



**USA Gymnastics Interim Board of Directors Meeting
April 29, 2018
Indianapolis, IN**

Interim Board Members

Cindy Bickman (Advisory Council Director)
Lois Bingham (Independent Director), at 9:15am
Kittia Carpenter (National Membership Director, Women's Artistic Gymnastics)
Bobbie Cesarek (Advisory Council Director), phone
Evelyn Chandler (Advisory Council Director)
Jim Crawford-Jakubiak (Independent Director), phone
Ava Gehringer, (Athlete Director, Rhythmic Gymnastics), absent
Karen Golz (Independent Director), Chair
Ivana Hong (Athlete Director, Women's Artistic Gymnastics)
Randy Jepson (National Membership Director, Men's Artistic Gymnastics)
Stefanie Korepin (National Membership Director, Rhythmic Gymnastics)
Claudia Kretschmer (National Membership Director, Women's Artistic Gymnastics)
Steve Legendre (Athlete Director, Men's Artistic Gymnastics)
Scott Lineberry (National Membership Director, Trampoline and Tumbling), phone
Dylan Maurer (Athlete Director, Acrobatic Gymnastics), absent
Bob Meier (National Membership Director, Acrobatic Gymnastics), phone
David Rudd (Independent Director)
Justin Spring (National Membership Director, Men's Artistic Gymnastics), absent
Julie Springwater (Independent Director)

Officers and others (Non-Interim Board members) present

Robbie Bach, U.S. Olympic Committee Board of Directors and USOC-designated liaison
Tom James, Legal Counsel
Renee Jamison, USA Gymnastics Director of Administration & Olympic Relations
Kerry Perry, USA Gymnastics President and CEO
Abby Alderman, Boardspan, agenda #4, phone
Mark Busby, Safe Sport Legal Counsel, agenda #9
Beth Gardner, Safe Sport Committee member, agenda #9, phone
John Hewett, CFO, agenda #10
David Holcomb, NGC Chair, agenda #4 and #5, phone
Toby Stark, USA Gymnastics Director of Safe Sport, agenda #9
Chris Tebo, USA Gymnastics Chief Legal Officer, agenda #9 and #11, phone

Bob Meier, Scott Lineberry, Bobbie Cesarek, Jim Crawford-Jakubiak were on the phone at the start of the meeting.

1. Welcome/Discussion of the agenda

The chair called the meeting to order at 8:00 am EST. The Chair welcomed the Interim Board members and conducted a roll call. She declared a quorum existed with 14 voting members present. Shortly thereafter, a few other members joined the meeting and the total of Interim Board members present in person or by phone was 17 members.

The Chair reviewed the agenda for the meeting.

The Chair shared a question she posed at the recent TED conference: How do we improve/transform/reshape USA Gymnastics? The responses she received are well aligned with many of USA Gymnastics' current initiatives.

Kerry Perry provided an update on the excellent results from the Pacific Rim Championships.

The Chair announced that the minutes of the April 6, 2018 meeting were approved, and the minutes of the regular session have been posted.

2. Officers and Standing Committees

A MOTION was made to elect David Rudd as Vice Chair/Secretary of the Interim Board by Cindy Bickman and seconded by Randy Jepson. The motion passed unanimously.

A MOTION was made to elect Stefanie Korepin as Treasurer of the Interim Board by Randy Jepson and seconded by Kittia Carpenter. The motion passed with 13 in favor, with Stefanie Korepin abstaining. It was noted that the Treasurer also serves as the Chair of the Finance, Audit and Compensation committee.

The Chair announced that she has appointed Julie Springwater to Safe Sport Committee to fill an existing vacancy in that committee.

Other committee openings: athlete on Nominating and Governance Committee and independent/non-Board member on Finance, Compensation and Audit Committee. The Advisory Council seat on the NGC will need to be filled by another member of the Advisory Council. The Chair is working with Advisory Council Chair for input on that appointment.

3. Communications strategy and plans

Kerry Perry distributed two documents, an overview of the communications strategic plan and a draft of a comprehensive communications department Strategic Plan.

Goals:

- Rebuild brand and image – rebuild trust
- Create a model of success that all sports and other organizations aspire to become

- Attract new athletes, members and fans through expansion of media and new opportunities

Discussion points and questions:

- Consider timing of communications in consideration of key external events, such as May 22 Congressional hearing or the final Ropes & Grey investigation findings
- National campaign, periodic meetings with key media while traveling
- How to navigate media and communications strategy – challenges based on current litigation. How to continue to show support for the survivors, especially when that may appear to conflict with litigation defenses.
- Balance of messaging, need to communicate more than safe sport and abuse prevention.
- Kerry Perry expressed the intention to seek professional national marketing and PR firms who specialize not only crisis communications, but also organizational rebranding and marketing.
- David Rudd suggested the communications plan should be summarized on a one-page matrix; audiences, vehicles, timing, interplay of messaging.
- Definition of empowerment, does our community feel empowered, and who feels the least empowered? One member said coaches feel silenced, not sure where their input would go. The voices of internal audiences need to be heard.
- Request for speaking points for Interim Board members so they can appropriately carry the message.

9:15 Lois Bingham arrived.

4. Nominating and Governance Committee – status of search efforts of independent Board members

David Holcomb, Chair of NGC, and Abby Alderman of Boardspan, led the discussion. Independent directors on the current Interim board are eligible to serve on the Permanent Board; the independent directors on the Interim Board have been asked to express their interest in continuing to serve by April 30.

The process of identifying potential nominees and vetting was reviewed. The plan is to have candidates recommended to Board for the May 22 meeting.

- A position spec for independent directors was created.
- Candidates are sourced in one of three ways: call of expression of interest – sent to USA Gymnastics community; individuals the USOC has identified who are interested in serving on NGB Boards (deadline is April 30); and Boardspan’s own network.
- Due diligence – an independence test and safe sport screening are done
- Boardspan does an independent screen and assessment, creates candidate profiles for the NGC to review. Candidates are presented to the committee in 10-person slates.
- Once the NGC has identified a short list of qualified candidates, the committee reviews the combined group of skill sets.

- The NGC will conduct interviews with short list candidates.
- An outside investigatory firm will conduct more due diligence on the candidates.
- The NGC is confident that they will be able to bring a strong slate to the Interim Board.
- The Interim Board requested a matrix of competencies of the final mix of independent candidates.
- Some candidates may also be valuable as potential standing committee members.

5. Discussion of Bylaws and Program Council

The Chair and Lois Bingham (Chair of Bylaws working group and Vice Chair, Nominating and Governance Committee) expressly acknowledged and thanked all those who have participated and worked so hard in the Bylaws working group over the past 30 days. This includes Cindy Bickman, Kittia Carpenter, Bobbie Cesarek, Evelyn Chandler, Ava Gehringer, Ivana Hong, Randy Jepson, Stefanie Korepin Claudia Kretschmer, Steve Legendre, Scott Lineberry, Dylan Maurer, Bob Meier, Justin Spring. The final draft of Bylaw amendments which was provided to all Interim Board members on April 19, 2018 came forth from discussion and hard work of these individuals. All are to be commended for their extraordinary efforts in this transformative work.

A redlined version of the Bylaws as well as the implementing procedures was distributed to the Interim Board on April 19, 2018 commencing the 30-day notice period provided for in the Bylaws. Key changes are expected to be as follows:

Board composition:

- 8 Independent
- 3 Athlete (1 from program with highest athlete membership, 1 from program with second highest athlete membership, 1 from combined remaining disciplines)
- 3 National Membership (1 from program with highest membership, 1 from program with second highest membership, 1 from combined remaining disciplines)
- 1 Advisory Council

Program Council will be established as follows:

- Will be comprised of 2 representatives for each discipline
- Program committee determines nomination criteria
- Members in respective disciplines will nominate candidates and are eligible to vote.
- NGC will vet candidates and name final slate; elections by membership in each discipline
- M/W – After the program council elections conclude, the national program committee determines which one of the two will serve on the Board.
- Remaining disciplines – After program council elections conclude, one of the two representatives from rhythmic, T&T, Acro will be nominated to serve as the director on the Board representing these combined disciplines. The six members of the Program Council who represent those disciplines comprise the voting pool.

- Next phase of governance process is to establish the Program Council - logistics, Bylaws, operating procedures

The Board walked through the proposed Bylaws amendments. Some minor technical corrections were made for the purpose of clarity. No substantive changes were made to the working draft.

A term staggering proposal for permanent directors is in the implementing procedures. Term staggering for the Permanent Board will be by random draw, unless an individual requests a shorter term for personal or professional reasons. The NGC will assess this in the process of recommending candidates.

The Interim Board conducted a non-binding indicative vote on whether the Board was in favor of the proposed Bylaw amendments as presented. All directors were in favor. The proposed bylaw amendments will be acted on for approval at the May 22, 2018 Interim Board meeting.

11:25 – Bobbie Cesarek left the call.

Recommendations for consideration of changes to Article 2.2 were presented to the Interim Board. The interim Board supported the direction of the proposed changes; but such changes will not be included with the May 22 amendments as they were not presented within the scope of the 30-day notice required by the Bylaws. The Interim Board strongly recommend that the changes to Articles 2.2 and 2.3 be dealt with immediately by the new Board and accordingly these along with other suggestions will be gathered and provided to the Permanent Board for their consideration and follow up. When that is done, consistent changes will also need to be made to the Code of Ethical Conduct.

Membership directors were asked to explain the new Program Council to the National Program Committees. Renee Jamison and Lois Bingham will draft materials for presentation.

6. Break

7. President's Update

Kerry Perry updated the Board on the business of USA Gymnastics.

Strategic Goals

- Organizational alignment
- Safe Sport – policies/procedures, education, tracking, compliance
- Legal and investigations – resolution path
- Financial

Report Card - Perry reviewed the organization's progress in the following areas of creating a highly empowered culture focused on athlete safety

- a. Measurements – include:
 - Deborah Daniels recommendations – over 80% in effect or implementation has begun
 - Safe Sport policy changes
 - Bylaws and Board composition changes
 - Case management system, called Maxient, has been recently purchased and will be used for tracking safe sport reports. Maxient can also track trends and allow organization to proactively spot, address, train, educate and audit where issues of behavior occur in various geographic regions.
- b. Other Measurements – include:
 - Athlete Assistance Fund
 - Athlete Task Force
 - Athlete Outreach/Support
 - Listening Forums
 - Response rate for reporting
 - RFI for Training and Wellness Center issued April 20, 2018
- c. Legal/Legislative/Investigations
- d. Financial

There was active discussion and questions raised to Kerry around the strategy and on-going business of USA Gymnastics.

8. Break

9. Safe Sport discussion

Toby Stark presented an update on the U.S. Center for Safe Sport; the Center recently conducted an NGB summit after one year of being operational. There was a review of reporting and case statistics; closures, adjudications, etc.

Review of new S. 534 federal legislation

- a. Who is bound by the legislation?
 - Member of an NGB;
 - Member of an amateur sports organization that participates in interstate or international amateur athletic competition
 - An adult who is authorized by an NGB or amateur sports organization that participates in interstate or international amateur athletic competition to interact with a minor or amateur athlete at:
 - ✓ An amateur sports organization facility
 - ✓ At any event sanctioned by the NGB, member of the NGB, or such amateur sports organization.
- b. Must report a reasonable suspicion of child abuse (physical and sexual) to law enforcement *within 24 hours*. USA Gymnastics Safe Sport Policy has already been updated to meet this standard.

- c. Must report a reasonable suspicion of child abuse (sexual) to the Center.
- d. Designation of the Center:
 - “to promote a safe environment in sports that is free from abuse, including emotional, physical and sexual abuse, of any amateur athlete”
 - “serve as the independent national safe sport organization and be recognized worldwide as the independent national safe sport organization for the United States”
 - “maintain an office for education and outreach that shall develop training, oversight practices, policies and procedures to prevent the abuse...”
 - “maintain an office for response and resolution that shall establish mechanisms that allow for the reporting, investigation and resolution...of alleged sexual abuse in violation of the Center’s policies and procedures”
 - “oversight procedures, including regular and random audits...of NGBs”

Mark Busby overviewed the governance of Safe Sport and protocols for allegations of misconduct.

- U.S. Center for SafeSport
- S.534 federal legislation
- USOC’s NGB Athlete Safety Policy
- USA Gymnastics policies – Safe Sport Policy, Bylaws Articles 9 and 10, Code of Ethical Conduct

Protocol for allegations of sexual misconduct:

- Bylaws Article 9.3 The Corporation shall report and refer all allegations of sexual Misconduct to the Center, and all such matters will be within the Center’s exclusive jurisdiction.
- Law enforcement, if necessary
- NO investigation
- NO discretion

S. 534

- Title 1 – Reporting Obligations
- Title II – Governs the U.S. Center for Safe Sport

Protocol for allegations of misconduct (all other forms of misconduct)

- Governance by Article 10 of the Bylaws
- Review of flowchart for complaint investigation.
- Review of Interim suspension flow chart.

Safe Sport Committee – the Chair and Julie Springwater will have a follow up conversation with Safe Sport Committee member Beth Gardner to help understand the Committee’s formulation, functions and needs.

Chris Tebo and Beth Gardner left the call.

10. Financial Overview

USA Gymnastics CFO, John Hewett, presented the following report to the Interim Board.

Status of 2016 audit – The field work was completed in 2017. We received attorney letters in response to auditor’s questions, however due to new litigation matters that subsequently came about, it was necessary to obtain updated attorney letters, which has now been completed. The CFO, Treasurer and Board Chair have a call scheduled on Monday, April 30, 2018 with the auditors to discuss.

Detailed financial statements are expected to be provided at every Board meeting; historically income and expenses information have been provided to the Board as well as report of substantial variances. This needs to be a priority moving forward.

2017 – budget going into 2017 showed a 1.3 M surplus, final position at end of fiscal year 2017, showed a 1.3M loss. Major expenses included loss of sponsorship, legal costs, Daniels report commission, CEO severance and cost related to new CEO search.

The Interim Board requested a cash flow statement be presented to the Board.

2018 YTD update through the first quarter.

2018 budget was made in late 2017; and the budget reflects revisions that have been made since that time.

A MOTION to approve the 2018 budget was made by Evelyn Chandler and seconded by Stefanie Korepin. The motion passed unanimously.

The Interim Board will have resolved two of the three deficiencies reported on the USOC compliance checklist by the actions at this meeting – approval of the 2018 budget and presentation to the Interim Board of detailed financial statements.

The Board also discussed insurance renewals for D&O and GL that are presently under review.

4:00 pm Julie Springwater left the meeting.

4:15 Chris Tebo rejoined the call.

11. Executive Session

A MOTION to go into executive session was made by Cindy Bickman and seconded by Claudia Kretschmer. The motion passed unanimously, and the Interim Board went into executive session.

5:00 pm Robbie Bach, Cindy Bickman, Tom James and Steve Legendre left the meeting.

12. Adjournment

The meeting was adjourned at 5:30 p.m.

Respectfully Submitted,

David Rudd
Secretary, USA Gymnastics Interim Board of Directors