key elements of the Ted Stevens Olympic and Amateur Sports Act, the USOPC Bylaws and certain USOPC policies, in order to demonstrate ongoing commitment to the values and requirements of membership in the USOPC. The scope includes the 2019 Compliance Checklist certified by US Sailing and the supporting documents provided by US Sailing. 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 US Sailing. For any deficiencies, see the explanations and action plans after the chart.

| | Question | Status |
|------------------------------|---|-----------|
| 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 |
| 4 | Are you compliant with the insurance requirements as set forth in Exhibit 2 of the most recent PPA? | Compliant |
| 5 | Have you submitted, in a timely fashion, data and information on the participation of women, individuals with disabilities and racial and ethnic minorities in your athletic activities and administration? | Compliant |
| 6 | Have you submitted to the USOPC for review and approval a plan to encourage the participation of men, women, individuals with disabilities and racial and ethnic minorities in your amateur athletic activities and administration? | Compliant |
| Financial Capability | | |
| 7 | Are you recognized by the IRS as a tax-exempt organization? | Compliant |
| 8 | 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 |
| 9 | Do you have your three most recent IRS Form 990s on your website? | Compliant |
| 10 | Have you completed and posted on your website your three most recent annual audited financial statements? | Compliant |
| 11 | Do you have written financial policies and procedures? | Compliant |
| 12 | Do you have an approval and/or review process for cash disbursements? | Compliant |
| 13 | Do you provide frequent (monthly or quarterly) financial statements to your board or designated committee? | Compliant |
| 14 | Do you have a board-approved annual budget? | Compliant |

| | | |
|---|---|--|
| 15 | Have you spent USOPC funds as required by the funding agreements in the previous 12 months? | Compliant |
| 16 | Do you maintain accurate accounting records in accordance with accounting principles generally accepted in the USA (GAAP)? | Compliant |
| Due Process and Athlete Representation | | |
| 17 | Do you provide procedures for the prompt and equitable resolution of grievances of your members? | Compliant |
| 18 | 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 |
| 19 | Do you require at least 20% athlete representation on grievance panels? | Compliant |
| 20 | Do you have at least 20% athlete representation on your board of directors? | Compliant |
| 21 | Do you have at least 20% athlete representation on your budget committee? | Compliant |
| 22 | 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 |
| 23 | If you govern or operate a Paralympic Sport, do you have a Paralympic Sport Advisory Group that includes a combination of coaching staff, high performance staff and at least 20% Paralympic athlete representation to craft and approve selection procedures and to serve in an advisory capacity for high performance planning? | Compliant |
| Athlete Safety | | |
| 24 | Do you have language in your bylaws that provides jurisdictions to the U.S. Center for Safe Sport? | *Transitioned to U.S. Center for SafeSport |
| 25 | Do you have a USOPC-compliant Athlete Safety Policy? | *Transitioned to U.S. Center for SafeSport |
| Anti-Doping | | |
| 26 | Do you inform Athletes, Athlete Support Personnel and other Persons in your sport of the USOPC National Anti-Doping Policy and of the USADA Protocol? | Compliant |
| 27 | 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 |
| 28 | 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 |
| 29 | Do you have an identified staff member to act as a liaison with USADA? | Compliant |

*The U.S. Center for SafeSport has taken jurisdiction over the auditing of Athlete Safety requirements. To that end, as of 9/13/2019, the USOPC will no longer review Athlete Safety requirements which fall under the Center's jurisdiction

DEFICIENCIES

Are you compliant with the insurance requirements as set forth in Exhibit 2 of the most recent PPA?

According to the USOPC's third party administrator for insurance verification, US Sailing's certificate of insurance was rejected and listed as non-compliant.

US Sailing Action Plan: *US Sailing is working with our insurer to provide USOPC's third party administrator with the required documentation.*

USOPC Status Update: US Sailing updated its insurance certificates and compliance was verified as of January 30, 2020.

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?

While US Sailing's Bylaw 702 - Opportunity to Participate, provides for an opportunity for a hearing prior to declaring an individual ineligible to participate in any amateur athletic competition. However, the US Sailing Athlete Safety Policy, page 36, states that "US Sailing and/or the LSO may immediately suspend the accused individual and immediately remove that individual from contact with any athlete in the program until the allegation has been investigated by an official agency." It appears that a hearing may not be offered prior to suspension according to the Athlete Safety Policy.

US Sailing Action Plan: *US Sailing will amend the relevant provisions of its Athlete Safety Policy, also known as the US Sailing SafeSport Handbook.*

USOPC Status Update: US Sailing updated its Athlete Safety Policy/ US Sailing SafeSport Handbook to include that all members will be afforded a hearing prior to permanent or provisional suspension. Based on documentation submitted, US Sailing is compliant as of the review date of January 30, 2020.

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 code of conduct for your employees, members, board of directors and officers?

US Sailing names "volunteers, employees, and representatives of member organizations when acting on behalf of US Sailing" as subject to the Code of Ethics under the US Sailing Regulations. Using "representatives of member organizations" terminology does not clearly indicate that all members fall into this grouping. According to US Sailing, all individual members are considered representatives of member organizations, however using the term "all members" as opposed to "representatives of member organizations," would provide more clarity to ensure all members are subject to the Code of Ethics.

Do you inform Athletes, Athlete Support Personnel and other Persons in your sport of the USOPC National Anti-Doping Policy and of the USADA Protocol?

US Sailing's Regulations informs its athlete members of their anti-doping responsibilities. However, this information does not identify that athlete support personnel and other persons are subject to the rules. Additionally, required compliance with the USOPC National Anti-Doping Policy is not mentioned in the

regulations.

CONCLUSION

With the updates to its policies, US Sailing is now fully compliant with the USOPC's 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.