

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO**

Civil Action No. 1: 18-cv-00981-CMA-MEH

(1) Heidi Gilbert,  
(2) Amber Means,  
(3) Mandy Meloon,  
(4) Gabriela Joslin,  
(5) Kay Poe, and  
(6) Jane Does 6-50,  
on behalf of themselves and  
all others similarly situated,

Plaintiffs,

vs.

(1) United States Olympic Committee,  
(2) United States Taekwondo Association,  
(3) U.S. Center For SafeSport  
(4) Steven Lopez,  
(5) Jean Lopez, and  
(6) John Does 1-5,

Defendants.

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**SECOND AMENDED CLASS ACTION COMPLAINT**

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## **INTRODUCTION**

1. Sunlight, it has been said, is the best of disinfectants.<sup>1</sup> When it comes to misconduct, there is no better disinfectant than repeated Congressional hearings on the same subject. In 2018, subcommittees in both the U.S. House and Senate have held multiple hearings targeting the intentional, reckless, and negligent acts committed by the United States Olympic Committee (“USOC”) and its National Governing Bodies (“NGBs”), including USA Taekwondo (“USAT”), toward their own athletes.

2. At a May 23, 2018, hearing held by a committee of the U.S. House of Representatives, Rep. Harper (R-Miss.) outlined the broad duties owed by the USOC and its NGBs to protect their athletes from sexual predators:

We are here because recent events have highlighted a very troubling and concerning pattern of sexual misconduct within the U.S. Olympic Committee -- community, pardon me. There has been a systemic failure in the system to protect athletes, including in how allegations of sexual misconduct have been handled, or should I say not handled, by the national governing bodies -- the groups that run individual sports -- and the U.S. Olympic Committee.

...

The USOC and NGBs play a role in keeping millions of American athletes safe from harm.

...

Sadly, we've seen what can happen when athlete safety is not a priority. Too often it seems that -- that the USOC and NGBs haven't acted until they are publicly pressured to do so. When you have survivors saying that they were asked to stay silent, felt that they weren't heard, and didn't feel safe, there is something horribly wrong with the system.

Sexual abuse is a problem that our society must confront. According to the CDC's statistics on sexual violence, one in three women and one in sex men experience sexual violence involving physical contact during their lifetimes.

While such focus has been on USA Gymnastics team doctor Larry Nassar, gymnastics is not the only NGB that has had its challenges. Recent public reports also include the Lopez brothers in taekwondo, Rick Butler in volleyball, and the multiple accusations that have come from the swimming community, as well as

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<sup>1</sup> Louis Brandeis, *OTHER PEOPLE'S MONEY* 62 (1933).

reports in many other NGBs not before us today.<sup>2</sup>

3. This case involves the “the Lopez brothers in taekwondo” and the forced labor and services, sex trafficking, and other travesties inflicted upon America’s Olympic-hopeful taekwondo athletes by the USOC, USA Taekwondo, and the U.S. Center for SafeSport—the very Olympic entities, officials, coaches, and mentors who were paid and entrusted to protect them from harm.

4. The alarming facts set forth in this pleading have already been verified and, for the most part, are quoted or paraphrased from dozens of articles published in *USA Today*, the *Washington Post*, the *New York Times*, the *Wall Street Journal*, the *Houston Chronicle*, and NPR, as well as extensive Congressional testimony before the U.S. House and Senate in 2018. These sources are frequently block quoted (and highlighted in yellow for emphasis) herein, as well listed in Plaintiffs’ Appendix of Secondary Sources, which follows the signature block at the end of this pleading.

5. On July 24, 2018, the U.S. Senate held a hearing to confront the rampant sex abuse of athletes in Olympic and amateur sports. As Sen. Blumenthal (D-Conn.) testified, the USOC has “prioritized medals and money over athlete safety. They concealed the shocking pervasiveness of abuse across many sports as well as their own woefully inadequate systems to address and prevent it.”<sup>3</sup> Sen. Feinstein (D-Calif.)

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<sup>2</sup> Testimony of Rep. Gregg Harper, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community’s Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

<sup>3</sup> Testimony of Sen. Richard Blumenthal, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).

added that “these institutions undertook massive public relations campaigns to preserve themselves” and that “there have been disturbing revelations of cover-up and trying to silence vulnerable victims.”<sup>4</sup>

6. The USOC has affirmed its fixation on “medals and money.” In 2014, Scott Blackmun (the longtime CEO and General Counsel of the USOC) boasted: “For us, it’s all about medals[,]” and “[h]ow do we help American athletes get medals put around their necks? We have a line of sight between every decision we make and the impact on how many Americans will win medals.”<sup>5</sup>

7. The USOC was dependent upon successful results in order to secure funding for itself and the executives it employed, so it was willing to sacrifice the safety and security of its young athletes. Their sexual abuse, exploitation, and trafficking were simply collateral damage on the quest for Olympic—and, in turn, commercial—success and spoils.

8. As to this lawsuit, the primary perpetrators are the head coach of Team USA’s Olympic taekwondo team, Jean Lopez, and Olympic taekwondo superstar Steven Lopez, his younger brother.

9. Both Lopez brothers have raped numerous female taekwondo athletes. But rather than being suspended and prosecuted, each was facilitated in their rampant sex crimes and protected from law enforcement and suspension from Team USA by the USOC and USAT.

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<sup>4</sup> *Id.* (Testimony of Sen. Dianne Feinstein).

<sup>5</sup> Sally Jenkins, *The USOC Needs a New Leader Who Cares About Athletes More Than Expense Accounts*, WASH. POST (July 3, 2018).

10. There are approximately 47 NGBs (one for each Olympic sport), ranging from USA Archery to USA Wrestling. As the *Washington Post* has observed:

The bureaucracy that oversees Olympic sports in the United States is, essentially, a pyramid. At the top sits the USOC, headquartered in Colorado Springs with average annual revenue of about \$230 million. Underneath the USOC are 47 Olympic and Pan American national governing bodies – one for each sport, Olympic insiders call them “NGBs”[.]<sup>6</sup>

11. The Center for SafeSport (“SafeSport”) in April 2018 banned Jean Lopez from United States Taekwondo. In doing so, SafeSport found the allegations of sexual abuse and exploitation made by all Plaintiffs against Jean Lopez to be true by a preponderance of the evidence.<sup>7</sup>

12. The ban was based on conclusive evidence of Jean’s “decades long pattern” of sexual abuse and exploitation of the Olympic-hopeful athletes he was paid and entrusted to coach and mentor:

Jean Lopez, the older brother and longtime coach of two-time Olympic taekwondo champion Steven Lopez, has been declared permanently ineligible after the U.S. Center for SafeSport found him guilty of sexual misconduct and sexual misconduct involving a minor. The decision reached Tuesday brings resolution to an investigation that began with USA Taekwondo three years ago and was turned over to SafeSport when it opened in March 2017. Three women who spoke with USA TODAY Sports have described sexual misconduct by Jean Lopez dating back to 1997, and one of those women filed a complaint with USA Taekwondo in 2006. “This matter concerns a decades long pattern of sexual misconduct by an older athlete/coach abusing his power to groom, manipulate and, ultimately, sexually abuse younger female athletes,” SafeSport said in its decision obtained by USA TODAY Sports. “Given the number of incidents reported over a span of several years and by multiple reporting parties, most of whom have no reasonable motive to fabricate an allegation – much less multiple, distinct incidents – of misconduct, the totality

<sup>6</sup> Will Hobson and Steven Rich, *Every Six Weeks for More Than 36 Years*, WASH. POST (Nov. 17, 2017).

<sup>7</sup> See, e.g., David Barron, *Former U.S. Taekwondo Coach Jean Lopez Banned from Olympic Sports in U.S.*, HOUSTON CHRON. (Apr. 4, 2018).

of the circumstances clearly shows a recurrent pattern of behavior on the part of Jean.”<sup>8</sup>

13. Investigators described Jean Lopez as “an older athlete/coach abusing his power to groom, manipulate and, ultimately, sexually abuse younger female athletes.”<sup>9</sup>

14. The April 2018 ban of Jean Lopez followed several years of obstruction from the time Mandy Meloon reported in writing in 2006 that she had been raped.

15. Two periods of time are at issue: *first*, the underlying forced labor and services and sex trafficking of Plaintiffs and the Class from 1997 to 2010 (“Part 1”—the underlying events), and *second*, the cover-up of this misconduct, which included fraudulent concealment, obstruction, interference, and corrupting and false statements made to Congress (“Part 2”—the cover-up), which occurred from 2006 to 2008 and then from 2015 to 2018. During Part 2, the USOC, USAT, and SafeSport formed an enterprise (along with the Lopez brothers) to obstruct and interfere with efforts to prosecute or remove the Lopez brothers from taekwondo. In furtherance of this enterprise, the USOC and USAT made false and corrupting statements to Congress during official proceedings in 2018.

16. As the *Washington Post* has explained, the prevalence of sex crimes committed against athletes in Olympics sports is an epidemic directly caused by the insatiable lust for “medals and money”:

While the Nassar case has captured public attention because of the renown of a few of his accusers, it is far from an isolated instance. The problem of sexual abuse in Olympic sports organizations extends well beyond the confines of one sport, or one executive.

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<sup>8</sup> Nancy Armour & Rachel Axon, *Olympic Coach Banned for Sexual Misconduct*, USA TODAY (Apr. 5, 2018).

<sup>9</sup> David Barron, *Former U.S. Taekwondo Coach Jean Lopez Banned from Olympic Sports in U.S.*, HOUSTON CHRON. (Apr. 4, 2018).



More than 290 coaches and officials associated with the United States' Olympic sports organizations have been publicly accused of sexual misconduct since 1982, according to a Washington Post review of sport governing body banned lists, news clips and court records in several states. The figure spans parts of 15 sports and amounts to an average of eight adults connected to an Olympic organization accused of sexual misconduct every year — or about one every six weeks — for more than 36 years.

...

Why does this keep happening? Interviews with dozens of officials in Olympic sports and a review of thousands of pages of records produced in lawsuits filed by abuse victims highlight a culture in which limiting legal risk and preserving gold-medal chances have been given priority over safeguarding children.<sup>10</sup>

17. Anything or anyone that gets in the way of the USOC's commercial quest for "medals and money" is silenced, obstructed, defamed, or intimidated into keeping quiet.

18. To this end, the April 2018 SafeSport ban of Jean Lopez was short-lived. On or about August 16, 2018, SafeSport abruptly decided to abandon its suspension of Jean Lopez under the false pretext that the Plaintiffs in this lawsuit declined to present live testimony during Jean's appeal.

19. By insisting that live testimony of rape victims was needed during an appeal (a concept foreign to any legitimate legal process), SafeSport violated its own policies—and simultaneously sent a traumatizing message to rape victims, including Plaintiffs, and a green light to their rapists:

The U.S. Center for SafeSport temporarily removed taekwondo coach Jean Lopez from its database of sanctioned individuals this week after telling women who reported him for sexual misconduct that it wouldn't defend his ban without their in-person testimony at his appeal, according to the women's attorney.

That stance goes counter to SafeSport's code, which does not require a reporting party to testify during an appeal hearing, nor must it be done in person.

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<sup>10</sup> Will Hobson and Steven Rich, *Every Six Weeks for More Than 36 Years*, WASH. POST (Nov. 17, 2017); see also Will Hobson and Steven Rich, *Road to Gold, Littered with Victims*, WASH. POST (Nov. 19, 2017).

SafeSport found that Jean Lopez had assaulted Mandy Meloon, Heidi Gilbert and a third woman with whom he had also engaged in a consensual sexual relationship with starting when she was 17.

...

Howard Jacobs, an attorney for Jean Lopez, declined to discuss the specifics of the SafeSport process.

"The main thing is that he had been barred from coaching and he's no longer barred from coaching," Jacobs said.

Asked about the interim restriction added on Friday afternoon, Jacobs said Lopez is prevented from having contact with the women.

...

Lopez, who coached his brother to two Olympic gold medals, exercised his right to appeal the SafeSport decision. The appeal is to be heard by an arbitrator, and the rules state the arbitrator "may receive and consider the evidence of witnesses by declaration or affidavit and shall give it such weight as the arbitrator deems appropriate after considering any objection made to its admission.

...

But [Stephen] Estey said Joe Zonies, an attorney for SafeSport, told him the women had to testify in person. Estey said he rejected that because the women are already going to be subject to questioning for the civil lawsuit, and he didn't want them to have to be cross-examined multiple times.

"When you have a defense attorney cross-examine (sexual abuse victims), it opens up wounds," Estey said. "I don't want to do that multiple times. I don't want to put them through unnecessary trauma."

Zonies then said SafeSport would not defend its decision in the appeal, Estey said, and would instead lift the ban on Lopez.

"They just chose, 'Because you won't appear in person, we're going to lift the ban ... without even going forward with the arbitration,'" Estey said. "They didn't even try. Why not take the declaration and put them in front of the arbitrator?"

...

SafeSport's decision will have far-reaching implications beyond the Lopez case, Estey said. It gives people who have been banned a blueprint for how to get them lifted, he said. It also could have a chilling effect on those who've been abused, he said, because it sends the message that SafeSport will only go so far to protect them.<sup>11</sup>

20. A search of SafeSport's Suspension List on August 20, 2018, reflected that its decision to reinstate Jean Lopez was reckless and haphazard. His "Decision date" and "Allegations of Misconduct" fields are both left entirely blank, in contrast to Steven Lopez's description, which lists both fields:

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<sup>11</sup> Nancy Armour & Rachel Axon, *Athletes Outraged as Banned Taekwondo Coach Reinstated*, USA TODAY (Aug. 17, 2018).

<b>Jean Lopez</b> Sugarland, TX Taekwondo	Interim Measure - Restriction
Decision date	—

<b>Steven Lopez</b> Sugarland, TX Taekwondo	Interim Measure - Restriction; Interim Measure - Suspension
Decision date	05/07/2018
Allegations of Misconduct	Interim Suspension

21. In abandoning the case against Jean Lopez on appeal, the USOC and SafeSport have violated their institutional duty to Plaintiffs and the other victims of Jean. The USOC, USA Taekwondo, and SafeSport demanded and received extensive testimony and records and assured Plaintiffs they would pursue the case against Jean fairly and with integrity. By abruptly reversing course and abandoning the allegations raised by Plaintiffs without good cause, Defendants have inflicted severe emotional harm on all five Plaintiffs and all others victimized by the Lopez brothers. As a result of this institutional abandonment and betrayal, Plaintiffs “have been re-victimized by this whole process.”<sup>12</sup>

22. Reinstating Jean Lopez after already finding him to be a serial rapist was grossly negligent and also the continuation of a long-range pattern: officials from the USOC, SafeSport, and USAT have sheltered Jean Lopez from suspension and prosecution because he and his brother, superstar Olympic taekwondo athlete Steven

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<sup>12</sup> Testimony of Sen. Richard Blumenthal, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).

Lopez, have delivered “medals and money” at the Olympics and other competitions around the globe.

23. Throughout the 2000s, the Lopez brothers (Jean and Steven) and their siblings (two of whom are also taekwondo Olympic medalists) were known in the United States as the “First Family” of taekwondo.

24. Steven Lopez, now age 39, was “taekwondo’s biggest star and the most decorated athlete in that sport. He is a five-time Olympian with gold medals in 2000 and 2004 and a bronze in 2008, as well as five world titles.”<sup>13</sup>

25. Steven Lopez was frequently trotted around the globe by the USOC to showcase the return on investment he delivers to Team USA. Here, he’s pictured alongside his sister (also part of the “First Family”) with now-President Trump:



<sup>13</sup> Nancy Armour & Rachel Axon, *Lopez brothers, Olympic Taekwondo Royalty, Hit with Sex Abuse Allegations*, USA TODAY (June 8, 2017).

26. Over a decade ago, on the eve of the 2008 Summer Olympics in Beijing, the *New York Times* observed that the Lopez brothers present a golden opportunity for commercial gain:

As the United States Olympic Committee tries to capitalize on its good fortune — how often do three superb athletes, bilingual and photogenic and first-generation Americans, come along to raise the profile of a niche sport? — the Lopezes are being counted on to win more than just medals. More and more, they are entering the mainstream, having appeared two months ago on “The Tonight Show With Jay Leno,” while Steven’s face is all over your local grocery store, on Minute Maid juice cartons and Coca-Cola packages.<sup>14</sup>

27. The Twitter profiles of Jean Lopez and Steven Lopez trumpet their celebrity status as Team USA Olympic taekwondo champions who “produce” substantial medals and money to the USOC and USA Taekwondo:



<sup>14</sup> Ben Shpigel, *Three Siblings Headed to Beijing in Taekwondo*, N.Y. TIMES (June 21, 2008).

28. Choosing “medals and money” over its athletes, the USOC and USAT have tried to conceal that their Olympic poster boy, Steven Lopez, is a serial rapist of young athletes.

29. As NPR reported a few months ago, it was only the filing of the First Amended Complaint in this lawsuit on May 4, 2018, (in addition to the account of a 14-year-old victim who is not a named plaintiff in this case) that finally shamed USAT into temporarily suspending Steven Lopez only three days later, on May 7, 2018.<sup>15</sup>

30. Although the investigation of Steven Lopez began in 2014, the decision to suspend him did not occur until mid-2018.

31. Jean Lopez could not have sustained his “decades long pattern of sexual misconduct” without help from officials in high places. Nor could Steven. Jean’s and Steven’s long list of rapes were facilitated by several officials at the highest levels of the USOC and USAT. Rather than upholding the values and spirit of Team USA, these bad actors manipulated the trust placed in them, abused the power and legitimacy bestowed upon them, shattered the innocence and dreams of numerous young athletes, and violated numerous federal and state laws.

32. Once they were exposed by the national news media, the USOC and USAT tried to deny their liability, cover up their crimes, lie to Congress, and obstruct

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<sup>15</sup> Alexandra Starr, *Decorated Taekwondo Athlete Steven Lopez Temporarily Barred Amid Assault Claims*, NPR (May 7, 2018) (“Steven Lopez’s suspension comes just days after four former elite taekwondo athletes filed suit in the U.S. District Court for Colorado alleging that the Lopez brothers had sexually assaulted them. They are not the only people accusing the Lopezes of misconduct. As NPR reported last Friday, Nina Zampetti — who started training with Steven Lopez when she was 8 years old — says that when she was 14, and Lopez 22, he had her perform oral sex on him.”).

and interfere with several investigations to hold the USOC and USAT accountable for letting the Lopez brothers prey on Team USA's athletes.

33. The misconduct in trying to conceal their misdeeds is as transparent as it is despicable, as the *Washington Post* has pointed out when discussing this lawsuit:

Presumably, the leaders of the U.S. Olympic Committee don't wake up in the morning saying, "I want to enable child molesters." They don't go to work every day intending to help peddle young women to sexual abusers. Yet somehow, the USOC became a victimizer of athletes instead of their protector.

It's hard to say what's more sickening to read, the graphic descriptions of coaches rubbing up against their young charges or the chronology of years-long inaction by USOC administrators that left athletes vulnerable. Both are described in a lawsuit filed this week alleging the USOC acted as a "travel agent and commercial funder in the domestic and international sexual exploitation of young female athletes," by failing to act against former U.S. Olympic taekwondo coach Jean Lopez and his gold medalist brother, Steve.

The lawsuit should be read carefully by members of Congress, who are prepping to interview Olympic officials May 23 about how an epidemic of sex abuse has flourished across multiple sports. It contains a vital timeline and vivid blueprint of the USOC's appallingly evasive standard operating procedures, and purposeful liability-dodging, and lip-service sanctimony. You know when the USOC received the first complaint about the Lopez brothers messing with a young girl? In 2006. Only last month did the USOC's newly established Center for SafeSport ban Jean Lopez for life for sexual misconduct with a minor, a decision he is appealing. Only this week did USA Taekwondo declare Steve Lopez temporarily suspended while it investigates him for similar alleged misconduct.

Twelve years ago. That's when Mandy Meloon, one of four plaintiffs, first handed a written complaint against the Lopez brothers to officials at the USOC and USA Taekwondo.<sup>16</sup>

34. As several prominent journalists and members of Congress have made clear in a widening chorus, the USOC has reached for commercial success at all costs by ignoring, denying, obstructing, or covering up reports of sexual abuse, deferring and diverting investigations, and continuing to commercially support NGBs, including USAT, that tolerate and often facilitate sexual abuse by coaches and other adults.<sup>17</sup>

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<sup>16</sup> Sally Jenkins, *USOC Can't Just Look Ahead to Better Sex Abuse Prevention*, WASH. POST (May 11, 2018).

<sup>17</sup> Will Hobson, *Victims Say the USOC Deserves Blame for America's Olympic Sex Abuse Problem*, WASH. POST (Feb. 23, 2018).



35. With hundreds of millions of dollars sitting idly on its balance sheet (all of it earned off the backs and labor of Team USA's athletes), the USOC could have long ago taken measures to stop this sexual misconduct, which it has long known is occurring. Instead, it has refused to devote far less than 1% of its annual revenue every year to combat sexual abuse and exploitation of its athletes.

36. In February of 2018, the USOC announced that it was "[e]ffectively doubling USOC's funding of the Center for Safe Sport."<sup>18</sup> What the USOC did not announce was that this doubling of funds means that its economic support for Safe Sport went from (according to its most recently reported tax filings in 2016) 0.32% (\$1.07 million) of its total revenue (\$336 million) to 0.64% of its total revenue. It spends less than 1% of its revenue to protect its athletes, to say nothing of the hundreds of millions of dollars that sit unused on its balance sheet.

37. As its own IRS Form 990 tax filings prove, the USOC annually spends more money on outside lawyers than it does on athlete safety in all 47 of its NGB sports combined.<sup>19</sup>

38. With the creation of the U.S. Center for SafeSport ("SafeSport") in 2017, the USOC tried to offload its liability onto a newly-created side entity (which it has left understaffed and grossly underfunded) and declare that it was not liable for the sex crimes it had facilitated and condoned for decades.

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<sup>18</sup> *U.S. Olympic Committee Announces Significant Changes to Further Protect Athletes*, TEAMUSA (Feb. 28, 2018), <https://www.teamusa.org/Media/News/USOC/022818-USOC-announces-significant-changes-to-further-protect-athletes>.

<sup>19</sup> 990 FINDER, <http://foundationcenter.org/find-funding/990-finder> (last visited Aug. 14, 2018) (search: United States Olympic Committee).



39. SafeSport has done nothing to stop the rampant sex crimes that pervade the 47 NGBs that are supposed to be policed by the USOC. It has served only as a glimmering sideshow, one conjured by the USOC to pull the wool over the eyes of Congress and the public.<sup>20</sup>

40. Because of the USOC's flagrant misconduct, Congress recently enacted the *Protecting Young Victims from Sexual Abuse and Safe Sport Authorization Act of 2017* ("The 2017 Sports Abuse Act"). The 2017 Sports Abuse Act was passed in direct response to "allegations of sexual abuse made against personnel involved with USA Gymnastics, USA Swimming, and USA Taekwondo and follows hearings [in 2017] before the Senate Judiciary Committee and the Senate Commerce Committee on athlete safety issues."<sup>21</sup>

41. Architected by Senators Dianne Feinstein (D-Calif.) and Susan Collins (R-Maine), the 2017 Sports Abuse Act was introduced with the broad support of "Republican and Democratic members from both the House and the Senate, and four former Olympic gymnasts."<sup>22</sup>

42. In testimony on the floor of the Senate, Senator Feinstein emphasized that the 2017 Sports Abuse Act "strengthens the law that allows victims of sex abuse to file suits against those who abused them to commit crimes such as sex trafficking" and that

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<sup>20</sup> Diana Moskovitz, *SafeSport, The USOC's Attempt to Stop Child Abuse, Is Set Up to Fail—Just Like It Was Supposed To*, DEADSPIN (July 24, 2018).

<sup>21</sup> Senator Susan Collins, *At Press Conference with Former Olympic Gymnasts, Senator Collins Urges Colleagues to Support Legislation She Introduced with Senator Feinstein to Protect Athletes from Sexual Abuse*, COLLINS.SENTATE.GOV (Jan. 30, 2018), <https://www.collins.senate.gov/newsroom/press-conference-former-olympic-gymnasts-senator-collins-urges-colleagues-support>

<sup>22</sup> *Id.*

punitive damages are now expressly provided by statute “due to the heinous nature of the crimes.”<sup>23</sup>

43. Senator Feinstein further condemned the USOC’s and its NGBs’ commercial obsession with pursuing “medals and money” over the safety of America’s young athletes:

One of the common themes I heard from their stories was not just the predatory behavior of the perpetrators, but also how the USA Gymnastics institution failed to protect them. One of the women told me how she heard USA Gymnastics officials say at one point that it was their top priority to obtain “medals and money” and that a “reputation of a coach” should not be tarnished by an allegation raised by a victim.<sup>24</sup>

44. This Congressional action sought to remedy decades of flagrant and knowing sexual abuse at the highest levels of Team USA, across nearly all of the Olympic sports.

45. Plaintiffs pursue this action to establish that the USOC-run Olympic sport system in America and its NGBs are liable for the repeated rapes, sexual exploitation, forced labor and services, and commercial sex trafficking of Team USA’s Olympic taekwondo athletes.

46. Fortunately, Congress created not only the USOC, but also a list of federal statutes (including the 2017 Sports Abuse Act) with severe civil remedy provisions specifically crafted to punish and deter the very criminal conduct that was knowingly committed in this case.

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<sup>23</sup> Testimony of Sen. Feinstein, 164 CONG. REC. S589-02, 2018 WL 636521 (Jan. 30, 2018).

<sup>24</sup> Testimony of Sen. Feinstein, 163 CONG. REC. S1634-01, 2017 WL 900895 (Mar. 7, 2017) (emphasis added).

47. Through this lawsuit, Plaintiffs shine a light on the USOC, USAT, and SafeSport and the cesspool of sex crimes that they facilitate, condone, and try to conceal. Plaintiffs, on behalf of themselves and the Class, declare that enough is enough, that no other athletes should have to endure the “disgusting and unnecessary”<sup>25</sup> exploitation, abuse, forced labor and services, and trafficking they have experienced at the hands of the Team USA rapists and traffickers who stood at the apex—and served as the gatekeepers—of USAT and the USOC.

## **PARTIES**

### **The Plaintiffs**

48. Plaintiff Mandy Meloon (“Mandy”) is a citizen of Texas.

49. Mandy was born in 1981.

50. Mandy can be served via her counsel at 1433 N. Meridian Street, Indianapolis, Indiana 46202.

51. Plaintiff Heidi Gilbert (“Heidi”) is a citizen of California.

52. Heidi was born in 1982.

53. Heidi can be served via her counsel at 1433 N. Meridian Street, Indianapolis, Indiana 46202.

54. Plaintiff Gabriela Joslin (“Gaby”) is a citizen of Texas.

55. Gaby was born in 1983.

56. Gaby can be served via her counsel at 1433 N. Meridian Street Indianapolis, Indiana 46202.

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<sup>25</sup> Tom Schad, *Lawsuit Claims USA Gymnastics Paid to Quiet Olympic Gold Medalist McKayla Maroney*, USA TODAY (Dec. 20, 2017) (quoting McKayla Moroney’s tweet from October 2017 under hashtag #MeToo).

57. Plaintiff Amber Means (“Amber”) is a citizen of California.

58. Amber was born in 1990.

59. Amber can be served via her counsel at 1433 N. Meridian Street  
Indianapolis, Indiana 46202.

60. Kay Poe (“Kay”) is a citizen of Texas.

61. Kay can be served via her counsel at 1433 N. Meridian Street  
Indianapolis, Indiana 46202.

## **The Defendants**

### ***United States Olympic Committee***

62. Defendant United States Olympic Committee (“USOC”) is a federally chartered corporation, 36 U.S.C. § 220502(a), with the capacity to sue and be sued, 36 U.S.C. § 220505(b)(9), with its principal place of business and headquarters in Colorado Springs, Colorado.

63. The USOC can be served at One Olympic Plaza, Colorado Springs, Colorado 80909.<sup>26</sup>

### ***USA Taekwondo***

64. The Ted Stevens Amateur Sports Act (“The Sports Act”) gives the USOC the express authority to authorize National Governing Bodies (“NGBs”) in all Olympic Sports.

65. Defendant USA Taekwondo (“USAT”) is the USOC-recognized and USOC-regulated NGB for the sport of taekwondo.

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<sup>26</sup> 36 U.S.C. § 220510.

66. USAT was at all times herein mentioned and still is a Colorado Corporation with its principal place of business in the city of Colorado Springs.

67. USAT can be served at One Olympic Plaza Colorado Springs, Colorado 80909.

**SafeSport**

68. The United States Center for SafeSport (“SafeSport”) is a Colorado nonprofit corporation.

69. The USOC created SafeSport in response to overwhelming allegations of sex crimes.

70. SafeSport was devised by the USOC as the entity that was supposed to protect athletes from sex crimes and exploitation.

71. As a lengthy investigative story in *Deadspin* explained, SafeSport is not independent from the USOC, has been plagued by the USOC’s meddling, has been left grossly understaffed and underfunded, and is comprised almost entirely of unqualified, former USOC officials who continue to make sure that SafeSport takes no action that will jeopardize the USOC’s gravy train.<sup>27</sup>

72. SafeSport can be served through its registered agent, Malia Arrington, at 1385 S Colorado Blvd. Suite A 706, Denver, Colorado, 80222-3304.

**Steven Lopez**

73. Defendant Steven Lopez is a citizen of Texas.

74. Steven Lopez was born in 1978.

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<sup>27</sup> See Diana Moskovitz, *SafeSport, The USOC’s Attempt to Stop Child Abuse, Is Set Up to Fail—Just Like It Was Supposed To*, DEADSPIN (July 24, 2018).

75. Steven Lopez lives in his parents' house in Texas.

76. Steven is a three-time Olympic medalist, having won two gold medals and one bronze medal.

77. Steven Lopez has been an athlete and a coach on numerous USOC teams and has appeared at Sports Act-protected competitions around the world.

78. Sports Act-protected competitions include the World Championships, World Cup, Pan Am, and Olympic Games.

79. At these protected competitions, while competing for the USOC's "Team USA," Steven Lopez has received financial and other benefits in the form of, among other things, significant compensation from the USOC.

***Jean Lopez***

80. Defendant Jean Lopez is a citizen of Texas.

81. Jean Lopez was born in 1973.

82. Defendant Jean Lopez has been the USOC's Taekwondo coach at protected competitions around the world.

83. Defendant Jean Lopez has coached USOC teams in protected competitions and received financial benefits in the form of, among other things, significant compensation from the USOC.

84. Jean started coaching his brother, Steven, at the 1999 Olympic Qualifier in Porec, Croatia.

**JURISDICTION**

85. This Court has federal question jurisdiction under 28 U.S.C. § 1331 and supplemental jurisdiction under 28 U.S.C. § 1367 for the state law claims alleged.

86. Venue is appropriate in this district because the USOC and USAT have their corporate headquarters in this district and there is a substantial connection to this district because a substantial number of the relevant events occurred here.

### **FACTS COMMON TO ALL COUNTS**

#### **A. Corporate Structure: Anatomy of the USOC, USAT, and the Other NGBs**

87. Congress originally chartered the United States Olympic Association in 1950 to organize and promote the United States' participation in international Olympic competition. This spun into the United States Olympic Committee (the "USOC") in 1964.

88. In 1978, concerned with "the disorganization and the serious factional disputes that seemed to plague amateur sports in the United States," Congress enacted the Ted Stevens Olympic and Amateur Sports Act ("the Sports Act"), P.L. 95–606 (now codified at 36 U.S.C. § 220501, *et seq.*), to codify the purpose and powers of the USOC, and to create NGBs for each Olympic sport.

89. Thus, the Sports Act created and controls the USOC.<sup>28</sup>

90. Under the Sports Act, the USOC is mandated to regulate the young athletes who seek to compete in Olympic sports in the United States.

91. The stated purposes of the USOC include: to develop amateur athletic activity in the United States directly related to international amateur athletic competition;<sup>29</sup> to exercise "exclusive jurisdiction" over "all matters" pertaining to U.S.

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<sup>28</sup> Title 36 U.S. Code, chapter 2205 organizes and defines the USOC as a "federally chartered corporation." 36 U.S.C. §§ 220501(b)(6); 220502(a).

<sup>29</sup> 36 U.S.C. § 220503(2).

participation in the Olympic and Pan-American Games;<sup>30</sup> to “obtain for the United States...the most competent amateur representation possible in each event” of the games;<sup>31</sup> to provide “swift resolution of conflicts”; to “protect the opportunity of any amateur athlete, coach, trainer, manager, administrator, or official to participate in amateur athletic competition”;<sup>32</sup> and, recently, “to promote a safe environment in sports that is free from abuse, including emotional, physical, and sexual abuse, of any amateur athlete.”<sup>33</sup>

92. The USOC is responsible for selecting, training, entering, and funding the U.S. teams for the Olympic, Paralympic, Youth Olympic, World Championship, World Cup, and Pan American and Para-Pan American Games, while also serving as a steward of the Olympic Movement throughout the country. Among the USOC’s powers are to “organize, finance, and control the representation of the United States in the competitions and events” of, the Olympic, Paralympic, and Pan-American Games (the “Games”).<sup>34</sup>

93. The USOC fulfills its statutory “exclusive jurisdiction” by recognizing, for each of the various sports represented in the Games, one eligible amateur sports organization as an NGB for that sport, and the USOC provides financial assistance to them.<sup>35</sup>

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<sup>30</sup> 36 U.S.C. § 220503(3).

<sup>31</sup> 36 U.S.C. § 220503(4).

<sup>32</sup> 36 U.S.C. § 220503(8).

<sup>33</sup> 36 U.S.C. § 220503(15), added Feb. 14, 2018 by PL115-126, 132 Stat 318.

<sup>34</sup> 36 U.S.C. § 220505(c)(3).

<sup>35</sup> 36 U.S.C. § 220505(c)(4), (6).



94. Each NGB is charged with promoting competition in its respective sports.

95. Each NGB is charged with selecting the athletes, officials, and coaches for its sport at the Pan Am Games, World Championships, World Cups, and Olympic Games.

96. The Pan Am Games, World Championships, World Cups, and Olympic Games are “protected competitions” under the Sports Act.

97. The USOC approves the submissions of the coaches, athletes and officials by each NGB for participation in protected competitions.

98. USAT is one of forty-seven NGBs recognized by the USOC under the Act that sponsors or arranges amateur athletic competition.<sup>36</sup>

99. Proving that the USOC has the power to regulate the daily affairs of each NGB, the USOC has placed USAT on probation more than once. The USOC last placed USAT on probation throughout 2013.<sup>37</sup> When doing so, the USOC intervened and directly ran the day to day affairs of USAT. According to the USOC, USAT was placed on probation for “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’ in a Section 10 Complaint.”<sup>38</sup>

100. The USOC has repeatedly exercised control and forced NGBs to act in a certain way. For example, in 1999, the USOC required all NGBs to purchase insurance to specifically cover the sexual assaults of any minor. If NGBs did not purchase sexual

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<sup>36</sup> 36 U.S.C. § 220501(b)(3), (8).

<sup>37</sup> *USOC Board of Directors Lifts USA Taekwondo Probation*, TEAMUSA (Oct. 11, 2013), <https://www.teamusa.org/USA-Taekwondo/Features/2013/October/11/USOC-decision>

<sup>38</sup> *Id.*

abuse insurance, their members would not be permitted to use the USOC training centers in Chula Vista, California; Lake Placid, New York; Marquette, Michigan; or Colorado Springs, Colorado.

101. As another example, in 2013, the USOC forced USA Swimming to adopt a prohibition of coach-athlete sexual relationships.

102. More recently, in 2018, the USOC ordered the entire board of USA Gymnastics to resign or the NGB would face de-certification.

**B. Constant Commerce: The USOC and USAT are Commercial Animals Striving for Medals and Money Off the Backs and Labor of Team USA'S Athletes**

103. Although the USOC is restricted from engaging in business for profit,<sup>39</sup> the Olympics—and the competitive amateur sports industry that feeds into it—is big business.

104. Olympic athletes and coaches are involved in a commercial industry that is constantly infused and commingled with money, contracts, and terms. Every participant (athletes, coaches, USAT, and the USOC) is a commercial actor bound by contracts and agreements.

105. Each Olympic athlete has a direct commercial relationship with the USOC, which imposes a list of “commercial terms”<sup>40</sup> upon each athlete as a precondition for

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<sup>39</sup> 36 U.S.C. § 220507(a).

<sup>40</sup> *Commercial Terms*, TEAMUSA.ORG, <https://www.teamusa.org/Athlete-Resources/Athlete-Ombudsman/Commercial-Terms>.

participating. In fact, the USOC's website has a separate "Commercial Terms" tab:

**Commercial Terms**

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Anti-Doping

Athlete Agreements

**Commercial Terms**

Dispute Resolution

Lawyers

Resources

SafeSport

Team Selection

**Resources about Commercial Rights**

The Athlete Ombudsman is available to offer athletes confidential advice regarding their rights and obligations involving commercial terms and can assist athletes with questions about the following general topics:

- Right to their image, right of publicity and general media releases
- Athlete Agreements containing commercial obligations
- Commercial/Sponsor appearances for NGBs
- Individual sponsorship agreements (to a limited extent)
- Right to select Personal Performance Gear during protected competition
- Rule 40 and advertising restrictions during the Games
- Rule 50 and manufacturer logo restrictions (with IF regulations, or at the Games)
- IPC advertising and manufacturer logo guidelines during a Game
- Social media guidelines during a Games

*\*Coming soon will be expanded information about those topics.*

Below, we have included a brief overview of the USOC policies, but athletes should consult the full documents for more information.

**USOC Policy Regarding NGB Athlete Agreements**

The USOC recognizes the right of NGBs to require certain agreements on the part of athletes as a condition of participation in membership, events, teams, or programs of the NGB. These agreements may include terms that help the NGB comply with International Olympic Committee ("IOC"), International Paralympic Committee ("IPC"), Pan American Sports Organization ("PASO"), International Federation ("IF"), and USOC requirements, field successful and competitive teams, and promote and generate support for the NGB itself (including via the use of athlete names, images, and likenesses other than for Commercial Use.). The USOC also recognizes the right of each NGB to control the use of its name, marks, and other indicia.

At the same time, the USOC recognizes the right of each athlete to be treated fairly and consistently and to clearly understand what is required of him/her in order to participate, as well as the right of each athlete to control the commercial use of his/her name, image, and likeness.

The [NGB Athlete Agreements policy](#) sets out basic parameters for certain agreements that an NGB should explicitly require of its athletes as a condition of participation, and optional commercial agreements that must remain voluntary, in a way that balances the rights and needs of both NGBs and athletes.

- [USOC Policy Regarding NGB Athlete Agreements](#)

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106. The commercial relationship between the USOC and each Olympic athlete is further confirmed on the USOC's website, which states that the USOC "supports U.S. Olympic ...athletes on and off the field of play through programming such as direct athlete funding, health insurance, tuition grants, media and marketing opportunities, career services and performance-based monetary rewards."<sup>41</sup>

<sup>41</sup> About the USOC, TEAMUSA.ORG, <https://www.teamusa.org/About-the-USOC>

107. Although this commercial relationship benefits both athletes and the USOC, the commercial benefits that flow to the USOC are massively larger. In 2016 alone, the USOC generated \$339 million in unconsolidated revenue.<sup>42</sup>

108. The USOC generates billions of dollars in licenses and sponsorships because it controls all aspects of and for the NGBs.

109. From the delegation of Congress, the USOC owns the exclusive rights to the trademarks for everything related to the Olympics. This translates into hundreds of millions of dollars of revenue every year: “The USOC receives no federal funding but averages \$230 million in annual income derived largely from marketing and sponsorships, as it holds exclusive rights to the Olympic mark and related symbols in the United States.”<sup>43</sup>

110. According to Team USA’s website, in May 2014, NBC Sports signed a deal worth \$7.75 billion to broadcast the Olympic games through 2032.<sup>44</sup> Larry Probst, the USOC Chairperson, described this as a “terrific deal” and NBC Sports Chairperson Mark Lazarus explained, “The Games are very important pieces of real estate[.]”<sup>45</sup>

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<sup>42</sup> UNITED STATES OLYMPIC COMMITTEE 2016 ANNUAL REPORT<sup>41</sup> (2016), [http://2016annualreport.teamusa.org/USOC\\_32554\\_AR16.pdf](http://2016annualreport.teamusa.org/USOC_32554_AR16.pdf). Funding sources include Broadcast rights (\$169M); Marks rights (\$194M); Licensing Royalties (\$21M); Contributions (\$98M) and Other (\$112M).

<sup>43</sup> Will Hobson, *Senate Call for USOC Head to Resign*, WASH. POST (Feb. 3, 2018).

<sup>44</sup> Amy Rosewater, *NBC, IOC Ink \$7.75 Billion Deal for Games*, TEAMUSA.ORG (MAY 7, 2014), <https://www.teamusa.org/News/2014/May/07/NBC-IOC-Ink-775-Billion-Deal-For-Games>.

<sup>45</sup> *Id.*

111. The corporate sponsorships of Team USA generate hundreds of millions of dollars of additional revenue off the backs and labor of the athletes who wear Team USA uniforms.

112. These sponsorships are prominently displayed on Team USA's website (which is owned and held by the USOC)<sup>46</sup>:



<sup>46</sup> Sponsors, TEAMUSA.ORG, <https://www.teamusa.org/sponsors> (last visited May 2, 2018).

113. The USOC does nothing to earn any of the revenue that flows into its bank accounts every year. Without Team USA's Olympic athletes competing for the United States, the USOC would not earn any revenue, would not have any television deals with NBC, would not have any endorsements, and would not have any sponsors.

114. The USOC itself states this on its website,<sup>47</sup> noting that it “does not receive federal financial support” and that it “generat[es] revenue” by “licenses” to sponsors:

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- Olympic Movement
- History
- Leadership
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- Meetings
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The United States Olympic Committee was reorganized by the Ted Stevens Olympic and Amateur Sports Act, originally enacted in 1978. It is a federally chartered nonprofit corporation and does not receive federal financial support (other than for select Paralympic military programs). Pursuant to the Act, the USOC has the exclusive right to use and authorize the use of Olympic-related marks, images and terminology in the United States. The USOC licenses that right to sponsors as a means of generating revenue in support of its mission. Unlike most other nations, the United States does not have a sports ministry.

The USOC has two primary responsibilities in its oversight of Olympic and Paralympic sport in the United States. The first is to generate resources in support of its mission, which is to help American athletes achieve sustained competitive excellence. The second is to ensure organizational resources are wisely and effectively used to that end.

<sup>47</sup> *Inside the USOC*, TEAMUSA.ORG, <https://www.teamusa.org/about-the-usoc/inside-the-usoc> (last visited May 2, 2018).

115. The U.S. Center for SafeSport (described below) is sponsored by NBC Sports, the National Basketball Association, and the Women's National Basketball Association,<sup>48</sup> which further shows that all aspects of Team USA and the USOC are commercial:



**C. Forced Labor and Services and Sex Trafficking: the USOC and USAT Knowingly Benefit from the Medals and Money Delivered by the Lopez Brothers**

116. The USOC has a monopoly on the Olympics: if an American athlete wants to compete at the Olympics, her only option is to be chosen and placed on Team USA by the USOC. Simply put, the USOC is the only passport that allows entry to Team USA. For the Olympics, there is no team other than Team USA.

117. This pure monopoly situation creates an extraordinary imbalance of power between the laborer (athlete) and the employer (the USOC, including its NGBs—like USAT—and the coaches—like Jean Lopez). As the Chair of the US Olympic Committee Athletes' Advisory Council testified:

Individual athletes have almost no power in our system, instead the USOC and National Governing Bodies hold the dreams of our athletes in their hands and athletes fear these coaches and administrators, armed with congressionally granted monopoly power will retaliate if they protest or dissent.<sup>49</sup>

<sup>48</sup> *Safesport*, SAFESPORT.ORG, [www.safesport.org](http://www.safesport.org)

<sup>49</sup> Testimony of Han Xiao, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).



118. As Sen. Moran (R-Kan.) rephrased this testimony at the hearing on July 24, 2018, “part of that significant problem is the monopolistic nature of the U.S. Olympic Committee. So...the structure is flawed. The problem is the relationship between athletes and the U.S. Olympic Committee, which is their only option to compete and to perform.”<sup>50</sup>

119. This power imbalance emboldens adult coaches and athletes to continue and proliferate their sexual exploitation without any fear of prosecution or financial penalty, which causes the toxic culture to metastasize.

120. The USOC’s “indifference” to the rampant sex crimes permeating its NGBs has been detailed at length by the *Washington Post*, which has directly connected the USOC’s monopoly to the rape culture that plagues its coaches and athletes:

The hallmark of the U.S. Olympic Committee under Scott Blackmun was indifference. What comes after him needs to be the exact opposite: an energetic, open-scope investigation into the catastrophic failures that led to the sexual abuse of so many of America’s greatest athletes, followed by a creative reconstruction of the organization. The liability-dodging that has been the USOC’s standard response has to end, and so does its concierge service.

Two things need to happen next. First, someone should execute a search warrant. Blackmun is leaving, but his text messages and emails need to stay behind, and land in the hands of truly independent investigators. There has yet to be an adequate explanation for the stunning inaction of Blackmun and former USA Gymnastics head Steve Penny after learning that USA Gymnastics team doctor Larry Nassar was a serial molester. There has been no proper accounting, either, for the USOC’s years-long passivity on hundreds and hundreds of other abuse cases across multiple sports.

...

This week, the USOC’s own Athletes’ Advisory Council sent an internal letter demanding answers and remedies. It wants to know why the USOC sat silently on allegations of abuse in so many cases. It wants to know why the USOC’s executive

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<sup>50</sup> Testimony of Sen. Jerry Moran, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).



pay scale is so out of whack with other comparable-sized nonprofits. It wants a congressional commission to review the USOC's entire structure and workings. And the resignation of Blackmun, which seems to have been partly in response to these public pressures and not just his health issues, is not an adequate remedy to any of it.

"The problem is not the dictator. It's the dictatorship," says Eli Bremer, an AAC member and pentathlete who competed in the 2008 Olympics.

As The Washington Post's Will Hobson has reported, more than 290 coaches and officials associated with the USA organizations have been accused of sexual misconduct since 1982, according to a review of banned lists and court records. Those accusations span 15 sports. That's an average of eight alleged sex crimes a year against Olympic athletes. Or one every six weeks.

How could this happen? It happened partly because the USOC created the underlying condition for it. The lawyers and marketers on the USOC made themselves the center of the system instead of the athletes. They fancied themselves the real rainmakers, and so the conditions and concerns of the athletes became peripheral and marginalized, just as they were budgeted comparative pittance.

Shortly before the Winter Olympics began in PyeongChang, a group called "The Committee to Restore Integrity to the USOC" sent a 14-page memo to the U.S. House Committee on Energy and Commerce detailing specifics. There were the cases when the USOC actually gave funds to sports federations for legal defenses from accusations rather than supporting the athletes - while the alleged victims had to pay for their own counsel. There were the hundred or so coaches permanently banned from USA Swimming for sexually abusing athletes, without an attempt by the USOC to comprehensively address the epidemic. There were the three taekwondo athletes who reported directly to a USOC official that their coach molested them, with no action taken by the USOC. Throughout, Blackmun, a lawyer, seemed more interested in managing the USOC's civil liability and exposure than in caring for its medal strivers.

"This is not vicarious liability," says former gold medal swimmer Nancy Hogshead-Makar, now an attorney and leader of the group. "No, no, no. There is direct culpability for this. He has known about this issue and intentionally sat on the sidelines. That will be Scott Blackmun's legacy."

Talk to veteran athletes in the Olympic world, and they will tell you that they have long expected something like this. They have watched the USOC administrators become steadily more concerned with licensing and rights fees and their bonuses. They have seen the growing bloat and self-satisfaction in officials. They have watched the USOC's volunteer board of directors seem more concerned with their perks than with rigorous management, ethics and operations.

They will tell you that the USOC has operated as a completely unregulated monopoly with no real oversight. That what is needed is a full outside audit. "An organization comprised like we are will eventually do horrific things to its own

athletes,” Bremer says.<sup>51</sup>

121. The vulnerability of young athletes aspiring to be Olympians has been widely documented. According to Jamie Dantzscher, an Olympic bronze medalist, the USOC fosters “a culture of fear in which child athletes are conditioned to never question adults. ‘If we didn’t weigh what they wanted, eat what they wanted, look the way they wanted, then they could take our spot away....We were kids. That’s all we knew. We didn’t know it could be any different[.]’”<sup>52</sup>

122. Similarly, in one of the many taekwondo sex abuse cases that have plagued USAT, a young victim wrote to her coach: “At the time, I didn’t know what you were doing to me was sexual abuse. I craved your attention, and I wanted to please you....Sex in exchange for becoming a world-class athlete seemed like a fair trade.”<sup>53</sup>

123. In this case, if Plaintiffs, and other taekwondo athletes, refused to provide the sexual services demanded on command by Jean Lopez and Steven Lopez, they were benched, suspended, or kicked off Team USA by the Lopez brothers, the USOC, and USAT.

124. Hopeful athletes are “willing to do anything” to make it on Team USA and “anyone who complains or tries to reform is ostracized, unfunded or left off the team”:

The “Olympic movement” is a misnomer: The only thing moving in it is the cash from one suit pocket to another. While Congress is in the midst of investigating the United States Olympic Committee’s inaction on sexual abuse of hundreds of athletes, it should also demand a financial audit. The receipts would show the fraud and underlying root rot inside the USOC that has caused the current crisis: Officials are feeding on filet mignon while ignoring athletes who are abused and on food

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<sup>51</sup> Sally Jenkins, *A Painful Legacy of Knowledge, Inaction and Misplaced Priorities*, WASH. POST (Mar. 1, 2018).

<sup>52</sup> Will Hobson, *USOC Apologizes to Abuse Victims*, WASH. POST (Mar. 29, 2017).

<sup>53</sup> Will Hobson & Steven Rich, *An Athlete Accused Her Coach of Sex Abuse. Olympic Officials Stayed on the Sideline*, WASH POST. (Feb. 14, 2017).

stamps. That's no exaggeration.

The chronic sex abuse of our gold medalist athletes in multiple sports is the direct result of a structure with zero accountability. Make no mistake, the two are related: The USOC is a nest of self-dealing in which athletes are expected to pick up the tab for official excesses and stay silent for fear of losing funding. "Athletes are starving and hungry, and this is their dream. They'll be willing to do anything to get there, including take any amount of abuse," says Ben Barger, a former Olympic sailor who has tried to confront the USOC on its fiscal habits.

Thanks to a lack of any oversight, the USOC turned itself into a glorified first-class travel agency for its execs while ducking its duty of care and, worse, fostering an anti-whistle-blower culture in which anyone who complains or tries to reform is ostracized, unfunded or left off the team. "There is suppression," Barger says.

That suppression has shown up in my email queue in the form of people who want to talk openly but can't. There is the former USOC employee who wants to tell me about the "obscene" expense account abuses they allegedly witnessed at USOC headquarters in Colorado Springs, who shows me copies of receipts for \$300 dinners for two with \$150 bottles of wine on them but won't go public "because I have to raise kids in this town." There is the winter sports athlete who wants to talk about their anger over training debts while watching officials collect \$800,000 salaries but requests anonymity because "the retaliation could be career-ending."<sup>54</sup>

125. The unique dangers of the monopoly and monopsony (a market situation in which there is only one buyer) situation of the U.S. Olympic structure have been identified in a white paper by several experts as the cause of the "sexual, physical, emotional, and financial abuse" suffered by the Olympic-hopeful athletes trapped in (and trafficked as result of) this power imbalance:

In contrast, the USOC's monopsony on Olympic athlete labor and services emerged only after the repeal of the amateur rule in 1986, and individual athletes have unfortunately borne its most egregious harms. With total control over the market for access to Olympic competition, the USOC and NGBs hold inordinate power over athletes, many of whom are particularly vulnerable due to the demands of elite-level competition. As recent events make plain, the power imbalance between American Olympic organizations and the athletes they are supposed to serve has resulted in exploitation that includes sexual, physical, emotional, and financial abuse. While athletes are ostensibly the true stakeholders of the Olympics, the USOC monopsony creates systemic opportunities for harm. Put simply, the institutions charged with supporting America's Olympic athletes have, over time, developed to take advantage of them.<sup>55</sup>

<sup>54</sup> Sally Jenkins, *Congress Must Hold USOC Accountable for Its Spending*, WASH. POST (Mar. 28, 2018).

<sup>55</sup> Eli Bremer, et al., *Reducing Financial Waste & Improving Governance: Proposed Reforms to the U.S. Olympic Committee* (July 23, 2018) (attached as Exhibit 1).

126. The culture and geography of the Olympic sports system aggravates what is already a situation ripe for abuse and exploitation. “Most Olympic sports are set up in a way that is not great for protecting children. You have people at the higher levels who really, really want to win[.]’ ‘And then you have lots of young women spending lots of time with older men.’”<sup>56</sup> Not only are Olympic-hopefuls young and vulnerable, but they are also transported (trafficked) across the country—isolated from their homes, their parents, their friends, their family, and their support system—to train at Olympic facilities in Colorado, Texas, Michigan, and New York.

127. They are then transported (trafficked) to competitions around the country and around the world, where they are even further isolated and more exposed to sexual predators.

128. In the face of these power dynamics in a heavily titled labor market, at every turn, Olympic officials have sided with protecting themselves over protecting children from sex abuse—even taking the ridiculous position of refusing to implement “basic safety measures” that have been standard practice since the 1990s:

While the 47 sport NGBs are diverse in many ways — USA Swimming annually brings in nearly \$35 million and has 94 employees; USA Team Handball brings in about \$500,000 and has four employees— many of them have one thing in common: their lawyers.

The Olympic sports legal market is dominated by a small number of attorneys and firms in Colorado Springs and Indianapolis, where most of the governing bodies are clustered. Victims’ advocates blame these lawyers and their emphasis on avoiding potential litigation, which repeatedly arises during discussions of abuse prevention in Olympic sports.

In 2011, the USOC started discussing a sex abuse prevention handbook. Circulating education material is a basic safety measure experts have recommended since the 1990s; the Boy Scouts of America started doing it in 1986. As Olympic officials discussed their handbook in 2011, however, several

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<sup>56</sup> Will Hobson and Steven Rich, *Every Six Weeks for More Than 36 Years*, WASH. POST (Nov. 17, 2017).

mentioned a common concern: that the handbook could get them sued by victims, who would use it as evidence that Olympic officials knew abuse was a problem but weren't doing enough to stop it.

"While several NGBs expressed that the handbook sets the proper focus . . . there is also a perception that publishing the handbook will increase their risk of legal liability," Malia Arrington, a USOC executive in charge of abuse prevention,<sup>57</sup> wrote Blackmun in a December 2011 memo made public by the USOC this year in communication with the Senate.

Child protection experts expressed bewilderment that, in 2011, organizations working with children would debate the legal risks associated with abuse prevention material.<sup>58</sup>

129. When young athletes do report sexual abuse to Olympic officials, they are often met with obstruction, denials, and cover-ups. These denials instill in Team USA's young athletes the hopeless reality that their complaints and reports of sexual abuse are unimportant and that athletes are merely fungible commodities that can be trained and trafficked to competitions for the sexual gratification and commercial benefit of their coaches and other employees and executives of Team USA.

130. From 2006-2007 (involving Plaintiff Mandy's complaints and arbitration hearing before USAT) until the Lopez brothers were both suspended in 2018, Defendants USOC and USAT knowingly participated in a venture to transport and traffic Plaintiffs and numerous other unknown other young female USA Taekwondo athletes around the globe to be used for the sexual benefit of Defendants Jean and

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<sup>57</sup> Malia Arrington was later named the head of SafeSport, as discussed below, which helps explain why it has been structurally flawed from inception. See Diana Moskovitz, *SafeSport, The USOC's Attempt to Stop Child Abuse, Is Set Up to Fail—Just Like It Was Supposed To*, DEADSPIN (July 24, 2018) ("Among them was current SafeSport chief operating officer Malia Arrington, who once said in a deposition that she had no authority to make USA Taekwondo ban a coach despite evidence of sexual abuse. She was, while on the USOC's payroll, SafeSport's acting CEO for most of 2016, the key person leading the board through questions about how the center would work and what its priorities would be. She's still there, as SafeSport's COO.").

<sup>58</sup> Will Hobson and Steven Rich, *Every Six Weeks for More Than 36 Years*, WASH. POST (Nov. 17, 2017).

Steven Lopez, as well as other USOC and USAT coaches and officials that will be uncovered during discovery in this case.

131. The USOC and USAT participated in this venture by acting as the travel agent and commercial funder for the Lopez brothers in the domestic and international sexual exploitation of young female athletes wearing Team USA on their uniforms but carrying an awful secret about the coaches and mentors they were required to call “Master,” bow to, and obey.

132. If these athletes wanted to stay on Team USA and fulfill their childhood dreams to compete as Olympians for the United States, they had no choice but to submit to the Lopez brothers’ sexual demands. It was pay-to-play, and Plaintiffs and the other class members were required to pay with sexual services. If they ever wanted to be Olympians (or stay Olympians), they were forced to provide sexual services to the head coach of Team USA’s taekwondo team (Jean) and his superstar brother (Steven).

133. The USOC and USA Taekwondo knowingly benefited from the exchange of the “medals and money” delivered by the Lopez brothers and the “First Family” of taekwondo at Olympic competitions.

134. As *USA Today* reported, the Lopez family’s “celebrity status, along with the priority the USOC puts on winning medals,” signaled to Plaintiffs Mandy Meloon and Heidi Gilbert (among others) that “officials with USA Taekwondo and the USOC [were] not eager to pursue sexual misconduct allegations.”<sup>59</sup>

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<sup>59</sup> *Id.*

135. The commercial benefits delivered by the Lopez family to the USOC and USAT (medals and money) were more important than the safety and wellbeing of Plaintiffs and the other members of the Class.

136. In the minds of the USOC and USAT, if they had removed Jean Lopez, they would have risked losing the entire “First Family” of the taekwondo, which, in turn, would have jeopardized the “medals and money” that the “First Family” was delivering. These commercial benefits trumped the repeated reports of rape and sexual exploitation made by young athletes, who were fungible commodities that could easily be disposed of and replaced with other, more willing athletes on the Team USA roster.

**D. Legal Duty: Both the USOC and USAT Are Required by Statute and by Their Bylaws to Protect Athletes from Sex Crimes**

137. The USOC and USAT have long owed broad duties to regulate, supervise, and police the conduct of Jean Lopez and Steven Lopez.

138. Jean was the USOC Taekwondo coach at the 2001 World Championships in Jeju, South Korea.

139. Jean Lopez was the USOC head coach for the USA Olympic Taekwondo team in the 2004, 2008, 2012, and 2016 Olympics.

140. In his capacity as the head coach of the 2004, 2008, 2012, 2016 USA Olympic taekwondo teams, Jean had the actual and apparent authority to select or influence the selection of Olympic team members.

141. Jean was cloaked (and literally clothed) with the full authority, legitimacy, and trustworthiness of Team USA and to lead Team USA’s Taekwondo team, and the athletes who competed in taekwondo had no alternative but to submit to his sexual demands.

142. In 2015, Jean Lopez was the USOC coach at several Sports Act-protected competitions, including the World Championships in Russia and Pan Am Games in Toronto, Canada.

143. From at least 2004 to April 2018, the USOC and USAT knowingly promoted, empowered, and clothed Jean Lopez with the authority, legitimacy, and trustworthiness of being the official coach of Team USA's taekwondo team and his brother, Steven, with being the superstar of USA Taekwondo-- and marketed them as such.

144. In doing so, they exposed hundreds of young female athletes to two known adult sexual predators: the coach of USA Taekwondo and his brother, whom he was paid and entrusted to monitor and supervise.

145. By leaving Jean in place as the head coach (and repeatedly rehiring him as the head coach) with knowledge he is a serial rapist, the USOC and USAT further ensconced Jean's status, reputation, legitimacy, and trustworthiness among Team USA and all current, future, and former female taekwondo athletes.

146. But for Jean's status as the head coach of Team USA's taekwondo team, in which he was clothed with the authority, legitimacy, and trustworthiness of Team USA (and literally clothed in Team USA's head coach uniform), he never could have gained access or power over the countless female athletes he victimized.

147. By hiring and then rehiring Jean as the head coach of Team USA to compete at tournaments around the world, including the 2004, 2008, 2012, and 2016 Olympics, and by shielding Jean while simultaneously attacking his victims in public, the USOC and USAT ratified Jean's criminal acts and signaled to all female athletes



that the rape culture of Team USA was acceptable behavior to which all female athletes had to submit in order to become part of—and stay a part of—Team USA.

148. Because he was the head coach and the ultimate decider of Team USA's roster and therefore controlled all aspects of taekwondo for Team USA, Jean was able to sexually abuse and exploit female athletes around the world with impunity.

149. As the head coach of Team USA, Jean personified and was the face of USAT and the USOC. His actions were taken directly on their behalf, such that when he was raping and exploiting athletes traveling to and at tournaments, he was doing so in his capacity as the official head coach of Team USA's Taekwondo team, with the USOC's and USAT's knowledge that multiple young women had complained to them that Jean Lopez was raping athletes.

150. Susanne Lyons, the interim head of the USOC, testified in a Senate hearing on July 24, 2018, that the USOC "failed the people it was supposed to protect" and that it has an "obligation to do better" and "will do better":

Some survivors shared stories of seeking help from the Olympic community and finding it unresponsive, needlessly complex, and fraught with risks to their Olympic dreams.

This is appalling and unacceptable. The Olympic community failed the people it was supposed to protect, and I apologize again to each and every one of them, and their families.

I want you to know your voices have been raised and we hear you. We have an obligation to do better and we will do better.<sup>60</sup>

151. It's difficult for an apology to be false, but this one was. While she admitted that the USOC "certainly" has "social and ethical liability" for the rampant sex

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<sup>60</sup> Testimony of Susanne Lyons, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).

crimes committed against Olympic athletes, she trotted out the USOC's classic hedge: that the USOC's "legal liability" is a different question, which Senator Blumenthal then mocked and dismantled:

BLUMENTHAL: Let me ask you, Ms Lyons. You know, I've - I've listened to your apologies and I would have found them more credible if today were Thursday before the filing of an answer by your organization in court.

That answer in effect disclaimed any and all responsibility. Did you authorize the filing of that answer?

LYONS: I did and -

BLUMENTHAL: And are you aware, that in effect, it denies that the USOC had any responsibility for Larry Nassar?

LYONS: That is not our intent, as publicly stated and I will state again that we believe we do have responsibility and accountability along with the rest of the movement in failings these athletes.

The questions in the motion to dismiss are a different set of questions about the legal liabilities and our relationship with Larry Nassar's different than the relationship of -

BLUMENTHAL: The contention in your - excuse me for interrupting but my time is limited. In those court papers, your organization stated that there was no legal grounds to sue because. Nassar never worked for the federation nor were his crimes foreseeable?

In other words you couldn't anticipate, couldn't expect or suspect any crimes by him. Is that's the position of your organization?

LYONS: Yes and I'm not a lawyer, that is the legal term whether something can be foreseeable and I think that the courts will have to determine if we have legal liability, we certainly have social and ethical liability.

BLUMENTHAL: Well, in effect, you have said you have no reason and the plaintiffs have no reason to hold you accountable in a court of law, that's correct, right?

LYONS: That's correct, from a legal perspective and the court can determine if -

BLUMENTHAL: So in effect you've washed your hands off.

LYONS: I'm sorry, if it would appear that that's the impression you've gotten, that is certainly not our intent, we are actively engaged in everything we can do to help keep athletes safe.

BLUMENTHAL: Except being part of the legal process that will impose any sort of court orders, impose any kind of accountability or responsibility?

LYONS: I think the court will determine, if we need to be part of those proceedings and if they determine we should be, we absolutely will be.<sup>61</sup>

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<sup>61</sup> Testimony of Susanne Lyons, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).

152. For at least five reasons, the USOC's denial of "legal liability" is demonstrably false, including, (1) the Ted Stevens Sports Act and the USOC's own bylaws make it responsible (and, thus, liable) for the protection of athletes, (2) the "autonomy" afforded to each NGB is only horizontal (as to other sports organizations) rather than vertical (as between the NGB and the USOC), (3) the USOC has proven that it can and does take control of NGBs using four separate powers of authority, (4) in multiple Congressional hearings in 2018, the USOC has admitted it has broader duties and authority than it has exercised, and (5) the USOC has both state and federal liability for failure to control its agents and ostensible agents, as well as both state and federal liability for failure to report known sexual abuse and exploitation.

153. The Ted Stevens Sports Act and the USOC's bylaws give direct authority to the USOC to regulate all aspects of its NGBs (which can be created and destroyed at the discretion of the USOC), including athlete safety:

- a. Section 220521(d) of the Sports Act states that the USOC "may review all matters related to the continued recognition of an organization as a national governing body and may take such action it considers appropriate, including placing conditions on the continued recognition."
- b. Section 8.1 of the USOC's bylaws states "the [USOC] Board... has the power to review all matters relating to the continued recognition of an NGB... and may take such action as it considers appropriate, including, but not limited to, placing conditions upon the continued recognition of an NGB..., placing an NGB... on probation, suspending an NGB ... or terminating the recognition of an NGB..."<sup>62</sup>
- c. Section 8.7(v) of the USOC's bylaws "permit" the USOC "at its request, to have reasonable access to all files, records and personnel necessary to make such membership and governance reviews as the [USOC] deems necessary or appropriate."<sup>63</sup>

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<sup>62</sup> *USOC Bylaws* (effective date Oct. 13, 2017), <https://www.teamusa.org/Footer/Legal/Governance-Documents>

<sup>63</sup> *Id.*

154. According to the Committee to Restore Integrity to USOC, which submitted a white paper to the U.S. House Oversight and Government Reform Committee in connection with the 2018 hearings regarding the USOC's failure to monitor its NGBs, the USOC is being dishonest when it claims to lack authority to regulate and stop sex abuse among its NGBs:

As provided in the *Ted Stevens Olympic and Amateur Sports Act* and the United States Olympic Committee Bylaws, the USOC currently has the authority to conduct a compliance review of all matters related to the continued recognition of an NGB. This authority includes expressly imposing a range of sanctions on a non-compliant NGB, including decertification and withdrawing USOC funding. The USOC can accomplish NGB compliance through a number of different strategies. Therefore, the USOC does not need any further grant of authority from Congress under the Sports Act or its own Bylaws to require NGBs to be in compliance.

...

[T]he USOC presently has the absolute right under the Sports Act and USOC Bylaws to conduct compliance reviews of NGBs, and to impose a broad range of sanctions. The USOC does not need any further grant of authority from Congress under the Sports Act or its own Bylaws to initiate an NGB compliance review.

...

If information comes to the USOC's attention that an NGB is out of compliance with Sports Act, USOC Policies, or is otherwise not complying with legal or other standards that would put athletes in jeopardy, the USOC, by its CEO, has the authority to authorize a compliance review. (Id.) Under current USOC authority, USOC compliance related actions may include, without limitation:

- 1) directing staff-to-staff conversations between the USOC and the NGB;
- 2) undertaking direct USOC CEO-to-NGB CEO conversations;
- 3) conditioning USOC funding of an NGB on compliance-related changes;
- 4) undertaking a full compliance review of the NGB; and /or
- 5) recommending to the USOC Board of Directors that an NGB be decertified for Sports Act and / or USOC Policy compliance failures.<sup>64</sup>

155. The USOC controls all aspects of every protected competition, including the Olympics. Each NGB submits its roster of proposed coaches and athletes to the

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<sup>64</sup> The Committee to Restore Integrity to the USOC, *The USOC Currently Has the Authority to Mandate NGB Compliance With the Sports Act and USOC Policies* (Mar. 12, 2018) (attached as Exhibit 2).

USOC, but it is the USOC alone that formally makes the selections and then enters the athletes and coaches in the protected competitions, including the Olympics.

156. That means the USOC hired and rehired Jean Lopez as the coach of Team USA taekwondo at the 2004, 2008, 2012, and 2016 Olympics, and that means the USOC selected and submitted Steven Lopez as a competitor at the Olympics in 2000, 2004, 2008, 2012, and 2016.

157. The Sports Act gives the USOC the power to control its NGBs. The Sports Act gives the USOC the power to enforce compliance by the NGBs with all requirements of the Sports Act. Such powers include at least the following four major levers to control the day-to-day operations of every one of its NGBs, including USA Taekwondo:

- a. The power to put an NGB on probation and have the USOC intervene to directly run the daily affairs of the NGB (as it did with USAT in 2013);<sup>65</sup>
- b. The power to replace the entire board of directors of an NGB (as it did with USA Gymnastics in 2018);<sup>66</sup>

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<sup>65</sup> *USOC Board of Directors Lifts USA Taekwondo Probation*, <https://www.teamusa.org/USA-Taekwondo/Features/2013/October/11/USOC-decision>

<sup>66</sup> See Scott Blackmun, *Open Letter to Team USA Athletes Regarding Nassar Case* (Jan. 24, 2018) (promising that the USOC would make sure that “all current USAG directors must resign”), <https://www.teamusa.org/News/2018/January/24/Open-Letters-To-Team-USA-Athletes-Regarding-Nassar-Case>

- c. The power to withdraw funding of an NGB (as the USOC did to USA Fencing in 2008 and USA Bobsled and Skeleton in 2006);<sup>67</sup> and
- d. The power to de-certify an NGB (as the USOC threatened and “considered” doing to USA Gymnastics in 2018 and did do to USA Handball in 2006 and USA Pentathlon and the USA Taekwondo Union (the predecessor to USAT) in 2003).<sup>68</sup>

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<sup>67</sup> Brian Cazeneuve, *USOC to Rescue Wayward U.S. Fencing Association*, SPORTS ILLUSTRATED (June 25, 2008) (“Dwindling funds? Leadership in hiding? Unpaid athletes and coaches? Phantom appointments? What is going on with the U.S. Fencing Association? In order to address the growing problems in the sport, the U.S. Olympic Committee will announce on Wednesday that it will begin overseeing certain operating aspects of the U.S. Fencing Association, which is in operational and financial freefall after its most successful Olympics four years ago. Last Friday members of the Olympic fencing team were told that that the USOC will bypass the federation and pay funding directly to athletes....”); Lynn Zinser, *Skeleton Federation Accepts U.S.O.C. Reorganization*, N.Y. TIMES (Apr. 26, 2006) (“After the Olympics, ...the U.S.O.C. cut the group's funding, which was a majority of its revenue.... U.S.O.C. officials confirmed that they held a conference call with federation leaders on April 13. The U.S.O.C. recommended the reorganization, but the federation could have accepted decertification (the U.S.O.C. would have found a new group to run the sport), or the federation could have opted to proceed without U.S.O.C. funding.”).

<sup>68</sup> Scott Blackmun, *Open Letter to Team USA Athletes Regarding Nasser Case*, <https://www.teamusa.org/News/2018/January/24/Open-Letters-To-Team-USA-Athletes-Regarding-Nassar-Case> (Jan. 24, 2018) (“We have strongly considered decertifying USAG as a National Governing Body.”); see *id.* (“We will pursue decertification if USA Gymnastics does not fully embrace the necessary changes in their governance structure along with other mandated changes under review right now.”); see also Juliet Macur, *Who Has U.S.A. Gymnastics’ Back at This Point? The U.S.O.C., for Some Reason*, N.Y. TIMES (Jan. 18, 2018) (“The United States Olympic Committee once stepped in to run the national governing body for team handball because it was plagued by ‘a continued pattern of dysfunction.’ At another time, it stripped the power of the taekwondo federation because it had financial troubles and failed to “effectively confront” its problems. In 2008, it threatened to disband U.S.A. Track & Field because the organization needed to shrink its board of directors”); David Barron, *USA Gymnastics May Need to Be Replaced*, HOUSTON CHRON. (Jan. 20, 2018) (“The USOC has moved against corrupt or inefficient NGBs before. In 2003, it decertified the U.S. Taekwondo Union, citing financial irregularities and other shortcomings. Fencing, team handball and modern pentathlon also have undergone organizational changes since 2000.”); Brian Cazeneuve, *USOC to Rescue Wayward U.S. Fencing Association*, SPORTS ILLUSTRATED (June 25, 2008) (“As part of a comprehensive review of the way many national governing bodies under the Olympic umbrella conduct business, the USOC decertified the existing body for team handball in 2006 and replaced it with a new one in April. It did the same for modern pentathlon and has overseen reorganized structures for boxing and taekwondo federations that were operating poorly.”).

158. The Sports Act allows the USOC to force NGBs to adopt policies and procedures to ensure the physical safety and well-being of athletes.

159. The *Washington Post* and several commentators have pointed out the USOC has taken wildly inconsistent positions regarding the legal duty it owes to protect athletes from sexual abuse:

As outrage in the public and Congress boiled over during Nassar's sentencing hearing last month, Blackmun and the USOC forced a wholesale change in USA Gymnastics leadership and pledged to help reform an exploitative culture in elite gymnastics that USOC officials have deplored for prioritizing winning medals over protecting children.

But according to interviews with dozens of victims and Olympic insiders and a review of thousands of pages of records produced in lawsuits against Olympic organizations, some of the blame for that culture belongs with the USOC.

Conversations recalled by victims and advocates, as well as in testimony offered in lawsuits, show Blackmun and other top USOC officials identifying winning as many Olympic medals as possible as the organization's core mission while deferring athlete welfare to the individual sports' national governing bodies, whose autonomy is established in the Ted Stevens Amateur Sports Act.

But victims and their advocates point out that when abuse scandals garner public outrage and congressional attention, as the Nassar case did, the USOC is willing to exercise authority, pressuring governing bodies' CEOs and board members to step down.<sup>69</sup>

160. Olympic sex abuse victim Bridie Farrell testified before Congress regarding these inconsistent positions taken by the USOC, pointing out that the USOC tries to cherry pick when it is responsible for sex abuse and when it is not:

However, when I met with Scott Blackmun, the then CEO of the USOC he specifically asked that I direct athletes to report to HIM and not to the media. He also made one other comment crystal clear - there was nothing he nor the USOC could do for me. The USOC would not look into taking away Andy Gabel's US Speed Skating Membership nor Hall of Fame spot. The USOC would not look into preventing Andy Gabel from coach in other sports - not even within speed skating. Mr Blackmun made it clear by suggesting I return to my home state of NY and deal with the situation.

Mr Blackmun also told me that there was nothing the USOC could do - that the USOC did not have such jurisdiction over the NGBs. However, in the midst of the USA Gymnastic shake down the USOC acknowledge the NGB could be decertified and overtaken by the head organization. It certainly seems the USOC wants to

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<sup>69</sup> Will Hobson, *USOC Fostered a Culture of Sex Abuse*, WASH. POST (Feb. 25, 2018).

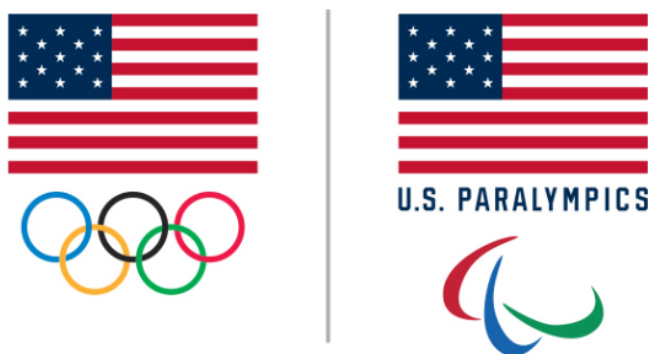


pick and choose when to be involved, and it seems only when it favors the USOC.

161. Despite earlier denials of liability, in a variety of statements and sworn testimony before Congress, the USOC has publicly admitted it is liable.

162. Scott Blackmun, as the head of the USOC, confirmed the power of the USOC to intervene in the affairs of an NGB and the USOC's direct liability for sexual assaults on athletes, in an open letter<sup>70</sup> to all of Team USA's athletes in January 2018:

BY SCOTT BLACKMUN, U.S. OLYMPIANS AND PARALYMPIANS ASSOCIATION | JAN. 24, 2018, 12:48 P.M. (ET)



To Team USA:

The athlete testimony that just concluded in the Nassar hearings framed the tragedy through the eyes of the victims and survivors, and was worse than our own worst fears. It was powerful because of the strength of the victims, survivors and parents, who so eloquently and forcefully told their stories and so rightfully demanded justice. The USOC should have been there to hear it in person, and I am deeply sorry that did not happen.

The purpose of this message is to tell all of Nassar's victims and survivors, directly, how incredibly sorry we are. We have said it in other contexts, but we have not been direct enough with you. We are sorry for the pain caused by this terrible man, and sorry that you weren't afforded a safe opportunity to pursue your sports dreams. The Olympic family is among those that have failed you.

I know this apology is not enough. We have been working on taking steps at the USOC and mandating changes among National Governing Bodies to ensure this does not happen again. Our next steps will be these:

1. **We Must Change the Culture of the Sport.** This was the primary recommendation of the independent Deborah Daniels Report on USA Gymnastics and the athlete testimony underlined its importance. We heard athletes describe being unsure or unaware of how

<sup>70</sup> Scott Blackmun, *Open Letter to Team USA Athletes Regarding Nassar Case*, <https://www.teamusa.org/News/2018/January/24/Open-Letters-To-Team-USA-Athletes-Regarding-Nassar-Case> (Jan. 24, 2018).



to report abuse and to whom, and sometimes even what constitutes abuse. We heard athletes describe being afraid or discouraged from reporting abuse. We heard athletes describe feeling hurt, betrayed, discounted and alone. Since October of last year, we have been engaged in direct talks with USAG leadership on this fundamental point. New leadership at the board level is critical and you recently saw three USAG board resignations. Further changes are necessary to help create a culture that fosters safe sport practice, offers athletes strong resources in education and reporting, and ensures the healing of the victims and survivors. This includes a full turnover of leadership from the past, which means that all current USAG directors must resign.

**2. We Must Change the Governance Structure of the NGB.** We need to help USA Gymnastics better support its mission, which is to provide the best resources and safest environment for athletes to train and compete. We have strongly considered decertifying USAG as a National Governing Body. But USA Gymnastics includes clubs and athletes who had no hand in this and who need to be supported. We believe it would hurt more than help the athletes and their sport. But we will pursue decertification if USA Gymnastics does not fully embrace the necessary changes in their governance structure along with other mandated changes under review right now.

....

Sincerely,



Scott Blackmun  
Chief Executive Officer  
United States Olympic Committee

163. The USOC has repeatedly made clear that it has the power to control NGBs in its testimony before Congress. In March 2017, it stated under oath at a Senate hearing that it does “take responsibility” for the sex crimes committed against its Team USA’s athletes:

The U.S. Olympic Committee apologized Tuesday to sex abuse victims for shortcomings in child protection policies and cultural problems it acknowledged has contributed to a series of abuse scandals in Olympic sports organizations. “The Olympic community failed the people it was supposed to protect,” said Rick Adams, USOC executive in charge of national governing body development, reading from a prepared statement. “We do take responsibility, and we apologize to any young athlete who has ever faced abuse.”

In response to questions from members of the Senate Judiciary Committee about allegations of mishandled abuse complaints by USA Gymnastics, Adams blamed “a flawed culture, where the brand, the sport, and their (competitive) results are given a higher priority than the health and well-being of athletes” for leaving children at risk.

“That is what we need to change,” Adams said.

Adams' comments marked a stark departure for the USOC; the federally chartered nonprofit that oversees Olympic sports organizations has historically delegated child protection to individual Olympic governing bodies. Adams' comments were the latest sign that the scandal engulfing USA Gymnastics — which came after previous allegations of mishandled abuse complaints by USA Swimming, US Speedskating, USA Judo and USA Taekwondo — could prompt changes victims advocates have demanded for years.<sup>71</sup>

164. In sworn testimony on May 23, 2018, the acting CEO of the USOC, Susanne Lyons, testified that, once it faced pressure to do so, the USOC “demanded the resignation” of the CEO of USA Gymnastics (USAG) and “required a complete turnover” of the board of USAG and remains “in nearly constant contact” with the CEO of USAG:

[W]e reiterated our commitment to reform USA Gymnastics. Last year we demanded the resignation of the USA Gymnastics CEO, and this year we required a complete turnover of the USA Gymnastics board, along with several additional reforms.

...

We are in nearly constant contact with CEO Kerry Perry, the Gymnastics interim board, and others at Gymnastics. Recently we supported Gymnastics as they established that interim board and we supported them as they made governance reforms to implement best practices.<sup>72</sup>

165. Two months later, on July 24, 2018, Lyons testified even further about the USOC's direct, day-to-day control over USAG and the USOC's ease at forcing USAG to do whatever the USOC wanted:

Rebuilding USA Gymnastics is our fourth category of focus. And after we insisted that the previous CEO and then the entire board resign, we helped USA Gymnastics implement governance changes and elect a permanent board with a majority of independent directors. USA Gymnastics has now completed all of the immediate requirements that we set in January for it to maintain its certification as a National Governing Body.<sup>73</sup>

<sup>71</sup> Will Hobson, *USOC Apologizes to Abuse Victims*, WASH. POST (Mar. 29, 2017).

<sup>72</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

<sup>73</sup> Testimony of Susanne Lyons, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data

166. In her May 23, 2018 testimony, Ms. Lyons made a series of admissions regarding the USOC's control over NGBs, admitting that the USOC has the authority and obligation to protect, and thus liability for failing to protect, athletes from sexual predators:

Ms. Lyons, if I may ask you some questions, does the USOC see itself as responsible for overseeing and enforcing policies that keep the athletes safe?

LYONS: Yes, I think that we do view ourselves as responsible, and I think if we have had a failing it is that we have not adequately exercised our authority in that manner.

HARPER: But my question was is that a -- is that your responsibility, and you've answered yes.

LYONS: Yes, I believe it is.

HARPER: Is it a top priority for the USOC?

LYONS: It is a top priority.

HARPER: And I'm -- I'm glad you said that and view it that way, but we're all worried that it hasn't always been the case.

If you could look at the document binder that's before you there and turn to tab one? In tab one you're going to see a Washington Post article dated February 23, 2018. Do you see that?

LYONS: Yes, I do.

HARPER: OK. The article references a deposition in a 2016 lawsuit in which a Taekwondo athlete alleged that she was raped by her coach at the USOC's Olympic Training Center.

USOC's lawyer, Gary Johansen, was asked whether protecting athletes from abuse was a top priority for the USOC. His response: "The USOC does not have athletes."

Does the USOC believe that it has the authority to require NGBs to implement policies and procedures?

LYONS: Yes, I believe the act does grant us that authority, and I think a change we need to make is for us to exercise that authority more thoroughly.

HARPER: The USOC provides NGBs with governance support, and in some instances the USOC has required changes to an NGB's bylaws related to the act or the USOC's bylaws. Is that correct?

LYONS: That's correct.<sup>74</sup>

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Security, *Hearing on Protecting Amateur Athletes*, CQ-ROLLCALL, 2018 WLNR 22755090 (July 26, 2018).

<sup>74</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

167. Lyons testified only moments later, in response to another question, that “the way we [the USOC] operated with the NGBs in the past was different. There was much more autonomy and we did not exercise the authority that I think the act gives us.”<sup>75</sup>

168. Lyons also testified that the USOC directly intervened as part of an “escalation process” to handle “a number of cases” for its NGBs:

GRIFFITH: Given that it took so long to get the center started, did the USOC handle any cases of sexual misconduct for the national governing bodies or assist those NGBs prior to the center’s launch in -- launch in March of 2017?

LYONS: There’s a -- sort of an escalation process, and at times if an issue could not be resolved within a national governing body it can come then and be escalated up to the USOC, and there were a number of cases that we would become involved in during that time, as well. It is far superior for it to go to an independent body, as it does today.<sup>76</sup>

169. Lyons’ repeated admissions—made under penalty of perjury before Congress—cannot be squared with the USOC’s denials of liability for the sex abuse inflicted upon Team USA’s athletes. Ms. Lyons’ sworn testimony fatally punctured the USOC’s fraudulent denial-of-all-liability campaign that had been standard procedure for the past decade:

WALDEN: Thank you, Mr. Chairman.

Ms. Lyons, there appears to be a history of the USOC knowing about allegations of sexual abuse and doing nothing. Over the years the USOC has taken a number of positions on how much authority it has to protect athletes.

USOC officials have said they, quote, “don’t have athletes,” close quote, that the Ted Stevens Act doesn’t give you the authority to mandate that the DGBs take action on this issue. As recently as 2016 a USOC official said in a deposition that they don’t have the authority to, quote, “do anything,” close quote, if the USOC was concerned about the safety of athletes.

So I want to ask you a simple question: What precisely is the authority of the USOC when it comes to protecting athletes?

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<sup>75</sup> *Id.*

<sup>76</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community’s Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

LYONS: I think the act gives us a much broader authority than we have exercised in the past.<sup>77</sup>

**E. Racketeering: Defendants Engage in Corrupting and False Testimony to Congress and Obstruct and Interfere with the Investigations of the Lopez Brothers to Prevent the Enforcement of Federal Laws Against Them**

170. The USOC and USAT have engaged in corrupt testimony to Congress and obstruction of the enforcement of the Trafficking Victims Protection Act to cover-up and interfere with the investigation of the Lopez brothers.

171. In testimony to Congress on June 5, 2018,<sup>78</sup> Scott Blackmun, the former CEO of the USOC, provided false and deceptive testimony to Congress in the hope of avoiding restructuring of the USOC by Congress:

- a. *First*, he falsely testified that some NGBs “have budgets that exceed the USOC’s” – when, only moments later, he said the USOC’s budget is “approximately \$250 million per year[.]” Of course, no NGB has an annual budget of more than \$250 million.
- b. *Second*, he falsely tried to diminish the amount of bloated overhead spent by the USOC on its own administrators, telling Congress that the administrative costs of the USOC are “less than 7% of its budget”:

A substantial majority of the USOC’s expense budget is dedicated to direct financial support of NGBs and American athletes (grants) and to sports programming for the benefit of American athletes (Olympic training centers, sports medicine resources, sport science resources, nutrition resources, strength and conditioning resources). One of the USOC’s priorities is to help American athletes win medals at the Olympic and Paralympic Games, and its sports performance resources are allocated with that in mind. But the USOC also invests substantially in programs that are not related to medal counts, but instead exist to protect and support athletes (e.g., safe sport, athlete career and education services, and media). The administration costs of the USOC are less than 7% of its budget.

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<sup>77</sup> *Id.*

<sup>78</sup> Testimony of Scott Blackmun, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Preventing Child Abuse in Olympic and Amateur Athletics: Ensuring a Safe and Secure Environment for Our Athletes*, 2018 WL 2684439 (June 5, 2018).

- c. *Third*, he falsely stated that the USOC “does not have the statutory or other authority to mandate operational changes”—a statement demonstrably disproven by the USOC’s conduct in 2017-18 toward USA Gymnastics (“USAG”), discussed above, in which the USOC forced the entire board of directors to resign and has been in “constant” contact with USAG.

172. The USOC’s website furthers the fraudulent testimony made by Blackmun, telling the American public: “In 2013, the USOC dedicated nearly 93 percent of expenditures to support programming for U.S. athletes and National Governing Bodies.”<sup>79</sup>

173. Several experts and commentators have pointed out that the statements made by Blackmun and the USOC are knowingly false. For example, the USOC’s tax returns reveal that the USOC paid only 8% of its \$336 million in revenue in 2016 to the athletes and falsely classified payments to itself as “support” to athletes:

The USOC needs to explain to somebody, preferably Sen. John Thune (R-S.D.) and the rest of the Senate Committee on Commerce, exactly why the USOC needs 129 six-figure executives when meanwhile we’ve only got 800 or so Olympic athletes. There were only 242 members of the USA Winter Olympic team in PyeongChang, and 558 on the Summer Games team in Rio. Self-starting kids don’t ask for much. Many of them had to crowdfund to get there. They bartended, cleaned houses and begged their local police to hold bake sales to help them pay for training and plane tickets.

Let’s examine the USOC’s tax return. The only real public disclosure the USOC must make is on its yearly 990 form, and I asked tax expert Howard Gleckman of the Urban-Brookings Tax Policy Center to take a look at it. It showed revenue of \$336 million for 2016 (made up of TV money, royalties and donations). Of that, as far as Gleckman could tell, only about \$28 million, or 8 percent, made it to the athletes. Again, what nonprofit operates that way?

“My basic take is, this is a business,” Gleckman says. “This isn’t a charity.”

In 2016, Washington Post reporter Will Hobson asked then-USOC CEO Scott Blackmun why there is such a gap between what the organization claims it gives in “support” to athletes and what athletes actually receive. It turns out the USOC

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<sup>79</sup> *Budget and Stewardship*, <https://www.teamusa.org/us-olympic-and-paralympic-foundation/budget-and-stewardship>

categorizes the salaries of many employees as part of “athlete support.” You heard that right: USOC execs like to “support” athletes by paying themselves six figures.

“They have all this cash income, and they pay hundreds and hundreds of people to spend it,” says Barger, who tried to examine the USOC’s books in 2012 when he was a member of the Athletes Advisory Council. “It’s deceptive marketing. They’re truly giving it to themselves.”<sup>80</sup>

174. The *Washington Post* has outlined the fraud committed by the USOC regarding its overhead and false classification of payments to itself as “athlete support”:

Look more closely at the USOC’s books, and you see a pattern of misleading accounting. Much of this has been ably exposed by The Washington Post’s Will Hobson, Howard Gleckman of the Tax Policy Center and other analysts:

The USOC likes to counter its embarrassing numbers by claiming that “in excess of 80 percent” of revenue is devoted to its athletes through various forms of “support,” such as grants to the national governing bodies that it oversees and certifies. Let’s see. In 2016, those grants totaled \$55 million. But funding an NGB is not the same as funding athletes. Much of the money just goes to more outsized executive salaries and bloated overhead. US Ski & Snowboard got \$5.2 million in grant money, but more than \$742,000 went to former CEO Bill Marolt and \$512,683 to current CEO Tiger Shaw, and that’s just two people. Track and Field CEO Max Siegel made \$1.7 million in salary and bonuses. USA Gymnastics got about \$3 million in grants, only to pay Steve Penny \$628,445 in salary and another \$1 million in severance, apparently as thanks for taking the Fifth Amendment before Congress over his failure to promptly report rampant sexual abuse to the police.

How is this athlete support? It’s disingenuous at best, if not outright deceptive.

Let’s do some more fun Olympic math with fundraising. That’s what a nonprofit does, right, raise funds? But only about \$14 million of the USOC’s money came from gifts. You know what the USOC expensed to “fundraise” that money? Ten million. Ten million to raise \$14 million. In any other charity, such numbers would be a scandal, if not a target of the IRS.

The USOC’s numbers simply don’t add up. It claims something close to \$190 million of revenue goes to athlete “support.” Take out your calculator. Let’s say the USOC has to sustain three aspiring (Olympic and Paralympic) athletes for each one who actually makes it to the Games. That should work out to \$55,000 per athlete. So why are so many of them on food stamps or working two jobs or begging for money from local police stations?

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<sup>80</sup> Sally Jenkins, *Congress Must Hold USOC Accountable for Its Spending*, WASH. POST (Mar. 28, 2018).



Even longtime supporters of the USOC admit that something has gone badly wrong structurally and financially.<sup>81</sup>

175. As a white paper authored by economics professors from Duke University and Arizona State University set forth, the USOC's own numbers—best case—show that it spends 27% of its budget on overhead, but even that figure is inflated by the USOC's false accounting:

At first blush, the USOC appears to spend a substantial amount of money on its primary mission of supporting Olympic athletics; the USOC reports 73% (\$190M) of its 2016 expenses attributed to Sport Programming and Athlete and Member Support. If that figure were accurate, the USOC would operate with an overhead of around 27% - at the higher end of acceptable norms for a properly run non-profit. The USOC has unique qualities, however, that make its actual operational costs lower than a conventional non-profit.

...

Regarding the 73% of total expenses (\$190M) reportedly spent on the USOC's mission of Sport Programming and Athlete and Member support, this figure raises two red flags. First, the USOC does not directly train or support any individual athletes, providing funding instead through other organizations (i.e., NGBs for various sports). Funding NGBs, however, is not synonymous with actually supporting athletes. Instead, much of the money goes to pay the salaries of the staff and operations at the NGB.

Moreover, the USOC's numbers simply don't add up. If we divide \$190M by the total number of Olympians and Paralympians in a quad (approximately 1150), then each athlete would receive an average of \$165k/year in funding. Even if you assume three athletes need to be supported for every athlete (Olympic and Paralympic) who actually make it to the Olympic Games, the average support from just the USOC would be \$55k/athlete/year. The indisputable reality is that typical Olympic athletes receive a fraction of this amount in support. Moreover, the USOC only targets those athletes who can earn medals; it does not support three athletes for every one that simply makes the Olympics. So where is the money reported as athlete support actually going? A logical conclusion, particularly in light of the unique structure of the USOC, is overhead and Committee staffing.<sup>82</sup>

176. The accounting games played by the USOC have real consequences for the athletes being deprived of a safe environment and exposed to sexual predators:

Congress should knock down the U.S. Olympic Committee, get rid of the bilkers

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<sup>81</sup> Sally Jenkins, *The USOC Needs a New Leader Who Cares About Athletes More Than Expense Accounts*, WASH. POST (July 3, 2018).

<sup>82</sup> Eli Bremer, et al., *Reducing Financial Waste & Improving Governance: Proposed Reforms to the U.S. Olympic Committee* (July 23, 2018) (attached as Exhibit 1).



who skim cash off the sweat of our greatest competitors and give them little or nothing in return.

The USOC has its nerve taking any credit for the U.S. team's gold medal in women's hockey, given that the team had to threaten to strike just to get decent meal money. USOC chief executive Scott Blackmun made \$1 million in salary and bonuses in 2016. Meanwhile, until last spring, our women's hockey squad members were paid just \$6,000 in an entire four-year cycle. This is a national team that has medaled in every Olympics since 1998, yet not until the players staged a boycott were they granted a raise to a living wage. How is this system excusable?

The USOC is essentially defrauding us - and our champions. Blazer-wearing, propaganda-spouting executives maximize their own earnings while devoting only the barest cash minimums and lip service to the actual care of athletes. If you were wondering how champion U.S. gymnasts could be sexually abused by a team doctor for years, consider that their training center was so shoddy that they didn't have a decent medical facility. Their ankles were taped sitting on a floor or in the bleachers.

As The Washington Post's Will Hobson has reported, the USOC is supposed to be a nonprofit, yet 129 of its staff make over six figures and 14 of its execs are paid more than \$200,000.

Among our athletes in Korea were a firefighter, a national guardsman and a mechanic. But the USOC's so-called "chief of sport performance," Alan Ashley, made nearly \$500,000 in 2016.

Let's look at bonuses: The USOC's board of directors handed out five of them of \$100,000 or more in 2016, tax records show. Among the beneficiaries were Blackmun, Ashley and two in-house marketers, who already were making six figures. Meanwhile, the bonus for an American athlete who won a gold medal? Just \$37,500.

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And don't bother to ask again how serial abusers could flourish at the center of U.S. Olympic programs.

This is an organization filled with liability-dodging desk jockeys, who took until 2014 to institute even basic child protection policies, despite years of problems. During the Winter Games in PyeongChang, a stream of stories broke describing fresh sources of outrage against the USOC. The Post's Hobson detailed the USOC's inaction on sexual abuse complaints across multiple sports, including gymnastics, swimming, speedskating, judo and taekwondo. Among the gems he uncovered was a 2015 deposition of USOC lawyer Gary Johansen in the case of a taekwondo athlete who alleged she was raped by her coach at the Olympic Training Center in Colorado. According to Johansen's testimony, it wasn't the responsibility of the USOC to protect her from sexual abuse.

The athlete's attorney asked, what then does the term "Team USA" even mean?

"That's a branding terminology," the USOC's lawyer responded.

There you have it. The USOC has all the aggression in the world when it comes to poaching athletes' commercial rights, forcing them to wear approved sponsor garb and generally sticking their hands into the athletes' pockets at every opportunity. But when it comes to serial sexual predators putting their hands on American champions? The USOC just can't summon the energy to investigate, or act. It isn't their job.<sup>83</sup>

177. Beyond the corrupting and false statements made to Congress, there are also multiple instances of obstruction and interference by the USOC and USAT to protect the Lopez brothers from being removed from the sport.

**2006-2008: Obstruction Regarding Mandy Meloon, and Heidi Gilbert**

178. Plaintiff Mandy Meloon ("Mandy") sought to be on the USOC roster for the 2007 Taekwondo World Championships.

179. But at the time, she had recently submitted a grievance with USAT detailing the decade-long pattern of physical and sexual abuse she had suffered at the hands of Defendants Jean and Steven Lopez.<sup>84</sup>

180. In 2006 and 2007, Mandy provided her allegations of rape to numerous officials in writing. There is no dispute that officials at both the USOC and USAT were aware of her allegations of being raped.

181. Upon hearing these complaints of sexual abuse against the Lopez brothers, USAT chose to actively discredit Mandy, not only so that her complaint would not succeed, but also to stop other victims from hearing her story and becoming embolden to speak up.

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<sup>83</sup> Sally Jenkins, *Just Like the Olympic Flame, USOC Needs to be Extinguished*, WASH. POST (Feb. 27, 2018).

<sup>84</sup> Jonathan Allen, *Former U.S. Taekwondo Star Waits a Decade for Her #MeToo Moment*, REUTERS (Apr. 21, 2018) ("It has taken a decade, but Mandy Meloon, a two-time taekwondo world champion thrown off the U.S. national team in 2007 after accusing her coach of molesting her at age 16, has won a measure of vindication.").

182. USAT had a lot at stake—the commercial success of Team USA hinged on the “First Family” of taekwondo continuing to deliver “medals and money” for the USOC and USAT.

183. To destroy Mandy’s reputation, USAT’s then-CEO David Askinas declared that Mandy’s allegations “weren’t credible,” and there was no reason to protect her from coach Jean Lopez—or to interfere in his decision to keep Mandy off the team.

184. Askinas’ comments were knowingly false or showed a reckless disregard for the truth. In fact, a polygraph test administered by the USOC tested and verified that Mandy’s allegations were “truthful.”

185. Askinas later admitted in a deposition (for the sexual abuse of yet another taekwondo athlete who was abused on his watch, during which he joked about pedophiles and made light of the allegations of abuse within USAT) that Mandy’s arbitration “hearing” was conducted entirely over the telephone.

186. When she pursued arbitration to be reinstated to the national team (a forum obviously tilted in favor of the USOC, which controls it), the USOC’s own arbitrator issued the following warning regarding the sexual abuse and exploitation of young, female athletes:

She was, in essence, raised by the USOC and is a product of their system. Ms. Meloon’s core message went to the protection of the young girls in the Olympic movement who could be exposed to situations that are inappropriate and potentially damaging....One would hope that this message is not lost and young children are properly supervised, protected and educated. One would hope that the USOC takes a serious look at the level of social interaction between its coaches and athletes and underage drinking by its athletes. One would hope that the circumstances leading to the suspension of Ms. Meloon will not re-occur in the life

of another young Olympic hopeful. Although Ms. Meloon must be held accountable for her actions, one must wonder about the culpability of the system as a whole.<sup>85</sup>

187. In response, USAT scurried to silence Mandy's allegations. Among other things, Askinas labeled Mandy's accusations of rape by Jean Lopez (her coach) a "misrepresentation."

188. In 2006, Plaintiff Mandy Meloon reported to the USOC her physical abuse by Steven Lopez and sexual assault by Jean Lopez at a Team USA event in Cairo, Egypt.<sup>86</sup>

189. In 2006, Mandy personally handed her written complaint to USOC employee John Rueger.

190. In 2006, Mandy personally handed her written complaint to USOC employee Gary Johansen.

191. In 2006, Mandy personally handed her written complaint to David Askinas, then-CEO of USA Taekwondo.

192. Because the Lopez brothers were generating medals and money for the USOC and USAT, however, the USOC purposefully chose to discredit Mandy and leave Jean and Steven Lopez in their positions, which would bring further revenue (money and medals) to the USOC.

193. Although USAT nominally ordered Jean Lopez to stay away from Mandy following the submission of her complaints against Jean, USAT took no action whatsoever to enforce this order.

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<sup>85</sup> Brian Gomez, *Cloud over Taekwondo: Allegation of Underage Drinking, Sexual Harassment Emerge from Some Athletes*, COLO. SPRINGS GAZETTE (Aug. 18, 2007) (quoting comments by arbitrator Larry Saichek).

<sup>86</sup> Nancy Armour & Rachel Axon, *Allegations Hit Lopez Brothers*, USA TODAY (June 9, 2017).

194. Likewise, USAT took no action to protect other female athletes from Jean Lopez, even though they knew that Jean Lopez was a serial sexual predator who had preyed on numerous female athletes, not just Mandy.

195. In fact, in 2006, Plaintiff Heidi Gilbert received a call from then-CEO of USAT, David Askinas, “asking if she was going to file a complaint” against Jean Lopez, based on his rape of her in Germany in 2003. “If not, Gilbert says Askinas told her, she needed to keep quiet. ‘He was basically calling me to tell me to shut up,’ Gilbert said. ‘These are really big allegations against Jean and could really affect his career and family life.’”<sup>87</sup>

196. As a result of being intimidated, Plaintiff Heidi Gilbert did not file a police report or file a complaint against Jean Lopez. She had seen what had happened to Mandy Meloon and realized that USAT and the USOC had decided to favor the Lopez brothers over the fungible, female athletes who were being raped by them.

197. Heidi’s allegations against Jean were also relayed to John Rueger at the USOC by Mandy in 2007.

198. In 2007, Mandy did not file a police report in Colorado Springs, Colorado, against Jean Lopez “because David Askinas, the then-CEO of USA Taekwondo, told her too much time had passed.”<sup>88</sup>

199. This statement by Askinas on behalf of USAT was knowingly false and reflected the scienter of USAT to obstruct the investigation and prosecution of Jean Lopez.

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<sup>87</sup> Nancy Armour & Rachel Axon, *Allegations Hit Lopez Brothers*, USA TODAY (June 9, 2017).

<sup>88</sup> *Id.*

200. In 2008, then-CEO of USAT, David Askinas, told Mandy she could be a member of the 2008 Olympic team for the Beijing Olympics in China—but only if she dropped her complaint against Jean Lopez and agreed to sign a statement confessing that she was mentally ill and had fabricated her allegations against Jean Lopez.

201. Mandy refused USA Taekwondo's attempt to cover-up and conceal her abuse and declined to retract her truthful allegations.

202. Despite being the ones saying Mandy was mentally ill, the USOC and USAT withdrew her health insurance coverage in 2008, even though they knew she needed mental health care for the harm they had inflicted. Lacking any health coverage or the ability to purchase medication, this infirmity resulted in her suffering significant pain and suffering and mental health issues from 2008 to present.

203. On behalf of USAT, Askinas designated Jean Lopez as the coach for Team USA's taekwondo team for the 2008 Olympics in Beijing, China.

204. Jean Lopez, as coach of the USOC's Olympic Team, was an executive and exercised significant discretion and control in selecting the members of the USOC Olympic Taekwondo Team.

205. Jean selected his brother, Steven, to the team.

206. Jean selected his sister, Diana, to the team.

207. Jean selected his brother, Mark, to the team.

208. Jean Lopez and David Askinas kept Mandy off of the 2008 Olympic Team in favor of Charlotte Craig, a minor athlete who had begun training with Jean Lopez.

209. One or more of the Lopez brothers had engaged in a sexual relationship with Charlotte Craig before the 2008 Olympics, which was inappropriate, and confirmed the pay-to-play forced sexual services structure of USA Taekwondo.

210. Ms. Craig was a minor in 2008.

211. Despite having received written complaints of rapes from at least two athletes against Jean Lopez, the USOC submitted Jean Lopez's name to the International Olympic Committee as the head coach of Team USA's 2008 Taekwondo team.

212. The USOC financially compensated Jean Lopez for his coaching services in Beijing.

213. Shortly after USAT submitted its proposed athletes to the USOC for the 2008 Olympics, USAT suspended Mandy from USA Taekwondo.

214. Jean Lopez has considerable influence over who the USOC selects for its Olympic, Pan Am, World Cup, and World Championship teams.

215. Jean Lopez was able to influence the judging and scoring of taekwondo events.

216. David Askinas and USAT submitted the names of athletes to the USOC for spots on the roster of the USOC teams for Olympic, Pan American, World Cup, and World Championship rosters.

**2014-2018: the Lopez Obstruction Enterprise Against All Plaintiffs**

217. After suppressing allegations of rape made by Mandy and Heidi in 2006-2008, USAT began an investigation of the Lopez brothers in 2014:

In a deposition from the lawsuit brought by women who were abused by Gitelman against USA Taekwondo, Devin Johnson, then chairman of the

board, said he first heard of sexual misconduct allegations against Jean Lopez in the spring of 2014.

In May 2014, the USA Taekwondo board unanimously voted to hire separate counsel as part of its implementation of SafeSport policies required by the USOC. After Meloan and Christina Johnson, another former taekwondo athlete, posted online allegations of being abused, mentioning several coaches and athletes by name including the Lopez brothers, USA Taekwondo hired [outside lawyer Donald] Alperstein in March 2015.<sup>89</sup>

218. In other words, USAT waited ten months (from May 2014 to March 2015) to even hire Alperstein—let alone for him to begin his investigation. This delay was unreasonable.

219. Publicly, USAT has proclaimed how Donald Alperstein was given full authority and resources to pursue the Lopez brothers and bring them to justice:

USA Taekwondo told USA TODAY Sports it does not discuss ongoing investigations. But in a statement, the federation said it “places tremendous importance on protecting and preserving the safety of our athletes.”

“USA Taekwondo gave Mr. Alperstein a broad charge and unfettered ability to carry out his task -- to expeditiously chase down every complaint, talk to every witness, gather hard actionable evidence and prosecute fully any violations, no matter where the evidence led,” USA Taekwondo said.

“Additionally, as he uncovered evidence USA Taekwondo has diligently provided any and all information to relevant law enforcement agencies, including local police and the FBI.”<sup>90</sup>

220. In sworn testimony, the Executive Director of USAT, Steve McNally, falsely and corruptly testified to Congress that there had been no obstruction of

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<sup>89</sup> Nancy Armour & Rachel Axon, *Allegations Hit Lopez Brothers*, USA TODAY (June 9, 2017).

<sup>90</sup> *Id.*



Alperstein's investigation into sex crimes committed by Jean Lopez or any other taekwondo coach:

In 2015, following allegations by an athlete of sexual assault at the hands of the USAT coaches, USA Taekwondo immediately retained Denver attorney Donald Alperstein from a firm specializing in amateur sports law since 1985, to serve as an independent outside counsel. From this point forward USA Taekwondo has relied on its outside counsel to investigate all of the USAT history in an effort to uncover any previously unreported incidents of sexual assault, misconduct, and to pursue sanctions against offenders.

Outside counsel operated without any limitation on its budget, with no control by USA Taekwondo as to who he should or should not pursue, and with only rudimentary intermittent reporting requirements to USA Taekwondo.<sup>91</sup>

221. In reality, these statements are deliberately false. USAT intentionally lied to Congress in order to stop Congress from implementing further reforms. These false statements were material and were made for the purpose of shielding USAT from scrutiny by Congress and the public.

222. As *USA Today* exposed in a cascade of articles issued in the past two years, USAT and the USOC had no intention of turning over the Lopez brothers to prosecutors or removing them from the sport. To the contrary, USAT and the USOC worked in concert—as an enterprise, in secret and in shared interdependence—to obstruct the investigation of the Lopez brothers so they could compete and coach at the 2016 Olympics in Rio and at the National Championships in 2017.

223. It was only after the filing of this lawsuit and the Congressional fury directed at the USOC and USAT in 2017 and 2018 that the Lopez brothers were finally

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<sup>91</sup> Testimony of Steve McNally, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

suspended—a decision that was reversed again in August 2018 when Jean Lopez was reinstated by SafeSport after it abandoned the case.

224. As *USA Today* reported in April 2018, “USA Taekwondo never held a hearing on the allegations against either Lopez, as would have been required by the organization’s bylaws at the time[.]”<sup>92</sup> Indeed, by dragging out the investigations of the Lopezes from 2015 to 2018, the USAT violated its own bylaws:

**Section 15.8 Administration.** The Judicial Committee and Ethics Committee shall generally administer and oversee all administrative grievances, right to compete, and ethics complaints filed with USAT. The Judicial Committee and Ethics Committee shall be responsible to ensure that all complaints are heard in a timely, fair and impartial manner under such procedural rules as each may promulgate.

225. The Lopez brothers were sheltered from suspension and prosecution because the USOC and USAT wanted them to compete at the 2016 Olympics in Rio. As *USA Today* reported, the USOC and USAT worked together to secretly interfere with the investigations and make sure the Lopezes were not prosecuted or suspended:

Steven and Jean Lopez, brothers in what is often called the “First Family of Taekwondo,” were allowed to participate in last summer’s Rio Games even though they were being investigated for sexual misconduct, and the allegations against them have since drawn the interest of the FBI.

USA Taekwondo began investigating the Lopezes more than two years ago after receiving complaints that they had allegedly sexually assaulted multiple women. No hearings were held and USA Taekwondo, after consulting with the U.S. Olympic Committee agreed to put the inquiries on hold before the Rio Games, meaning two-time Olympic champion Steven and longtime coach Jean were free to represent the United States.<sup>93</sup>

226. *USA Today* confirmed, with confidential reports from top officials who acted as sources, the USOC and USAT secretly worked together, behind closed doors,

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<sup>92</sup> Nancy Armour & Rachel Axon, *Lopez Investigation Enters 14<sup>th</sup> Month*, USA TODAY (April 18, 2018).

<sup>93</sup> Nancy Armour & Rachel Axon, *Allegations Hit Lopez Brothers*, USA TODAY (June 9, 2017).

to make sure that the investigation against the Lopez brothers was delayed and obstructed because of their key roles in the 2016 Olympics:

The USOC has been criticized for not taking a more proactive role in addressing sexual abuse allegations within the national governing bodies that oversee each sport, with scandals over the past decade involving USA Gymnastics, USA Swimming and US Speedskating.

USA Taekwondo consulted with the USOC on the Lopez investigations before the decision was made to allow them to go to Rio, according to a former federation official who was told by the organization's executive director, Keith Ferguson. The official spoke to USA TODAY Sports on condition of anonymity because of the sensitive nature of the allegations.<sup>94</sup>

227. Even though the USOC and USAT halted Alperstein's investigation just in time for the Lopez brothers to attend the 2016 Olympics, Alperstein contacted the FBI and told Plaintiffs that he thought the Lopez brothers needed to be removed from the sport:

In a March 22 letter to one of the women, which was obtained by USA TODAY Sports, Alperstein said he notified the FBI "because so much of the misconduct occurred in multiple jurisdictions." He also said he "felt the Lopez brothers needed to be removed from the sport."<sup>95</sup>

228. The parallels are palpable between this case and the case involving Larry Nassar. In fact, the USOC and USA Gymnastics followed the same path in 2015 (the same year that the FBI was notified of the Lopezes) when they merely "notified" the FBI, without doing anything further to remove Nassar or to protect athletes from him:

Two U.S. senators called for U.S. Olympic Committee chief executive Scott Blackmun to resign Friday over the Larry Nassar sex abuse scandal.

Sens. Jeanne Shaheen (D-N.H.) and Joni Ernst (R-Iowa) released a joint statement calling for Blackmun to step down in response to a Wall Street Journal report Thursday that Blackmun was informed in July 2015 by then-USA Gymnastics chief executive Steve Penny of sexual assault allegations against Nassar, the former longtime physician for Team USA women's gymnasts. Penny

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<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

contacted Blackmun, according to the Journal, shortly before he reported Nassar to the FBI.

This timeline has been established since December, when the USOC acknowledged in response to a lawsuit that it knew of allegations against Nassar in 2015, when USA Gymnastics reported Nassar to the FBI, but Shaheen and Ernst termed Thursday's report "deeply disturbing."

"If these reports are true, this goes far beyond negligence and raises serious questions of culpability at USOC, in which the most appropriate action would be for Scott Blackmun to resign," the senators wrote in a joint statement.

After Penny reported Nassar to the FBI's Indianapolis office in July 2015, USA Gymnastics quietly separated from Nassar, who served as a volunteer while working full time at Michigan State. The FBI's investigation languished, for reasons the bureau has never publicly disclosed, and Nassar continued to treat — and assault — his patients under the guise of pain therapy until August 2016, when a woman filed a complaint with Michigan State police and told her story to the Indianapolis Star.<sup>96</sup>

229. Likewise, the limited notice provided to the FBI by USAT in 2015 in this case was a hollow gesture by Alperstein and USAT for several reasons:

- a. USA Taekwondo delayed and obstructed the Lopez investigation for ten months before it even hired Alperstein and his investigation began in March 2015.
- b. It is unknown in what manner Alperstein contacted the FBI.
- c. It is unknown how much detail or how many documents or materials he provided.
- d. It is unknown who at the FBI Alperstein contacted, although Alperstein shared with Plaintiff Mandy in February 2018 the name and contact information of an agent with whom he and Mandy purportedly spoke.
- e. It is unknown if Alperstein followed up to make sure the FBI was acting.
- f. It is unknown how long Alperstein delayed notifying the FBI. Given that his investigation started in early 2015, it appears that he delayed his reporting

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<sup>96</sup> Will Hobson, *Senators Call for USOC Head to Resign*, WASH. POST, (Feb. 3, 2018); see also Rebecca O'Brien & Louise Radnofsky, *FBI Interviews Top U.S. Gymnasts in Intensifying Sexual-Abuse Investigation*, WALL ST. JOURNAL (Feb. 16, 2017) (revealing that USA Gymnastics "didn't report [Nassar] to law enforcement for at least five weeks, and the FBI didn't launch a formal investigation for nine months after being notified, according to people familiar with the probe. The timing of those actions hasn't previously been reported.").

by several months, if not years. In comparison, USA Gymnastics followed the same path with Larry Nassar and had its entire board of directors forcibly removed by the USOC when it delayed contacting the FBI for five weeks.

- g. It is unsurprising that the FBI did not take the notice seriously given that neither the USOC nor USAT took any action against either Jean or Steven Lopez. To the contrary, they halted their own investigation so the Lopezes could compete at the 2016 Olympics.
- h. Alperstein did not, in fact, make or file a police report with the police department in Sugar Land, Texas. Although Alperstein told Plaintiff Heidi Gilbert on a telephone call shortly before November 2, 2016, that he had filed a police report on her behalf, this statement was false. Any reasonable investigator or lawyer would have known that the victim must file the report herself, and Alperstein should have advised Heidi to file a police report. By proceeding as he did, he obstructed the investigation and delayed the filing of a police report by Heidi.
- i. Plaintiffs have confirmed the absence of any police report or any investigation caused by Alperstein. On July 13, 2018, the Sugar Land Police Department Records Division advised that no reports of possible sexual assaults had been filed on behalf of any Plaintiff. In a July 19, 2018, email, Records Analyst Rhonda Hensley stated that the Sugar Land police have no responsive records regarding a “sexual assault case” for involving any Plaintiff and Defendant Steven or Jean Lopez. And on July 16, 2018, Sgt. Matt Levan with the Sugar Land police department confirmed to an investigator for Plaintiffs that there were no reports on file with Sugar Land police department involving any Plaintiff and either Steven or Jean Lopez. Thus, Alperstein’s alleged “report” to the Sugar Land police department was a fabrication.
- j. It is unknown if Alperstein made any other “police reports” on behalf of Plaintiffs, but it is doubtful he did so given the above facts regarding Sugar Land, Texas.
- k. Neither Lopez brother was even interviewed by Alperstein, USAT, “or anyone else[.]” which confirms there was never any sincere interest in sidelining them or prosecuting them.<sup>97</sup>

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<sup>97</sup> Nancy Armour & Rachel Axon, *Allegations Hit Lopez Brothers*, USA TODAY (June 9, 2017) (“Steven Lopez said he was told in January 2016 that there was a complaint against him with USA Taekwondo. But he said he was not given any details of the allegations, nor was he interviewed by Alperstein or anyone else.”).

230. In sworn testimony to Congress on May 23, 2018, the Executive Director of USAT, Steve McNally, falsely and corruptly testified to Congress that:

The committee has expressed an interest in Steven and Jean Lopez. To summarize, a lifetime ban has been imposed on Jean Lopez, and Steven Lopez is under a temporary suspension pending disposition of his case by SafeSport.

I do want to emphasize USA Taekwondo submitted evidence gathered concerning these allegations to the FBI, the Sugarland Texas Police Department, the Fort Bend County Texas Sheriff's Office, and the Colorado Springs Police Department. With the creation of SafeSport in March 2017, all cases still pending in outside counsel's investigation were transferred.<sup>98</sup>

231. Based on the falsities uncovered regarding USA Taekwondo's and Alperstein's "reports" made to the police (set forth above), further discovery is needed to confirm whether, in fact, USAT turned over any "evidence" to the law enforcement entities listed by Mr. McNally.

232. Both the USOC and USAT wanted Steven Lopez to compete—and he did compete—in the 2016 Olympics in Rio, Brazil.

233. Both the USOC and USAT wanted Jean to coach—and he did coach—his brother Steven, along with the other Team USA taekwondo athletes, including numerous female athletes that were exposed to his and Steven's sexual predation.

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<sup>98</sup> Testimony of Steve McNally, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

234. The USOC and USAT then permitted the investigation to resume, but only after the Olympics were over<sup>99</sup>—*i.e.*, only after the “medals and money” had been obtained and delivered into the clutching hands of the USOC and USAT.

235. *USA Today* quoted an email from Donald Alperstein to Heidi Gilbert in which he wrote: “Now that the Olympics are over and things are settling down, I want to get moving again on the Steven Lopez disciplinary case[.]”<sup>100</sup> This was a flat-out admission that the Steven Lopez investigation was resumed only after the 2016 Olympics were “over”—and the Olympic medals and money were safely in hand.

236. Once USAT turned over its investigation to SafeSport, the SafeSport investigation of Steven Lopez dragged on from March 2017 until the filing of the First Amended Complaint in this lawsuit in May 2018—or 14 months longer than the average SafeSport investigation of “63 days”—according to *USA Today*<sup>101</sup> and the head of SafeSport in a 2018 congressional hearing.<sup>102</sup>

237. Steven Lopez was abruptly suspended by USAT on May 7, 2018.

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<sup>99</sup> Nancy Armour & Rachel Axon, *Lopez brothers, Olympic taekwondo royalty, hit with sex abuse allegations*, USA TODAY (June 8, 2017) (“Steven and Jean Lopez, brothers in what is often called the ‘First Family of Taekwondo,’ were allowed to participate in last summer’s Rio Games even though they were being investigated for sexual misconduct, and the allegations against them have since drawn the interest of the FBI. USA Taekwondo began investigating the Lopezes more than two years ago after receiving complaints that they had allegedly sexually assaulted multiple women. No hearings were held and USA Taekwondo, after consulting with the U.S. Olympic Committee agreed to put the inquiries on hold before the Rio Games, meaning two-time Olympic champion Steven and longtime coach Jean were free to represent the United States.”).

<sup>100</sup> *Id.*

<sup>101</sup> Nancy Armour & Rachel Axon, *Lopez Investigation Enters 14<sup>th</sup> Month*, USA TODAY (April 18, 2018).

<sup>102</sup> Testimony of Shellie Pfohl, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community’s Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

238. As *USA Today* explained, the pretextual defenses given by SafeSport, USAT, and the USOC do not survive even minimal scrutiny. “SafeSport has shown that an investigation is not necessary to take action, and it has done so quickly in other cases. Figure skating coach Richard Callaghan was temporarily suspended on March 6, five weeks after SafeSport was made aware that Callaghan had been accused of sexual misconduct 19 years ago.”<sup>103</sup>

239. The delays involving the Lopez brothers cannot be explained as anything other than obstruction by the USOC and USAT:

“If you look at (the Lopezes’) Facebook page, they are making a mint out of doing what I call human trophy work,” [said Nancy Hogshead-Makar, an Olympic gold medalist in swimming and civil rights attorney]. “They go from club to club to club, and they are Olympians. They give lessons. They have access to kids and young women. If you want to prioritize, which ones do you go after first, I would say they’re right up there.”  
Despite the number of reports, the Lopez case provided a potential leg up because Alperstein had already been investigating.<sup>104</sup>

240. In fact, the SafeSport investigation would have continued dragging along had USAT not suspended Steven Lopez. To be clear, Steven Lopez was not suspended by SafeSport before he was suspended by USAT, nor did SafeSport conduct any hearing related to Steven Lopez.

241. The contrast between the suspensions of Jean Lopez (by SafeSport and USAT) and Steven Lopez (by USAT only), as listed on USAT’s Suspension List page,<sup>105</sup> vividly show that USAT did not act based on any actions of SafeSport:

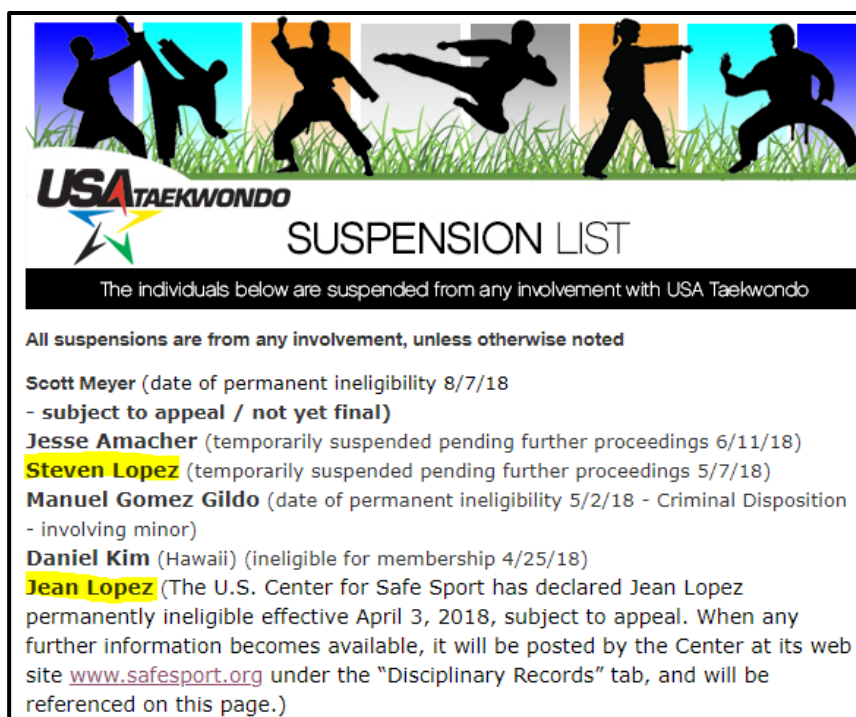
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<sup>103</sup> Nancy Armour & Rachel Axon, *Lopez Investigation Enters 14<sup>th</sup> Month*, USA TODAY (April 18, 2018).

<sup>104</sup> Nancy Armour & Rachel Axon, *Lopez Investigation Enters 14<sup>th</sup> Month*, USA TODAY (April 18, 2018).

<sup>105</sup> USAT Suspension List, <https://www.teamusa.org/usa-taekwondo/v2-resources/legal/usat-suspension-list>





242. That USAT suspended Steven Lopez while SafeSport was still investigating him shatters the fraudulent pretext given by USAT that it was turning over the investigation to SafeSport and that USAT could not act on its own.

243. Had USAT followed its own bylaws, USAT could have suspended Steven Lopez at any point from May 2014 onward, when it began its investigation.

244. As *USA Today* reported, the Alperstein investigation was intentionally and willfully designed and implemented as a delay tactic. Despite spending over three years investigating the Lopez brothers, Alperstein never interviewed either Jean Lopez or Steven Lopez, never conducted any hearing to have them suspended, and never did anything other than deceive Plaintiffs and others into believing he was going to do something to remove the Lopez brothers from taekwondo:

According to seven of the people who have knowledge of the investigations, Alperstein gave the impression the intent was to conclude the case with an ethics hearing.

That would be consistent with how other cases were resolved during the time the Lopez investigations have been ongoing. USA Taekwondo's bylaws require the ethics committee, which is responsible for handling alleged violations of the code of ethics and SafeSport policies, "to ensure that all complaints are heard in a timely, fair and impartial manner."

Since Alperstein was given broad authority to pursue abuse cases in March 2015, USA Taekwondo has suspended six people. It would not disclose how many total hearings have been held, saying it does not discuss cases that don't result in discipline.

Steven Lopez said it wasn't until last month that he was told the complaint had been transferred to the Center for SafeSport.

"So this thing was like looming over me, right? I'm like trying to solve it or resolve it some way, like figure out, 'Well who's saying this?'" said Steven Lopez. "Basically, nothing happened. Nothing happened. I mean, I went to the Olympics. I'm like this is weird, why are they bringing this up right before the Olympic Games?"

Jean Lopez said he has not been contacted by USA Taekwondo, SafeSport or law enforcement regarding any allegations against him either before or since the Olympics.

Alperstein emailed Gilbert on Sept. 15 to update her on the status of the case against Steven Lopez and to check on her availability to possibly testify.

"Now that the Olympics are over and things are settling down, I want to get moving again on the Steven Lopez disciplinary case," Alperstein wrote.

But in a March 22 letter to Meloan, Alperstein indicated that procedural issues had made holding hearings difficult, if not impossible.<sup>106</sup>

245. All five Plaintiffs were contacted or were in contact with SafeSport or Alperstein between 2015 and 2017.

246. All five Plaintiffs provided information to SafeSport and relied on its sincere interest in the matter to believe that this investigation was legitimate and being taken seriously.

247. By engaging Alperstein to conduct an "independent" investigation and by contacting Plaintiffs, USAT assumed a duty to act honestly and in good faith.

248. Amidst the Alperstein investigation from 2015-2018, the USOC and USAT continued to employ Jean Lopez and let him coach, along with letting Steven Lopez compete.

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<sup>106</sup> Nancy Armour & Rachel Axon, *Allegations Hit Lopez Brothers*, USA TODAY (June 9, 2017).

249. At the 2016 Olympic Games, Jean Lopez had long been under investigation by USA Taekwondo's SafeSport program.

250. Even so, Jean Lopez attended the Rio Olympics in 2016 and received thousands of dollars in per diem from the USOC.

251. Steven Lopez financially benefited from his participation in the 2016 Summer Olympics.

252. Despite the pendency of these investigations, the USOC allowed Steven Lopez to compete in the 2017 World Championships, and even paid for his first-class travel.

253. As *USA Today* explained, allowing Steven Lopez to compete at the 2017 World Championships confirmed that the USOC, USAT, and SafeSport were never serious about suspending him or turning him over to law enforcement officials:

This Saturday, Steven Lopez, Olympic gold medalist and alleged sexual predator, will board a plane to South Korea to represent the United States at the upcoming taekwondo world championships. Someone needs to stop him.

...

Even though USA Taekwondo, the national governing body for the sport in the United States, was investigating the brothers last year, they still were allowed to participate in the 2016 Rio Olympic Games. The investigations are continuing. The allegations have since drawn the attention of the FBI.

It is time for someone to step in. The U.S. Center for SafeSport, which became fully operational in March, was designed for just this purpose. So far, it shockingly has done nothing publicly except say it can't comment.

The U.S. Olympic Committee created SafeSport to try to show how serious it is about sexual assault after scandals over the past decade involving USA Gymnastics, USA Swimming and US Speedskating. Yet it allowed both Lopez brothers to go to Rio even after being consulted by USA Taekwondo about the allegations.

The USOC said in a statement last week that it takes "preventing and responding to sexual abuse ... incredibly seriously." Yet it has done nothing, not even commenting about sending these two men to Rio.

USA Taekwondo says it "places tremendous importance on protecting and preserving the safety of our athletes." Yet it failed to hold a hearing about the Lopezes, which is the least that should have been done before they were allowed the privilege of representing their country at another Olympics.

The World Taekwondo Federation called the allegations "very, very serious," but said "it is too early to take a position."

You get the idea. Everyone is very concerned. Yet no one is stopping Steven Lopez from going to the world championships, where he will be on a 16-person U.S. team, including three women who are still teenagers.

This is an appalling dereliction of duty by the people who have been given the great responsibility of running our nation's Olympic program and protecting the children and young adults who are a part of it.

How can they possibly look at the USA TODAY Sports report and not step in immediately?

With the creation of SafeSport, they've given themselves the wherewithal to do just that. Within the organization's rules, there is this:

"Interim measures may also be appropriate where an allegation against the Responding Party is sufficiently serious that the Responding Party's continued participation could be detrimental to sport or its reputation. Nothing in these Procedures prevents ... taking appropriate interim measures upon notice of an imminent threat of harm."<sup>107</sup>

254. The SafeSport investigation of Steven Lopez was a sham. As of March 2018, Steven Lopez had never even been interviewed as part of the Alperstein investigation (from 2015 to 2017) or the SafeSport investigation (2017 to 2018), and *USA Today* reported that SafeSport tried to backdate its suspension of Steven Lopez to show that it had placed him on a restriction as of June 19, 2017, which is demonstrably false:

USA Taekwondo turned over its investigation of Steven Lopez to SafeSport last year, and the status of his case is unclear. Mandy Meloon, who accused the two-time Olympic champion of rape and physical abuse, said SafeSport investigator Kathleen Smith told her last month that SafeSport was still trying to arrange an interview with him.

But Wednesday night, Steven Lopez's name was added to the SafeSport database of disciplinary records as having been placed under an "interim measure-restriction" for sexual misconduct. The decision date is listed as June 19, 2017, and SafeSport describes this category as someone whose eligibility "has been restricted pending final resolution of the matter."

It's not clear what the restriction is referring to; Lopez participated in last year's world championships, which began June 24, as well as this year's U.S. Open and national team trials.

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<sup>107</sup> Christine Brennan, *Lopez Cannot Be Allowed to Compete*, USA TODAY (June 14, 2017).

Lopez, 39, qualified for his 24th national team at trials in February, and he told the *Houston Chronicle* that he intends to keep competing through the Tokyo Olympics in 2020.<sup>108</sup>

255. In reality, Steven Lopez was not suspended or disciplined by either SafeSport or USAT until May 7, 2018. SafeSport, only after being called out by *USA Today* for its false listing, corrected the listing<sup>109</sup> of Steven Lopez to show that he was under “interim suspension” as of May 7, 2018:

Steven Lopez		Interim Measure - Restriction; Interim Measure - Suspension	
Sugarland, TX			
Taekwondo			
Decision date		05/07/2018	
Allegations of Misconduct		Interim Suspension	

**F. Negligence and Gross Negligence: the USOC and USAT Ignore Sexual Abuse for Decades and Then Throw Together the SafeSport Sham to Distract Attention from Their Flagrant Misconduct**

256. In the face of a clear legal duty to protect its own athletes, the USOC, USAT, and SafeSport have engaged in negligence and gross negligence by failing to protect them or to investigate the sexual predators who abuse and exploit them.

257. Despite having hundreds of millions of dollars to spend on the safety of the athletes whose labor earned this money, the USOC and USAT decided over the last two decades to not pay for reasonable compliance or security measures to ensure that coaches or other executives were not sexually abusing, exploiting, or trafficking female athletes—even though they knew this abuse was occurring.

<sup>108</sup> Nancy Armour & Rachel Axon, *Olympic Taekwondo Coach Jean Lopez Banned for Sexual Misconduct with a Minor*, USA TODAY (Apr. 4, 2018).

<sup>109</sup> <https://safesport.org/userviolations/search>

258. As Rep. Diana Degette (D-Colo.) made clear at the May 23, 2018 hearing, “the Olympic Committee is not operating on a shoestring. Its annual revenue is hundreds of millions of dollars. I hope we will hear today that if SafeSport needs more money the U.S. Olympic Committee and the other governing bodies are prepared to increase substantially the support that they provide to this much-needed watchdog.”<sup>110</sup> In other words, with hundreds of millions in revenue and nearly \$500 on its balance sheet, the USOC cannot blame SafeSport’s failure on lack of funding.

259. Similarly, Rep. Harper pointed out that an audit uncovered 43 NGBs had deficiencies, as did the USOC, and the USOC had no plans for a follow-up audit:

HARPER: As I mentioned in my opening statement, you can have all of the policies and procedures in the world but if they’re not properly implemented, followed, or enforced they’re not doing much good.

The USOC engaged Baker Tilly to conduct audits of the USOC and all of the NGBs and high-performance management organizations to assess their compliance with Safe Sport policies and procedures. The audit reports for each organization were issued last year in October 2017.

Some of the organizations were found to be in compliance with the Safe Sport policies and procedures and didn’t have any observations, but many were found to have deficiencies. Do you know how many audits found deficiencies?

LYONS: Yes. In fact, at that time the majority had deficiencies. However, I am pleased to say that virtually all are now in compliance.

HARPER: Would it be fair to say that 43 NGBs had deficiencies?

LYONS: That’s correct.

HARPER: The audit of the USOC itself also found a number of deficiencies for USOC.

If you could turn to tab two of your notebook there? In tab two you’ll see that audit, and this -- these included a lack of guidance and specific requirements on anonymous or confidential reporting by survivors, training, and background checks, to name a few.

Unlike the NGBs with deficiencies, however, there doesn’t appear to have been a follow-up audit of the USOC. Do you plan to conduct a follow-up audit?

LYONS: Let me just have a moment to review the...

HARPER: Yes, ma’am.

LYONS: Yes. Just having looked at this, I think to any extent where we have deficiencies it is required that we should do exactly the same thing that we expect of the NGBs. We should have a follow-up audit and ensure that we are ourselves in compliance.<sup>111</sup>

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<sup>110</sup> Testimony of Rep. Diana Degette, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community’s Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

<sup>111</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community’s Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

260. In July 2018, the *Washington Post* explained the direct causation between the USOC's financial mismanagement and its willingness to allow sexual predators to run wild throughout the NGBs it is responsible with supervising:

The naming of a new executive director of the U.S. Olympic Committee is apparently imminent, and it will be a test of sincerity. Either the USOC board of directors will select a real reformer, or it will award yet another crony a seven-figure contract festooned with gilded privileges that allow them to fly premium to champagne events in five-star hotels decorated with many carats of gold leaf. In order to do . . . what? What do USOC executives do, when they aren't looking the other way on sexual abuse, and burying their faces in wine menus?

Let's play Olympic math. It's a fun game, because it always ends in explosions of incredulous laughter. Why does the USOC have 500-odd employees when we send just 554 athletes to the Summer Games? How come a supposed "nonprofit" with revenues of \$336 million gives just \$28 million to athletes in direct cash and assistance, and where does the rest of it go?

It would be nice if someone in Congress made the USOC's term-limitless chairman Larry Probst answer such questions publicly, before he goes back to studying whether to order the cocotte des moules or lobster frittata. But so far, the USOC's account of itself has been bracingly free of information and long on platitude and propaganda.

Athletes believe there is a direct relationship between the USOC's lack of fiscal accountability and the sexual abuse scandals besetting it: At every turn, previous leaders appeared to choose money over morals and seemed more preoccupied with protecting the status quo than with protecting youngsters from predators.

"The executive compensation and lavish spending without proper accountability is the root of what enables abuses," one molested swimmer wrote to me.

...  
Understand this about the USOC: It doesn't train a single athlete. Colleges and clubs do that. It is essentially just a pass-through, a receptacle for cash that should then be funneled toward feeding, caring for and sustaining athletes in their efforts to make it to the Games. More than \$293 million of its revenue comes from broadcast rights and royalties that fall in its lap because it has the word "Olympic" in its name. The USOC simply accepts its cut of the IOC's \$7.75 billion broadcast deal with NBC, as part of the "Olympic movement."

The funny thing is, the money doesn't really move. It gets stuck somewhere in the fat middle gut of the system. The USOC's last tax filings show that \$45 million went to USOC administrative staff wages and salaries. Another \$21 million went to travel, which included the cost of getting the U.S. Olympic and Paralympic teams to Rio, as well as first, business class and charter travel for executives and some spouses.



Let's play some more Olympic math. At an Olympic Training Center cafeteria, you know what they charge an athlete to eat? Ten bucks. You know what USOC staffers pay? Five.

That sums up the entire operation: USOC staff members are prioritized over the athletes they are supposed to support. This is a systemic problem. It's not just sloppy bureaucracy. It's indicative of an entire sinister attitude: The athletes are valued less than the functionaries.<sup>112</sup>

261. The USOC has had actual knowledge since 1999 that sexual abuse is a major problem among its coaches and athletes, but it has ignored all warnings and sought to silence those who have worked to stop sexual abuse:

In October 1999, the former chief executive of USA Gymnastics told the U.S. Olympic Committee it had a problem. Other Olympic sport governing bodies lacked basic sex abuse prevention measures that were commonplace at the time, former USA Gymnastics CEO Bob Colarossi wrote in a letter, and child athletes were at risk as a result.

Colarossi's letter, part of court documents and testimony unsealed Friday, is evidence that sex abuse of child athletes in Olympic sports was a well-known issue long before the USOC first required all Olympic sport organizations to implement preventive measures such as criminal background checks, abuse education programs and policies for how to handle sexual misconduct allegations in 2014.

"This is not an issue that can be wished away," Colarossi wrote more than 14 years earlier to three USOC executives, including current CEO Scott Blackmun. "The USOC can either position itself as a leader in the protection of young athletes or it can wait until it is forced to deal with the problem under much more difficult circumstances."

Olympic governing bodies collectively credential local coaches who work with millions of children across the country. Until the USOC's 2014 mandate, many lagged behind other youth-serving organizations in imposing safety standards.

Colarossi's letter, and associated testimony about a dispute in which USOC officials objected to USA Gymnastics immediately banning coaches convicted of sex crimes, also shows how enduring confusion over the federal law that governs Olympic sports organizations has hampered child protection efforts.

"This is mind-boggling," Donna Lopiano, former CEO of the Women's Sports Foundation, said. "What this says about the USOC ... is that they are thinking about themselves before children. These guys have been usurping their responsibilities to protect children from the very beginning."

...

In the letter to USOC president William Hybl, executive director Dick Schultz and Blackmun, Colarossi assailed the USOC committee for its "apparent indifference to the

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<sup>112</sup> Sally Jenkins, *Congress Must Hold USOC Accountable for Its Spending*, WASH. POST (Mar. 28, 2018).



welfare of young children.”

In a deposition, Colarossi said that not long after he sent the letter, Hybl urged Colarossi to give in to the committee’s demands.<sup>113</sup>

262. USA Taekwondo is one of the 47 NGBs created by the USOC, and it has been clear to the USOC that USAT has serial problems with sexual abuse and that monitoring and supervision is needed.

263. USAT has had a “tumultuous history, twice going on probation since 2004.”<sup>114</sup>

264. In September 2017, USAT’s executive director, Keith Ferguson, resigned from USAT “after a series of revelations about the handling of misconduct of cases during his tenure.”<sup>115</sup>

265. According to *USA Today*, USAT has been plagued by three recent actions that demonstrate the gross negligence of its leadership, including Keith Ferguson, in allowing sexual predators to run rampant so long as they help deliver “medals and money” to USAT:

[First]: In June, USA TODAY Sports reported that two-time Olympic champion Steven Lopez and his older brother Jean, who is also his coach, were allowed to go to last summer’s Rio Games despite being under investigation for sexual misconduct for more than two years. USA Taekwondo never held hearings on complaints against either brother, even though its bylaws require the ethics committee “to ensure that all complaints are heard in a timely, fair and impartial manner.”

...

[Second]: Ferguson intervened in a disciplinary matter, lifting the temporary suspension of an athlete who is a twice-convicted felon.

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<sup>113</sup> Will Hobson and Steve Rich, *USOC Was Alerted to Abuse Problems Years Ago*, WASH. POST (Mar. 7, 2017).

<sup>114</sup> Nancy Armour & Rachel Axon, *Executive Director Moves on From USA Taekwondo*, USA TODAY (Sept. 6, 2017).

<sup>115</sup> *Id.*

In July, USA TODAY Sports reported on emails that showed Ferguson reinstated Para athlete David Metz a month earlier, allowing Metz to compete at the national championships.

Under USA Taekwondo's bylaws and code of ethics, Ferguson does not have the authority to lift a suspension. Ferguson had initially turned the report of Metz's convictions over to the ethics committee in March before intervening.

...

[Third]: In a third case, which USA TODAY Sports reported last month, USA Taekwondo failed to notify the USOC of a ban imposed against an athlete for sexual misconduct, allowing him to access the USOC training center at the Rio Olympics.

Peter Lopez was in Rio as the sparring partner for Steven Lopez; the two are not related but have trained together for years, including in the lead-up to the Games.

In February 2016, a USA Taekwondo ethics panel found Peter Lopez had committed sexual misconduct and the organization's board of directors affirmed that decision on July 25, 2016. He was suspended for at least five years.

USA Taekwondo did not notify the USOC of that decision before the start of the Rio Olympics in August.

The USOC learned Peter Lopez had been suspended after a staff member at the training facility sent an email [on] Aug. 8, 2016. Lopez's access was revoked the same day. He was never issued an Olympic credential.

A former USA Taekwondo official told USA TODAY Sports that Ferguson was told before the Olympics that the USOC needed to be alerted to Peter Lopez's suspension because Steven Lopez had requested him as his sparring partner. Ferguson said he would take care of it, the official said.

The official spoke on condition of anonymity because of the sensitivity of the matter.<sup>116</sup>

266. In the third case discussed above by *USA Today*, which involved Peter Lopez, USAT continued to try and evade responsibility even after *USA Today* had

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<sup>116</sup> Nancy Armour & Rachel Axon, *Executive Director Moves on From USA Taekwondo*, USA TODAY (Sept. 6, 2017); see also Nancy Armour & Rachel Axon, *USA Taekwondo Ignored Rules, Let Felon Compete*, USA TODAY (July 12, 2017) ("The executive director of USA Taekwondo circumvented the governing body's rules for handling disciplinary matters, lifting the temporary suspension of an athlete who is a twice-convicted felon....Ferguson's decision to intervene, along with USA Taekwondo's failure to schedule a hearing nearly four months after it was first alerted to Metz's criminal history, raises further questions about whether USA Taekwondo is following its own rules when it comes to ethics complaints.")

exposed its gross negligence and demonstrated that the USOC had disproven USAT's cover-up:

USA Taekwondo failed to notify either the U.S. Olympic Committee or World Taekwondo that it had suspended an athlete for sexual misconduct, and he subsequently was able to attend the Rio Olympics as a U.S. sparring partner and participated in the world championships this summer as a member of another country's coaching staff.

A USA Taekwondo ethics panel revoked the membership of Peter Lopez in February 2016 for at least five years for sexual misconduct, a decision that was affirmed by the organization's board of directors last summer and by an arbitrator last week.

In a statement to USA TODAY Sports, USA Taekwondo said "appropriate people within the taekwondo world and Olympic communities were kept informed throughout." It also noted that Peter Lopez's name is included on a "Suspension List" published on USA Taekwondo's web site. As is the case with several other U.S. sports federations, however, the list is neither prominently displayed nor easily accessible.

USA Taekwondo's statement also contradicts what the USOC and World Taekwondo told USA TODAY Sports about when and how they learned of the ban, which stemmed from an incident at the 2015 world championships.

The USOC said it did not know of Peter Lopez's sanction until Aug. 8, 2016, nearly two weeks after USA Taekwondo's board upheld his ban and after he had arrived at the U.S. training center in Rio. Peter Lopez was in Rio as the sparring partner for two-time Olympic champion Steven Lopez; the two are not related but have trained together for years, including in the lead-up to the Games.

...

USA TODAY Sports twice asked USA Taekwondo for clarification of the discrepancies between its statement and what the USOC and World Taekwondo said. USA Taekwondo said Wednesday that it stood by its original statement.<sup>117</sup>

267. In that same story, *USA Today* further reported on the broader pattern of USAT brushing aside reports of sexual misconduct, including the Lopez brothers and also Marc Gitelman, who was allowed to coach and given a second ethics hearing after

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<sup>117</sup> Nancy Armour & Rachel Axon, *Athlete Barred For Sexual Misconduct Went to Rio, USA Taekwondo's Failure to Notify USOC Allowed Him Access to Training Facility*, USA TODAY (Aug. 18, 2017).

being shown to be a sexual predator, and then “not banned until he was criminally convicted”:

That the USOC and World Taekwondo did not know Lopez was suspended raises further questions about USA Taekwondo's diligence in its handling of sexual misconduct complaints.

In June, USA TODAY Sports reported that USA Taekwondo had investigated sexual misconduct allegations against two-time Olympic champion Steven Lopez and his older brother Jean, who is also his coach, for more than two years. No ethics hearing was held for either brother, and the cases were turned over to the U.S. Center for SafeSport in March.

Steven and Jean Lopez denied the allegations against them in separate interviews with USA TODAY Sports. “I’ve never — nothing, nothing at all,” Steven Lopez told USA TODAY Sports when asked if he’s ever sexually assaulted or committed any kind of inappropriate behavior with any woman. “Nothing like that. Nothing close to that.”

Earlier this month, a taekwondo coach, Marc Gitelman, was ordered to pay \$60 million in a civil suit brought by three former students who said he sexually abused them. Gitelman was convicted in 2015 of abusing two of the women and sentenced to more than four years in prison.

A year before Gitelman was convicted in Los Angeles Superior Court, a USA Taekwondo ethics panel unanimously decided to ban the coach indefinitely based on evidence that included admissions by the coach. But USA Taekwondo's lawyer felt a procedural issue during the hearing could be grounds for a lawsuit and recommended that the ethics panel conduct a second hearing.

The women declined to participate, and Gitelman was not banned until after he was convicted. In the interim, he was able to go to a competition where one of the women who'd accused him of abuse was present.<sup>118</sup>

268. The *Washington Post* detailed the incompetence regarding the USOC's and USAT's handling of the Gitelman case,<sup>119</sup> including an email from Gary Johansen

<sup>118</sup> *Id.*; see also Will Hobson and Steven Rich, *Every Six Weeks for More Than 36 Years*, WASH. POST (Nov. 17, 2017) (“In 2014, a USA Taekwondo disciplinary panel recommended an immediate lifetime ban of Las Vegas coach Marc Gitelman after three women came forward accusing Gitelman of abuse. USA Taekwondo leaders ignored the recommendation....USA Taekwondo banned Gitelman in 2015 after he was convicted of three sex crimes in California, in connection with the same allegations.”).

<sup>119</sup> Will Hobson & Steven Rich, *An Athlete Accused Her Coach of Sex Abuse. Olympic Officials Stayed on the Sideline*, WASH POST. (Feb. 14, 2017).

(Associate General Counsel of the USOC) that admitted the USAT had issued a “temporary suspension, but never enforced it” and “there is no reason why an allegation of this sort should take six months to prosecute”:

----- Original message -----

From: Gary Johansen  
Date: 03/13/2014 11:03 PM (GMT+04:00)  
To: Malia Arrington ,John Ruger ,Sara Clark  
Subject: USAT Allegations

My understanding is that USAT issued a temporary suspension, but never enforced it. Also, there is no reason why an allegation of this sort should take six months to prosecute, without some sort of temporary suspension being issued and enforced.



Gary Johansen | Assoc. General Counsel, NGB Governance/Ath. Affairs  
United States Olympic Committee  
1 Olympic Plaza  
Colorado Springs, Colorado 80909

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269. Of course, in comparison, it took more than four years (2014-2018) to suspend the Lopez brothers, even though there were multiple reports and USAT hired an investigator (Alperstein) in March 2015 specifically to focus on the Lopez brothers.

270. USAT's handling of the Gitelman case was reviewed by the USOC, whose board member, and later-interim-CEO (Susanne Lyons) commented on the USOC's and USAT's pattern of allowing sexual predators to prey on victims “without having an appropriate investigation.” In fact, Gitelman was not banned from coaching (and having open access to prey on young athletes) until two days after he was criminally convicted:

The documents describing a coach's sexual abuse of three aspiring Olympic athletes circulated through U.S. Olympic Committee headquarters in early 2014. It started in a hotel room in 2010, Yasmin Brown wrote. She was 16 and her taekwondo coach — Marc Gitelman, or “Master G” — was 44. Gitelman provided

alcohol and suggested a game.

A few minutes later, Brown collapsed on the bed. She felt his hand lift her shorts, then his lips on her thigh.

Over the next three years, Brown wrote, her coach forced her to have sex dozens of times: at hotels before tournaments, at his studio, in his car. Brown's letter was part of a packet that included letters from two other women alleging abuse by Gitelman, and a police report.

Brown tried to get USA Taekwondo — the Olympic national governing body for the sport — to ban Gitelman from coaching, restricting his access to young athletes. USA Taekwondo officials believed her, court records show, but didn't ban Gitelman out of fear of a lawsuit. So Brown asked the USOC for help.

"This sounds like the same old BS. . . . Allowing a potential sexual predator to continue to coach without having an appropriate investigation and conclusion is unacceptable," USOC board member Susanne Lyons wrote in an email dated March 10, 2014. Lyons then forwarded the documents to three USOC executives, including chief executive Scott Blackmun.

"Hopefully USOC staff can assist in some way, at least to protect the girls involved," Lyons wrote.

But in the following months, the USOC did not intercede to protect the girls, documents show. While the organization entrusted by federal law to oversee Olympic sports in America stood idle, Gitelman continued to coach alongside Brown and other children for more than a year. In September 2015, Gitelman was convicted of sexually abusing Brown and one other girl. Two days later, USA Taekwondo banned him from coaching.

A Washington Post examination of the case, based on a review of thousands of pages of documents produced from a lawsuit filed by Gitelman's victims against the USOC and USA Taekwondo, offers a rare look at how America's most powerful and wealthy Olympic sports organization responded when a victim asked for help.<sup>120</sup>

271. As a result of these incidents, and especially when taken together, both the USOC and USAT have committed gross negligence—they openly and knowingly acted in a manner that they knew or should have known would result in serious harm to athletes and failed to remove bad actors from Team USA.

272. Susanne Lyons, the acting head of the USOC, admitted to Congress in 2018 that the policies and procedures set up by the USOC and USA Taekwondo are deficient and "consistently" have led sexual predators being allowed access to prey on young athletes:

LYONS: Yes. I think there's a number of things that will end up getting on the new

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<sup>120</sup> *Id.*

compliance list that have not been there before as we exercise some more authority in this area.

WALTERS: OK.

And this question is for you also: If an NGB puts an individual on a banned or suspended list would the USOC grant that person access to an Olympic center or event?

...

WALTERS: OK, because the -- the production that the USOC made to the committee last week included an e-mail from 2016 regarding someone who had been recently suspended by USA Taekwondo for five years due to serious Safe Sport violations. According to the e-mail, notwithstanding the suspension, this individual was issued a day pass for the High Performance Center in Rio by the USOC.

It states, and I quote, "This pass was not officially requested by USA Taekwondo and this individual is not someone we would grant access to." And it continues, "It appears one of our coaches went directly to USOC staff with the -- with the request without our approval and somehow obtained the pass directly," and that's an end quote. Another coach complained about this person being around female athletes. USA Taekwondo's banned or suspended list is public. USA Taekwondo banned this individual for five years. And the USOC granted him access to an official center at the Rio Olympics.

How do you explain this?

LYONS: It certainly should not have happened, and it does point to one of the reasons we're putting together an Athlete Safety Commission, to look at where these gaps in the system are. It shouldn't occur. That type of information needs to be available so that people in those venues would immediately know to check that list.

It should have happened in any case. It did not.

WALTERS: Well, I want to highlight what the e-mail also said because it went -- it went on to say: Please help me understand how this could have happened, as these things have happened consistently in the past so this is not an isolated incident. Neither is it something we can just ignore, given the seriousness of the adjudicated complaints.

So my point is that this is something that consistently had happened, and how did that possibly consistently happen?

LYONS: Well, there was not an appropriate policy or check in place, a check and balance to -- if there was a policy to ensure it was being followed. So we have to do better and we have to find out why that happened and make sure it does not happen in the future.<sup>121</sup>

273. This same level of gross negligence continued with the creation and rollout of the U.S. Center for Safe Sport ("SafeSport") in 2017.

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<sup>121</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).



274. SafeSport is ostensibly an independent entity designed to investigate and police reports of sexual misconduct among the USOC and its NGBs.

275. In 2018, Susanne Lyons testified that the USOC “doubled” its funding of SafeSport to \$3.1 million<sup>122</sup>—but that’s a shockingly low number.

276. Despite the USOC’s knowledge of rampant sexual abuse, it engaged in gross negligence regarding SafeSport in at least two ways:

- a. First, it delayed from early 2010 to March 2017 to even open SafeSport. In doing so, it offered a series of false and pretextual reasons. None of these reasons holds any weight and none will withstand scrutiny during the discovery process of this case.
- b. Second, it continues to leave SafeSport radically underfunded and unsupported, dooming it to failure. In fact, SafeSport “has a full-time staff of nine and four contract investigators to cover a population of at least 13 million athletes, coaches and officials spread across the country”<sup>123</sup>—which is gross negligence per se. SafeSport’s own director testified before Congress that she believed SafeSport was underfunded.<sup>124</sup>

277. As this lawsuit exposes, SafeSport did absolutely nothing from 2006 (when Mandy Meloon first reported her sexual abuse) until April 2018 to stop any of the ongoing sexual abuse of the U.S. Olympic taekwondo athletes by Jean or Steven Lopez.

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<sup>122</sup> *Id.*

<sup>123</sup> Will Hobson and Steven Rich, *Every Six Weeks for More Than 36 Years*, WASH. POST (Nov. 17, 2017).

<sup>124</sup> Testimony of Shellie Pfohl, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community’s Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018) (“DEGETTE: So you have roughly 13... PFOHL: Twelve or 13. DEGETTE: ... 12 or 13 people. Do you believe that’s sufficient with the increase in complaints to -- to thoroughly investigate every complaint? PFOHL: No.”).



278. This 12-year delay is indefensible, as members of both the U.S. House and Senate made clear during hearings in 2018 that were conducted to explore the USOC's failure to protect Team USA's athletes.

279. Both hearings focused on the failures of the USOC and USAT regarding the Lopez brothers and Peter Lopez.<sup>125</sup>

280. During those hearings, Susanne Lyons, the head of the USOC, admitted the delay in SafeSport of over seven years cannot be defended and "took too long":

GRIFFITH: Thank you.

And in response to the 2010 working group's recommendations the USOC launched Safe Sport in 2012. Then in 2013 the USOC established a Safe Sport working group, and the 2013 working group recommended that case management for sexual misconduct cases should be consolidated under a new, independent entity with an independent board of directors.

As you will see in tab eight, the USOC approved the creations of the U.S. Center for SafeSport in 2014. The center, however, was not launched until March 3, 2017. Tell me why it took seven years since the working group was created and nearly three years from the USOC approving the U.S. Center for SafeSport until that center was launched.

LYONS: Well, first let me say it did take too long. There are some reasons why it took a while, funding being one, insurance issues being another -- very complicated -- and trying to get all of the national governing bodies to do the earlier steps that preceded the -- the center, which was to put in some mandatory requirements and to get them in compliance.

But frankly, it took too long and we regret that it did not open sooner. It may have saved some of the tragedy that occurred.<sup>126</sup>

281. When pressed further, Ms. Lyons further conceded that the USOC had made "a mistake" and "of course [the USOC] should have funded it sooner and got it going sooner":

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<sup>125</sup> Juliet Macur, *Congress Holds Hearings into Sexual Abuse in Olympic Sports*, N.Y. TIMES (May 23, 2018) ("U.S.A. Taekwondo suspended an athlete for sexual misconduct, yet that athlete still showed up at a high-performance center at the Rio Olympics, after going through the U.S.O.C. for accreditation.").

<sup>126</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

I keep hearing, "Well, we're going to do it. We're going to get to this. We're going to do it." What is out there -- well who are these young people that need help that aren't getting there?

We've -- so I have some questions here. We've heard today that the U.S. Center for SafeSport plays a key role in protecting the athletes from abuse. Given how important this mission is, I find it deeply concerning that apparently it took seven years to -- for the U.S. Olympic Committee to get SafeSport off the ground.

In fact, as early as 2010 the U.S. Olympic Committee Working Group for Safe Training Environments found that the Olympic Committee must do more to take a leadership role in protecting the athletes from abuse. By the way, that's what you're all saying today, but you all are working on it. And I hope that as you're working on it you're going to be transparent, too.

Ms. Perry, I'm glad that you're here today, but a lot of people have been wanting to hear from you since you took the job. You've gotta be transparent with everybody.

But by 2013 the working group had concluded that the authority to address SafeSport cases should be centralized with a new independent entity, referring to the U.S. Center for SafeSport. In 2014 SafeSport was created but was still functionally a part of the U.S. Olympic Committee.

Documents from that year indicate that the Olympic Committee board anticipated launching SafeSport in 2015.

In 2015 SafeSport still was not functioning as it was intended. In fact, it was not fully operational in 2017.

Ms. Lyons, are you familiar with this timeline?

LYONS: Yes, ma'am, I am.

DINGELL: Documents provided to the committee today suggest that a lack of funding was a major reason for the delay in opening SafeSport. For example, a September 2015 presentation to the U.S. Olympic Committee board of directors stated that the launch of the U.S. Center for SafeSport is contingent on raising five years' worth of funding.

Ms. Lyons, is it accurate that funding prevented the USOC from launching SafeSport sooner?

LYONS: I think the answer is there was a delay, and as we look back that was a mistake. We did hope for the center -- in order to be totally independent we had hoped very much that other sports organizations outside of the Olympic movement would participate. We spent a fair of time trying to make that happen; it did not. In retrospect, of course we should have funded it sooner and got it going sooner.<sup>127</sup>

282. Scott Blackmun's testimony to Congress reveals the USOC's gross negligence in painstaking detail. While he says the USOC knew in 2010 that something needed to be done, it was not until March 2017 that SafeSport "opened":

I took over as CEO of the USOC in January of 2010. During my first three months on the job, we were consumed with the Vancouver Games. When we left

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<sup>127</sup> Testimony of Susanne Lyons, U.S. House Energy and Commerce Committee, Oversight and Investigations Subcommittee, *Hearing on the Olympic Community's Ability to Protect Athletes from Sexual Abuse*, CQ-ROLLCALL, 2018 WLNR 16155107 (May 25, 2018).

Vancouver after the 2010 Paralympic Winter Games, we returned to national news reports of coaches abusing athletes in swimming. It was apparent that fighting sexual abuse had not been a programmatic priority for the USOC. Since that time, however, anti-abuse programming has been one of the USOC's highest priorities, having been addressed at almost every meeting, if not every meeting, of the USOC's board of directors in my tenure.

In the spring of 2010, I formed a working group to develop recommendations regarding sexual and other abuse in sports. The working group consisted of ten people, including athletes, representatives of law enforcement and child welfare experts. The

working group was chaired by Nina Kemppel, a four-time Olympian and member of the USOC's board of directors. The working group first presented its 21-page report to the USOC's board of directors on September 28, 2010. The board adopted all six of the

working group's recommendations at its next meeting in December of 2010.

In April 2011, the USOC hired a director of safe sport to develop a prevention and education program providing information, training and resources. In the spring of 2012, the U.S. Olympic Committee launched its Safe Sport program, providing all of the

resources recommended by the 2010 working group, including training and sample anti-abuse policies for NGBs to implement.

At this point, though, the best practices recommendations developed by the program were just that, recommendations, and not requirements. In December of 2012, the USOC's board adopted a new policy requiring all NGBs, if they wanted to continue to be recognized by the USOC, to adopt an athlete safety program that prohibited all forms of abuse and misconduct, to conduct criminal background checks, to provide education on abuse issues, and to establish reporting and enforcement mechanisms. NGBs were given one year to adopt these policies and procedures only because the changes required member approval in most cases and the members often only meet once per year.

In the meantime, a number of NGBs were expressing concerns about whether they had the expertise, independence and resources to properly investigate and adjudicate allegations of sexual abuse. In 2013, the USOC convened a second working group to evaluate options for case management. The 2013 working group recommended, and in June 2014 the USOC board approved, the creation of an independent entity to investigate and resolve complaints of abuse. The idea was to model this new entity on the U.S Anti-Doping Agency, which had been a success in addressing problems of performance-enhancing drugs. This became the U.S. Center for Safe Sport (the 'Center').

The Center did not get up and running as quickly as I would have liked. There were a number of issues that the USOC's board had to address, and that the Center's board had to address after it first got up and running in January of 2016. These included sources of funding, whether the Center would deal with all types of abuse or just sexual abuse, what the balance would be between enforcement and education, whether the new entity should be wholly independent or under USOC board oversight, and whether liability insurance would be available.

Another issue, which survives today, is whether a program like the Center should cover all youth sport programs, or just those under the USOC's mandate. Abuse exists everywhere. It exists in Olympic sports organizations and non-Olympic sports organizations. The USOC's preference would have been to support,

financially and otherwise, an independent entity that had jurisdiction over all youth sports, not just those programs falling under the USOC's jurisdiction. But pursuing that option would have required federal legislation. It is a direction that I hope will be explored further.

Once the Center was created as a legal entity in 2015, the Center's independent board of directors had to be populated. It had its first meeting in January of 2016. And then the Center's board needed to hire a CEO, adopt a budget and finalize the terms of its jurisdiction and funding. The Center opened in March of 2017.<sup>128</sup>

283. Although Blackmun is too focused on himself to realize it, his rambling testimony exposes the USOC's gross negligence in delaying the opening of SafeSport until "March of 2017"—a delay of over seven years.

284. It turns out that even the date of 2010 was a lie. Actual knowledge of the rampant sex abuse throughout the USOC and its NGBs came much earlier. The USOC had received notice of sexual abuse by two NGBs back in the 1990s and 2000s, as *USA Today* exposed:

Nearly six years before USA Swimming was rocked by a series of sexual abuse accusations against coaches, the national governing body sent two letters to the U.S. Olympic Committee asking it to take the lead in developing policies to protect young athletes across the Olympic movement.

The letters, which were sent in late 2004 and early 2005 and obtained by USA TODAY Sports, echoed a plea made five years earlier by USA Gymnastics. In both cases, the USOC was alerted to a potential crisis by two of the country's largest and most decorated governing bodies.

...

[T]here are now at least two documented instances in which national governing bodies raised concerns about child protection policies with the USOC.

In the case of the 2004 and '05 letters from USA Swimming, the USOC did not address the idea of creating a policy that could be implemented by all of the national governing bodies in its response. Instead, it referred USA Swimming to a company that was doing background checks for a handful of other national governing bodies and said it was in the process of sending out a reminder about the importance of them.

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<sup>128</sup> Written Testimony of Scott Blackmun, U.S. Senate Commerce, Science and Transportation Committee, Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security, *Preventing Child Abuse in Olympic and Amateur Athletics: Ensuring a Safe and Secure Environment for Our Athletes*, 2018 WL 2684439 (June 5, 2018).

In 1999, the then-president of USA Gymnastics, Bob Colarossi, made a similar plea. In lodging a complaint against a USOC group that had threatened to decertify USA Gymnastics as the sport's governing body over its policy of immediately suspending anyone charged with a felony involving abuse of a child, Colarossi warned that the USOC was not doing enough to protect young athletes.

"This is not an issue that can be wished away," Colarossi wrote. "The USOC can either position itself as a leader in the protection of young athletes or it can wait until it is forced to deal with the problem under much more difficult circumstances."

...

Colarossi's letter was sent to then-president Bill Hybl and then-executive director Dick Schultz, both of whom announced their resignations in 1999, and Blackmun, who was then the USOC's general counsel. Blackmun left the USOC in 2001 and returned in 2010 as the CEO.<sup>129</sup>

285. By 2006, USA Taekwondo had received written and verbal complaints that Jean Lopez and Steven Lopez were routinely sexually exploiting, assaulting, and raping multiple female athletes that were entrusted into the protection (and bound by the commercial terms of) the USOC and USAT.<sup>130</sup>

286. At all relevant times, from the 2000s to 2018, both Lopez brothers were the agents, servants, and/or employees of USAT because they coached the taekwondo team.

287. At all relevant times, from the 2000s to 2018, both Lopez brothers were agents, servants, and/or employees of the USOC because they coached the taekwondo team. They were also cloaked with actual and apparent authority to represent the USOC.

288. The USOC knew or was willfully blind to the fact that the Lopez brothers presented a clear and present danger to young female athletes.

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<sup>129</sup> Nancy Armour & Rachel Axon, *USOC Did Not Heed Sexual Abuse Warnings in 2004, 2005*, USA TODAY (June 9, 2017).

<sup>130</sup> For purposes of this Complaint, "rape" means any non-consensual sexual activity, that would be considered criminal, including the sexual touching of minors.

289. USAT knew or was willfully blind that the Lopez brothers presented a clear and present danger to young female athletes.

290. In 2013, while USAT was on probation, Susanne Lyons directly supervised USAT. This meant the USOC was directly controlling USAT and all of its athletes.

291. The USOC had hundreds of millions of dollars available on its balance sheet at the time, but it declined to spend any of that money to protect Team USA's taekwondo athletes.

292. Susanne Lyons had knowledge of the numerous complaints of rape and sexual assault made by female taekwondo athletes against both Lopez brothers.

293. But Ms. Lyons declined to take any action against the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

294. She declined to do so because the Lopez brothers financially benefited the USOC and USAT, which both relied on the medals and money generated by the Lopez brothers. It was more important for Team USA to continue winning, and the female athletes who labored on behalf of Team USA (and were subject to its commercial terms) were viewed as disposable commodities whose safety was secondary to Team USA's commercial success.

295. Ms. Lyons is now the interim Chief Executive Officer of the United States Olympic Committee.

296. Gary Johansen, Associate General Counsel at the United States Olympic Committee, had knowledge of the numerous complaints of rape and sexual assault made by U.S. athletes against the Lopez brothers.

297. But Gary Johansen declined to take any action against the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

298. Rick Adams, another USOC in-house attorney, had knowledge of the numerous complaints of rape and sexual assault made by U.S. athletes against the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

299. But Rick Adams took no action against the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

300. Meredith Miller, Manager of Sports Performance at the United States Olympic Committee, had knowledge of the numerous complaints of rape and sexual assault made by U.S. athletes against the Lopez brothers.

301. But Meredith Miller took no action against either of the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

302. Devin Johnson, board member and former President of the Board of Directors for USA Taekwondo, had knowledge of the numerous complaints of rape and sexual assault made by U.S. athletes against the Lopez brothers.

303. But Devin Johnson took no disciplinary actions against the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

304. Malia Arrington, Director of Ethics and Safe Sport at the USOC, had knowledge of the numerous complaints of rape and sexual assault made by U.S. athletes against the Lopez brothers.

305. But Ms. Arrington declined to take any action against the Lopez brothers or to protect Team USA's taekwondo athletes from the Lopez brothers.

306. The USOC declined to take any action against Steven Lopez.

307. The USOC has long known of sexual assaults of female athletes at their training centers.

308. Prior to 1996, the USOC had knowledge that female athletes had been raped numerous times at facilities it owned and operated across the United States.

309. Prior to 1996, the USOC was aware that underage female athletes had been raped at its training center in Marquette, Michigan.

310. Prior to 1996, the USOC was aware that underage female athletes had been raped at its training center in Lake Placid, New York.

311. Prior to 1996, the USOC was aware that underage female athletes had been raped at its training center in Colorado Springs, Colorado.

312. Indeed, by the early 1990s, following numerous sexual assaults of minor athletes at USOC training Centers, USOC was concerned about the safety of minor athletes at its facilities.

313. The USOC ordered USA Taekwondo hire an adult male monitor to ensure to help protect minor female athletes.

314. If USAT failed to get a monitor, promising minor athletes USAT like Plaintiffs Kay, Mandy, and Amber would not be permitted to live at the USOC's training centers, including the training center in Colorado Springs.

315. By the late 1990s (when Kay and Mandy started at the training center), however, the USOC stopped enforcing the monitor requirement on USAT. This was a knowing disregard of the safety of Team USA's athletes.

316. The USOC had the financial resources to enforce this requirement; it simply chose to abandon the safety and security of its athletes.



317. Sexual relationships between adult male coaches and teenage athletes is an inappropriate, unacceptable, and yet a common part of the Olympic Sports culture in the United States.

318. Indeed, from 1978 to the present, the USOC has refused to take any meaningful steps to deter coach-athlete sexual relationships in its NGBs, despite knowing that coach-athlete sexual relationships are prevalent in USAT.

319. For example, at the 1992 Olympics in Barcelona, Spain, the USOC had to intervene when the USOC's Taekwondo coach was caught having sex with a young teenage athlete by the landlord of the living space that the USOC had rented for their Taekwondo delegation.

320. The USOC and USAT were aware of other young female athletes who had been raped by their coaches prior to 2007.

321. The USOC and USA Taekwondo took no action to stop, nor conducted any investigation into allegations of, coaches and officials raping young female athletes prior to 2007.

322. At the same time they were burying their heads in the sand so they could pretend to be not liable, the Olympic officials made sure to pay themselves exorbitant salaries.

323. The former CEO of USOC, Scott Blackmun, made \$1 million in salary and bonuses in 2016.<sup>131</sup>

324. The USOC's "chief of sport performance," Alan Ashley, made nearly \$500,000 in 2016.

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<sup>131</sup> Will Hobson, *Senate Call for USOC Head to Resign*, WASH. POST, (Feb. 3, 2018).

325. 129 members of the USOC staff makes over six figures, and 14 of the USOC's executives are paid more than \$200,000.<sup>132</sup>

326. These officials did not want to jeopardize their income or the hundred-million-dollar revenues of the USOC and its NGBs (including taekwondo) by stopping the sexual abuse committed by the Lopez brothers. To blow the whistle would have brought negative attention and jeopardized the commercial benefits they were reaping.

327. The USOC provides funding to each NGB.

328. For example, the USOC distributed \$55.9 million in grants to its NGBs in 2016.<sup>133</sup>

329. The USOC is the largest single source of funding for USAT.

330. In a 2006 audit of USA Taekwondo, the auditors noted that USAT was financially dependent on grants from the USOC.

331. In addition to grants, the USOC also gives USAT rent-free office space in Colorado Springs.

332. According to audits, the USOC annually pays athletes and coaches, including Jean and Steven Lopez, hundreds of thousands of dollars a year.

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<sup>132</sup> Meanwhile, the bonus for an American athlete who wins a gold medal is just \$37,500. Until the spring of 2017, the members of the women's hockey squad (a national team that has medaled in every Olympics since 1998) were paid only \$6,000 in an entire four-year cycle. See Eddie Pells, *With USOC in Turmoil, Athletes Testify About Sex-Abuse Cases*, HOUSTON CHRON. (Apr. 18, 2018).

<sup>133</sup> UNITED STATES OLYMPIC COMMITTEE 2016 ANNUAL REPORT at 27; see also Eddie Pells, *With USOC in Turmoil, Athletes Testify About Sex-Abuse Cases*, HOUSTON CHRON. (Apr. 18, 2018) (noting that USOC, embroiled in sex abuse scandals, and with commercial partners hesitant to strike deals under the current climate, doubled its funding for the US Center for SafeSport, which opened in 2017, to \$3.1 million in 2018).

333. In order to participate in USAT-sanctioned events, it is necessary to be a USAT member.

334. To be a member, an individual athlete must pay dues to USAT.

335. Part of the dues paid by Plaintiffs went towards the financial grants awarded to the Lopez brothers by Defendants USOC and USAT.

336. Similarly, for a taekwondo club to be considered a USAT member club, the club must pay dues, and meet certain minimum standards set out by USAT including purchasing required sexual abuse insurance.

337. And if the member club seeks to hold a USAT sanctioned event at the club, it must pay a fee.

338. All those who seek to coach, judge, or participate in USAT-sanctioned events must also pay a membership fee.

339. Part of each membership fee is used to purchase specific sexual abuse insurance.

340. Each NGB is mandated to carry specific sexual abuse insurance coverage by the USOC.

341. The exchange of money for membership creates a fiduciary relationship and a duty between USAT and its members, athletes, and coaches.

342. Even so, USAT took no action to protect its athletes from sexual predators, like the Lopez brothers, who were well known to prey on young athletes. Despite having actual knowledge of the need to do so, USAT failed to adopt any policies, rules, or procedures to keep athletes safe from sexual abuse.

343. In addition to funding USAT, the USOC provided funding to the Lopez brothers in the form of, among other things, high performance grants.

344. USAT also provided funding to the Lopez brothers.

345. On numerous occasions, the USOC has employed Jean Lopez as its taekwondo coach at the Pan Games, World Cup, World Championships, and Olympic Games.

346. Indeed, Jean Lopez was the USOC's taekwondo coach at the 2004, 2008, 2012, and 2016 Olympic Games.

347. In traditional taekwondo competitions, there are eight weight classes for men and women; at the Olympics, these classes are compressed to four.

348. Jean Lopez, along with fellow coach Juan Moreno, former USAT Director of High Performance Meredith Miller, and former USAT CEO David Askinas, devised the procedure to select the weight divisions for the USOC Olympic teams.

349. Rigging the system, Jean Lopez devised a selection process that artificially favored his family members (who were competing as taekwondo athletes) and those female athletes who submitted to his sexual demands.

350. Steven Lopez represented the USOC in Taekwondo at the 2000, 2004, 2008, 2012, and 2016 Olympics, and was paid for his performance in the form of, among other things, a per diem and performance-based bonus.

351. However, despite media protest, allegations of sexual misconduct, the pendency of the SafeSport investigation, and related "restrictions," Steven Lopez was permitted to compete in the taekwondo world championships in South Korea in June

2017.<sup>134</sup>

352. The USOC even paid for Steven Lopez's first-class travel.

353. On the team were 15 athletes, including three teenage female athletes, who were forced to be in his presence.<sup>135</sup>

#### **G. Congress Steps In: The 2017 Sports Abuse Act**

354. In the face of the overwhelming reports of Olympic sex abuse that emerged in 2017, Congress decided to act. It passed the 2017 Sports Abuse Act, which was overwhelmingly popular and bipartisan.

355. The 2017 Sports Abuse Act sailed through the House (406-3), was approved by the Senate unanimously, was quickly signed by the President, and took effect in February 2018.

356. At the time, Senator Nelson said: "It's a stain on our country that many of our own young Olympic athletes were sexually abused for years by the very adults they entrusted to train them and keep them safe." Senator Nelson continued: "No aspiring athlete deserves to have their dream or moment of Olympic gold stolen from them by the actions of a sexual predator. These heinous crimes and the culture that allowed them to go undetected for so long must come to an immediate end."

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<sup>134</sup> Christine Brennan, *Don't Allow U.S. Taekwondo Star Steven Lopez to Go to World Championships*, USA TODAY (June 13, 2017).

<sup>135</sup> *Id.*

357. Senator Donnelly said: “Amateur athletics governing bodies like USA Gymnastics have an obligation to athletes, parents, and the sport to ensure that athletes are safe[.]”<sup>136</sup>

358. In announcing the 2017 Sports Abuse Act, Senator Collins applauded the multitude of Olympic sex abuse victims who spoke out in the face of retaliation by Team USA, and she criticized the “corrupt system” that had allowed sexual abuse to fester in USA Taekwondo (and nearly all of the other Team USA sports) for decades.<sup>137</sup>

359. Senator Collins explained that the 2017 Act “reform[s] the law that allows victims to sue sex-crime perpetrators by extending the statute of limitations because it’s often difficult for children to recognize that they have had crimes committed against them until much later on into adulthood.”<sup>138</sup>

360. Senator Feinstein (co-author of the law) pointed out that the 2017 Sports Abuse Act “extends the statute of limitations so that victims can sue their abusers 10 years after they become aware of their abuse. This is important because, tragically, survivors often do not fully become aware of their abuse until later in life.”<sup>139</sup>

361. As part of the 2017 Sports Abuse Act, Congress clarified that an Olympic “event” is more than just the moment of competition; Congress defined the term “event”

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<sup>136</sup> Senator Dianne Feinstein, *Senate Passes Bill Requiring U.S. Amateur Athletic Organizations to Report Sexual Abuse*, FEINSTEIN.SENTATE.GOV (Nov. 14, 2017), <https://www.feinstein.senate.gov/public/index.cfm/press-releases?ID=2BEC8C16-43E4-412A-8660-3E7EC73104F9>.

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

<sup>139</sup> *Id.*

such that it “includes travel, lodging, practice, competition, and health or medical treatment.”<sup>140</sup>

### **PLAINTIFF-SPECIFIC ALLEGATIONS**

#### **Sexual Abuse, Exploitation, and Trafficking of Mandy Meloon**

362. Mandy Meloon was born in Germany in 1981 to a German mother and an American father.

363. The USOC offered to make Mandy a member of its own residency program for athletes at the USOC owned Olympic Training Center in Colorado Springs.

364. Based on the promises made to her by the USOC and USAT, Mandy elected to compete internationally for the USOC’s Team USA, not for Germany’s team.

365. Partially as a result of her decision to compete for the USOC instead of the German National Olympic Committee, Mandy had to give up her German citizenship.

366. In 1994, at the age of 13, Mandy moved into the Olympic Training Center in Colorado Springs, so she could train full time.

367. Mandy and her family relied on the USOC’s representations that she would be safe at the USOC facility in Colorado Springs.

368. Jean Lopez was an employee of the USOC and/or USAT when Mandy moved into the USOC’s Colorado Springs Training Center.

369. In 1994, Jean Lopez befriended the 13-year-old Mandy.

370. Jean Lopez would engage in sexual conversations with Mandy. He would tell her about his sex life and ask her about hers. He referred to Mandy in front of others as his “girlfriend.”

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<sup>140</sup> 34 U.S.C. § 20341(10).

371. Jean offered to adopt Mandy or become her guardian.

372. In the fall of 1994, while Jean Lopez was captain of the Men's National taekwondo team, he traveled with Mandy and the team to Korea.

373. The USOC and USAT sponsored the athletes and coaches, funded their trip, paid per diem, and paid their flight, hotel and other expenses related to the competition.

374. On this trip, Jean insisted Mandy sit with him, sit on his lap, give him massages; he would massage her and referred to her as his "girlfriend" in front of members of the National team; he told other team members that Mandy was pregnant with his baby.

375. Mandy became the youngest member of the USOC's Junior National Team in 1995.

376. In June 1995, at age 14, Mandy made the USAT Senior National Team.

377. As a result, Mandy began training full time at the USOC's Training Center in Colorado Springs.

378. At the time, Jean Lopez was openly having sex with a different minor female member of the USOC's National Taekwondo Team at the Olympic Training Center.

379. In November 1995, Mandy traveled to the Philippines with the USAT senior national team.

380. Jean Lopez was the U.S. National team coach for these World Championships in Manila, held on November 17-21, 1995.

381. Mandy was 14 years old and was left completely unsupervised on this trip.

382. In March 1996, Mandy was a member of the USOC's Team USA for the



World Cup in Brazil.

383. Also in 1996, Mandy and other minor athletes traveled without chaperons to Korea for a two-week USOC/USAT exchange trip in 1996.

384. This trip was organized, facilitated, and paid for by USOC and USAT.

385. Jean Lopez was also on this trip to Korea.

386. On the trip to Korea, male members of the senior team had sex with female members of the junior team (i.e., adult male athletes had sex with minor female athletes).

387. USAT and the USOC were aware that adult senior athletes were engaging in sexual contact with minor junior athletes on their trips.

388. The USOC and USAT took no action whatsoever to prevent sexual contact between minor junior and adult senior athletes.

389. In 1996, adult males residing at the USOC's Olympic Training Center in Colorado Springs were having open sexual relationships with minor residents of the training center.

390. The USOC took no action whatsoever to stop these illegal relationships.

391. Specifically, in 1996, at age 15, Mandy was vaginally raped in her room at the training center by an adult taekwondo national team member, Danny Kim.

392. Throughout 1996, while Mandy was 15 and while she lived at the USOC's training center, Kim would come to Mandy's room and "teach" her things about sex.

393. When Kim would give Mandy rides to school between December 1996 to April 1997, he would often force her to perform oral sex on him.

394. At least twice in 1997, while Mandy was 16, and while they were both living at the USOC training center, Kim filmed Mandy and himself having sex.

395. Kim had sexual intercourse with Mandy in a hotel room in Oakland, California while they were attending the 1997 Senior U.S. Nationals, sponsored by USAT.

396. The USOC and USAT sponsored the athletes and coaches, funded their trip, paid per diem, and paid their flight, hotel and other expenses related to the competition in Oakland, California.

397. Ultimately, in the winter of 1997-1998, when Mandy was 17, she became pregnant by Kim and went to Germany to have an abortion.

398. Mandy made oral complaints about Kim beginning in 1997, and a written complaint against Kim in 2006, regarding the rape and Kim's ongoing, illegal sexual abuse.

399. In January 1997, Mandy was again accepted as a member of the USOC's National Taekwondo team.

400. Jean Lopez was a USOC-approved, USOC-sanctioned, and USOC-credentialed athlete for the 1997 World Cup, which took place in Cairo, Egypt in June 1997.

401. The USOC and USAT sponsored the athletes and coaches, funded their trip, paid per diem, and paid their flight, hotel, and other expenses related to the competition in Cairo.

402. At the 1997 World Cup in Cairo, Egypt, Mandy was assigned to a shared hotel room with Kay Poe.

403. Kay and Mandy pushed their beds together before going to sleep.

404. Sometime during the night while both girls were asleep, Jean Lopez entered

Mandy and Kay's room.

405. While Mandy was asleep, Jean climbed into the beds of Mandy and Kay.

406. Jean digitally penetrated Mandy's vagina.

407. Mandy estimates that Jean had his fingers inside of her vagina for 5 minutes or more.

408. Mandy pretended to be sleeping while Jean Lopez assaulted her.

409. Mandy was 15 years old.

410. The USOC had knowledge that Jean Lopez sexually assaulted female athletes on numerous occasions.

411. Despite this knowledge, the USOC approved Jean Lopez to be the team captain at of the USOC's Team in the 1997 World Cup.

412. Throughout 1997, Mandy continued to live at the USOC's training center in Colorado Springs.

413. USOC employees were responsible for taking Mandy to and from high school, but the USOC failed on numerous occasions to get Mandy to and from school.

414. As a result, Mandy dropped out of high school in 1996 while living at the Olympic Training Center.

415. Adult residents of the OTC would take Mandy out to local bars to drink alcohol.

416. The USOC was aware that Mandy and other minor athletes were drinking alcohol while residing at the USOC Olympic Training Center in Colorado Springs.

417. The USOC took no action to curb minor athletes drinking while living at the Olympic Training Center in Colorado Springs.

418. The USOC was fully aware that Mandy had to miss competitions to get an abortion to terminate the pregnancy caused by an adult resident of the USOC Olympic Training Center (Kim).

419. The USOC took no action to curb sexual relationships between minor athletes living in its Colorado Springs training center and adults living in or working for the USOC Colorado Springs Training Center.

420. After her abortion in 1998, Mandy moved out of the Olympic Training Center.

421. Shortly after moving out of the USOC's Olympic Training Center in Colorado Springs, Mandy moved to Texas to train with Jean Lopez at the Lopez' club, Elite Taekwondo, in Sugar Land, Texas.

422. After moving to Texas, in approximately the year 2000 when Mandy was 18 and 19, Mandy began to have a sexual relationship with Jean's brother, Steven Lopez.

423. During this time, USOC was paying Jean Lopez, Steven Lopez, and Mandy through grants, stipends, and other forms of financial compensation in exchange for their coaching, training and participation in competitions.

424. In early 2002, Steven engaged in a sexual relationship with a high school student in Texas.

425. Steven's sexual relationships with these and other underage girls strained his relationship with Mandy.

426. Sometime during their relationship, Steven Lopez started to physically abuse Mandy.

427. In January 2002, in Texas, Steven punched Mandy in the face.

428. USOC and USAT staff and coaches (including Jean Lopez) were aware that Steven had punched Mandy in the face.

429. In 2004, following Steven being detained for another beating of Mandy, Steven broke into the house Mandy was renting in Sugar Land, Texas, and he beat and raped Mandy.

430. In 2005, Steven again beat and raped Mandy in her home; she ran from the house in a state of undress and Steven chased her down the street.

431. In April 2005, while Steven and Mandy were travelling as part of the USOC Taekwondo delegation at the World Championships in Madrid, Spain, Steven Lopez brutally assaulted and battered Mandy in their hotel, breaking her ribs.

432. Jean Lopez, who was the USOC Coach, was aware of the incident.

433. Shortly after being battered by Steven in Madrid, Mandy began to date other men.

434. As a result, at the direction of Jean Lopez, Mandy was dropped from the national team.

435. On May 5, 2006, the Sugar Land Police Department in Sugar Land, Texas, prepared an "Incident Report" based on a burglary committed by Steven Lopez at the residence of Mandy Meloon. The report documented that Steven Lopez had broken into her residence and awakened her by knocking on her bedroom door. She explained that she was "scared that he may return to her home" and that "he is upset that she has a new boyfriend."

436. Mandy provided the case number of this Incident Report to David Askinas, then-CEO of USAT, and John Ruger, who was the USOC's athlete ombudsman from

1999-2014.

437. In response, they did nothing.

438. In 2006, Mandy submitted an official written grievance with the USOC and USAT detailing the range of physical and sexual abuse she had suffered at the hands of Steven Lopez and Jean Lopez. She provided this grievance to David Askinas, then-CEO of USAT.

439. USA Taekwondo discredited and defamed Mandy: its then-CEO David Askinas concluded that Mandy's allegations "weren't credible," and there was no reason to fire Jean Lopez—or to interfere with his decision to keep Mandy off the team roster.

440. Mandy pursued arbitration in order to be reinstated to the national team, but she was unsuccessful.

441. As detailed above, USAT then-CEO David Askinas told Mandy she could be a member of the 2008 Olympic team for the Beijing Olympics in China if she withdrew her complaint against Jean Lopez and signed a statement admitting to fabricating allegations.

442. Mandy refused USA Taekwondo's conditions and declined to retract her truthful allegations.

443. In retaliation, Jean selected Charlotte Craig, a minor with whom one or more of the Lopez brothers was having sexual relation with, in place of Mandy Meloon to the USOC Taekwondo team in the 2008 Olympics in Beijing.

444. Shortly after USAT submitted its proposed athletes to the USOC for the 2008 Olympics, USAT expelled Mandy from USA Taekwondo.

445. After 2008, Mandy reached on several occasions to John Rueger at the

USOC for help dealing with the fallout of her expulsion from Taekwondo.

446. After 2008, Mandy on numerous occasions tried to get her health insurance reinstated by the USOC.

447. Rueger demanded that in order for Mandy's health insurance to be restored, all of her therapy records would be need to be turned over to the USOC and David Askinsas of USA Taekwondo.

448. In addition to mental health treatment, Mandy needed treatment for broken bones in her face from being punched in the face by another female athlete at the direction of Jean Lopez.

449. The USOC conditioned the restoration of Mandy's health care on her agreeing to recant her allegations against Jean and Steven.

450. After 2008, Mandy complained to John Rueger that Steven Lopez was stalking her.

451. On several occasions, Mandy observed Steven Lopez near domestic violence shelters, restaurants, and clubs when she was present.

452. Sometime in 2009, Mandy gave up on trying to have her health insurance from the USOC restored. At this time, she was suffering severe mental health harms and experiencing PTSD from her repeated sexual abuse and exploitation by Defendants. The refusal of the USOC and USA Taekwondo to assist her with health insurance or counseling compounded her already-severe emotional and mental health injuries.

453. USA Taekwondo CEO Keith Ferguson contacted Mandy in 2013.

454. Ferguson wanted to talk to Mandy about her experiences with Jean Lopez. Ferguson was interested in speaking with Mandy because USA Taekwondo was seeking

to suspend Jean Lopez from coaching.

455. Mandy and Ferguson had at least one phone call in 2013. But Ferguson never followed up with Mandy after this call(s) with her in 2013.

456. In 2015, while in prison, Mandy received a letter from Alperstein stating that Ferguson had made Mandy eligible for membership in USA Taekwondo.

457. Alperstein told Mandy that he was investigating the Lopez brothers at the request of USAT.

458. Alperstein's communications with Mandy caused Mandy to believe that Alperstein was going to commence disciplinary proceedings within USAT to have the Lopez brothers banned from Taekwondo.

459. From prison, Mandy told Alperstein her long history of abuse at the hands of the Lopez brothers.

460. Mandy believed that Alperstein shared her desire to protect future generations of athletes from the rapes and physical abuse she had endured at the hands of the Lopez brothers.

461. Mandy and Alperstein had frequent communication while she is in prison.<sup>141</sup>

462. Mandy was not informed by Alperstein that his investigation was stayed so that the Lopez brothers could compete in the Rio Olympics.

463. Mandy was shocked and upset that the Lopez brothers were allowed to compete in yet another Olympic Games.

464. At the time, it was known throughout the taekwondo community that the

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<sup>141</sup> Mandy was released from prison in January 2018.



Lopez brothers were being investigated for rapes and physical abuse of young women.

465. It was known that Mandy was cooperating with that investigation.

466. When the Lopez brothers were allowed to compete in the Rio Olympics, Mandy's allegations against the Lopez brothers were once again branded as untrue in the taekwondo community.

467. Mandy's reputation suffered, and she suffered emotional distress.

468. In late 2016 or early 2017, Mandy was once again contacted by Alperstein who wanted to resume his investigation now that the Olympics were over.

469. Mandy again cooperated with Alperstein.

470. Mandy was also contacted by Kathleen Smith from the US Center for Safe Sport.

471. Mandy also cooperated with Ms. Smith.

472. Mandy provided Ms. Smith with numerous detailed statements of her allegations against the Lopez brothers.

473. Mandy believed that Mr. Alperstein, Ms. Smith, and the US Center for Safe Sport shared a good faith interest in having the Lopez brothers brought to justice and removed from taekwondo.

474. In the summer of 2017, numerous media stories, in *USA Today* in particular, detailed the allegations of Mandy and numerous other young women against the Lopez brothers.

475. Neither USAT, nor the US Center for Safe Sport, nor the USOC ever took any action against the Lopez brothers in 2017.

476. Again, it was known in the Taekwondo community that Mandy was

cooperating with the Alperstein and Safe Sport investigations.

477. Again, since the USOC, USAT, and Safe Sport refused to take any meaningful action against the Lopez brothers, Mandy was called a liar and accused of defaming the Lopez brothers.

478. In April 2018, based on evidence provided by Mandy and the other Plaintiffs, Jean Lopez was banned from taekwondo by Safe Sport.

479. Mandy finally felt vindicated and relieved that Jean was finally disciplined for his decades of raping, assaulting, and exploiting young female athletes.

480. Mandy felt a sense of vindication from Safe Sports April 2018 actions.

481. In August 2018, Safe Sport reversed itself and lifted the ban on Jean Lopez.

482. Again Mandy and the other Plaintiffs' credibility and reputations were crushed in the taekwondo and Olympic communities. Taekwondo message boards called for retaliatory actions to be taken against Mandy and the other Plaintiffs.

483. Mandy and the other Plaintiffs have now pieced together that all Defendants worked together to obstruct and delay the suspensions of both Lopez brothers, and to have Jean Lopez's suspension abandoned on appeal by SafeSport.

484. Based on all of the above actions, Mandy has suffered extreme emotional distress caused by the bad faith investigations of the Lopez brothers, and in effect, the Defendants abandoning the case against Jean Lopez on appeal (after he was suspended in the underlying hearing). Taken together, this malfeasance has led Mandy to experience institutional abandonment and strong feelings of emotional distress.<sup>142</sup>

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<sup>142</sup> See Nancy Armour & Rachel Axon, *Athletes Outraged as Banned Taekwondo Coach Reinstated*, USA TODAY (Aug. 17, 2018) (quoting Mandy and discussing the "outrage" of Plaintiffs and the other victims of Jean Lopez after seeing him reinstated by SafeSport and the USOC).

485. Mandy has suffered a long list of mental and physical symptoms as a result of the personal and emotional injuries caused by the actions of the Lopez brothers, the USOC, USA Taekwondo, and SafeSport. Among other injuries she has suffered, in 2015 she was treated for the PTSD caused by the sexual trauma she endured at the hands of the Lopez brothers, the USOC, and USAT.

486. Mandy also has been harmed in her reputation and has no long-term prospects for employment because of the obstruction of the USOC, USA Taekwondo, SafeSport, and the Lopez brothers working to discredit her allegations. Her spiraling mental health problems were directly caused by the sexual abuse and exploitation of the Defendants, yet the USOC and USA Taekwondo have chosen to side with the Lopez brothers instead of her, the victim.

### **Sexual Abuse, Exploitation, and Trafficking of Kay Poe**

487. In 1996, at the age of 14, Kay became the youngest-ever member of the United States National Taekwondo team.

488. In 1997, she participated in the World Championships in Cairo, Egypt.

489. Defendant USAT or its predecessor, The United States Taekwondo Union, held a training camp in Colorado Springs for the 1997 World Championships.

490. The training camp was held at the USOC's Olympic Training Center in Colorado Springs.

491. At the training camp for the World Championships, a 22-year-old teammate began having a sexual relationship with Kay.

492. Kay was only 15 years old.

493. The USOC has knowledge of this illegal sexual relationship.

494. Even though Kay was a minor living at the USOC facility in Colorado Springs, the USOC took no steps to intervene in or prevent this illegal sexual conduct.

495. USAT was also aware of the illegal sexual conduct involving Kay.

496. Like the USOC, USAT took no action when they learned of this illicit sexual relationship.

497. Defendant Jean Lopez forced a sexual relationship with Kay while she was still a minor.

498. By 1999, Jean Lopez was sexually exploiting Kay and engaging in full sexual intercourse with her.

499. The sexual exploitation of Kay by Jean was not a secret and became common knowledge in the USAT community.

500. In June 1999, Jean Lopez was the coach of the USA Taekwondo team at the World Championships, held in Edmonton, Alberta, Canada. This was a Sports Act-protected competition.

501. The USOC and USAT sponsored the athletes and coaches, funded the trip, paid per diems, and paid for the travel, hotel and other expenses related to the World Championships in Canada.

502. At this competition, Jean Lopez engaged in sexual intercourse with Kay, who was 17 years old.

503. In July 1999, Jean Lopez was the coach of the USA Taekwondo team at the Olympic qualifications in Porec, Croatia. This was a Sports Act-protected competition.

504. The USOC and USAT sponsored the athletes and coaches, funded their trip, paid per diem, and paid their flight, hotel and other expenses related to the Olympic

qualifiers in Croatia.

505. On the flight to Croatia, Jean received a “hand job” from Kay, and he engaged in sexual intercourse with Kay for the remainder of the trip.

506. Kay was 17 years old.

507. Jean continued having a sexual relationship with Kay when she turned 18 years old, including while he was the USOC Taekwondo Coach and Kay was an Olympic competitor at the 2000 Olympic Games in Sydney, Australia.

508. Shortly after the 2000 Sydney Olympics, Kay was able to stop Jean Lopez from forcing sexual intercourse with her.

509. At the 2002 U.S. Open in Orlando, Florida, Jean Lopez was the USOC Taekwondo Coach and Kay, then age 20, was a competitor.

510. The USOC and USAT sponsored the athletes and coaches, funded the trip, paid per diems, and paid their flight, hotel and other expenses related to the competition in Orlando, Florida.

511. Jean followed Kay to her hotel room and, despite her protestations, mounted her, pinned her, and “dry humped” her until he ejaculated in his pants.

512. Kay left the sport of Taekwondo after failing to make the 2008 Olympic Team.

513. Kay participated in the SafeSport investigation of the Lopez brothers in 2017-2018. Her written allegations were forwarded by Heidi Gilbert to Kathleen Smith at the US Center for Safe Sport in 2017.

514. It was widely known in the Taekwondo community that Kay was cooperating with Safe Sport.

515. Throughout 2017 Kay followed the media reports, particularly in *USA Today*, detailing the ongoing investigations by both Alperstein and Safe Sport into Jean and Steven Lopez.

516. When the USOC and USAT refused to take any meaningful action against the Lopez brothers in 2017, Kay's credibility and reputation were assailed in the Taekwondo community.

517. In April 2018, based on the statements of Kay and the other Plaintiffs, Safe Sport finally banned Jean Lopez.

518. When Safe Sport finally banned Jean Lopez, Kay felt a sense of vindication.

519. The banning of Jean Lopez gave a sense of relief that Jean would no longer have unrestricted access to young taekwondo athletes.

520. In August 2018, Safe Sport reversed itself and permitted Jean Lopez to begin coaching again Kay suffered emotional and mental distress.

521. Kay's reputation and creditability were again crushed in the Taekwondo community.

522. Kay is outraged and has suffered severe emotional distress over the handling of the sham Lopez investigations. She has experienced institutional abandonment at the hands of the Lopez brothers and has been harmed in her reputation, career, and profession by the obstruction of the USOC, USA Taekwondo, SafeSport, and the Lopez brothers working to discredit her allegations.

### **Sexual Abuse, Exploitation, and Trafficking of Heidi Gilbert**

523. In October of 2002, Heidi Gilbert was a member of the USOC's Taekwondo

team in the Pan American (Pan-Am) Championships in Ecuador.

524. Along with the other Plaintiffs, Heidi relied on the authority bestowed upon the Lopez brothers by the USOC and USAT to believe the Lopez brothers were credible, safe, responsible, and trustworthy.

525. Jean Lopez was the USOC's Taekwondo coach at the 2002 Pan-Am Championships in Ecuador.

526. Jean Lopez was financially compensated by the USOC in 2002.

527. Jean Lopez was financially compensated by USA Taekwondo in 2002.

528. The USOC and USAT sponsored the athletes and coaches, funded their trip, paid per diem, and paid their flight, hotel and other expenses related to the competition in Ecuador.

529. After winning a gold medal in the 2002 Pan-Am Championships, Heidi was flexing in front of a mirror with Diana Lopez, who is Jean and Steven Lopez's sister;<sup>143</sup> Diana also competed as a member of the USOC's Taekwondo team at the 2002 Pan-Am Championships.

530. Jean Lopez entered his room where Heidi and Diana were flexing in front of the mirror, celebrating their performances in the Pan-Am Championships.

531. Diana left the hotel room shortly after Jean entered.

532. Then Jean wrestled Heidi to the bed.

533. Heidi initially believed Jean was "wrestling" with her, and she wanted to show Jean how strong she was.

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<sup>143</sup> Like her brothers, Mark, Jean, and Steven, Diana has received compensation from the USOC and USAT.

534. But Jean pinned Heidi in a fetal position on the hotel bed and began “dry humping” Heidi. Jean ejaculated in his pants. When Jean was finished, Heidi stood up and left the room.

535. In 2003, to further her Taekwondo career and to achieve her dream of being an Olympian, Heidi moved from her home state to Texas to train with Jean Lopez.

536. While in Texas, Heidi lived at a house owned by the Lopez brothers’ parents.

537. In 2003, Heidi was part of the United States Taekwondo national team.

538. In September 2003, Heidi competed on the USA Taekwondo team at the World Championships in Garmisch-Partenkirchen, Germany.

539. At this competition, Heidi received a stipend of approximately \$2500.00 for making it to the quarter finals. She was also receiving \$1,000.00 a month from USAT.

540. USAT made all of the travel arrangements for competition in Germany, purchased the airplane tickets, paid for hotel rooms and paid for the meals of its athletes, coaches, and officials.

541. USAT compensated Jean Lopez for his coaching services in 2003.

542. After the 2003 competition in Germany, Jean, Heidi, Mandy, Peter Lopez,<sup>144</sup> and others attended a party in Germany.

543. At the party, Jean was sexually aggressive with Heidi by grabbing her,

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<sup>144</sup> Peter Lopez is a two time Olympian and Taekwondo coach and known rapist, but he is not related by blood or marriage to defendants Steven and Jean Lopez. Peter Lopez was banned from USA Taekwondo in 2014 for sexually assaulting various athletes; however, the USOC gave Peter Lopez credentials allowing him to enter the Olympic Village during the 2016 Rio Olympics. See Nancy Armour & Rachel Axon, *USA Taekwondo Athlete Allowed in Rio Olympics Training Gym After Ban for Sexual Misconduct*, USA TODAY (Aug. 17, 2017).



grinding his body into hers, and making inappropriate sexual comments to her.

544. At same point, Jean gave Heidi a drink that he had drugged.

545. After consuming this drink, Heidi almost passed out.

546. Heidi was aware of what was going on but could not move.

547. Jean ended up putting Heidi in a taxi with himself as the only passengers, where he began to touch Heidi's breasts and vagina through her clothing.

548. When they reached the hotel, Jean dragged Heidi's limp body inside to a lobby area in the back of the hotel and began slapping her face and choking her.

549. Heidi was unable to respond physically.

550. Heidi remembers Jean pulling down her pants and digitally penetrating her vagina.

551. Heidi remembers Jean performing oral sex on her.

552. Heidi passed out.

553. Heidi woke up on the floor of a common area of the hotel in a state of undress; Jean had managed to pull up her jeans but they were unfastened.

554. On the plane ride back to the United States, Jean told Heidi that he regretted marrying his wife and wanted to have "Olympic babies" with Heidi.

555. In April 2003 When Heidi arrived at the airport in Houston from Seattle, Steven Lopez (then a USOC athlete) was there to pick her up.

556. But Steven refused to drive her home until she gave him a blow job.

557. Heidi had never had sex with Steven before.

558. In October 2003, another USOC athlete Peter Lopez, who is not biologically related to Defendants Jean and Steven Lopez, came into Heidi's room at the home

owned by Jean and Steven Lopez's parents where Heidi was living in Texas.

559. Peter took his pants off and demanded that Heidi fellate him.

560. Heidi immediately started to cry and told Peter to leave the room.

561. Heidi decided that she should leave Texas.

562. Heidi returned to Seattle in 2003 and continued participating in taekwondo.

563. In 2006, as reported by USA Today, David Askinas (then-CEO of USA Taekwondo) and other employees threatened Heidi and warned her not to tell anyone about Jean's sexual assaults.

564. Heidi has suffered a variety of physical and mental symptoms as a result of the personal injuries caused by Lopez brothers, the USOC, and USAT.

565. In 2002, Heidi suffered retaliation from USAT and had to hire an attorney in order to be restored in the Resident Athlete Program.

566. She suffered personal humiliation from the team coach and USAT, when they refused to coach Heidi at the 2002 Pan-Am Games in Ecuador, a USOC sanctioned event.

567. Heidi's fear of retaliation from the Lopez brothers, the USOC, and USAT (along with the threats they made to her) prevented her from reporting Jean's sexual assaults to law enforcement officials.

568. Heidi believes that if she had reported Jean's sexual assaults to USAT prior to 2015, the USOC would have taken no action against Jean Lopez.

569. Heidi believes that if she had reported Jean's conduct to the USOC prior to 2015, USA Taekwondo would not have taken any action against Jean.

570. If Heidi had complained to the USOC or USA Taekwondo about Jean

Lopez, her complaints would have been ignored—just as Mandy Meloon’s were.

571. In 2011 USAT board member Brandon Meek reached out to Heidi by phone. Mr. Meek asked Heidi if the rumors he had heard about her being sexually assaulted by Jean Lopez were true. She confirmed they were not rumors and were true allegations.

572. Mr. Meek wanted to know if Heidi would share her experiences with other members of the USAT board of directors. Heidi confirmed that, yes, she was willing to share her allegations with the USAT Board.

573. In line with USA Taekwondo’s gross negligence, Meek never followed up and nothing ever came of Heidi’s contacts with Brandon Meek.

574. Heidi reported her abuse to Donald Alperstein in 2015 as part of the USA Taekwondo investigation.

575. Heidi and Alperstein were in frequent contact throughout 2015 and 2016.

576. It was known throughout the Taekwondo community that Heidi was cooperating with the Alperstein investigation.

577. When USAT took no action against Jean and Steven Lopez in 2015 and 2016, Heidi’s reputation and credibility in the taekwondo community were assailed.

578. In 2015, Alperstein told Heidi he would file a police report in Sugarland, Texas, on her behalf detailing her allegations against the Lopez brothers.

579. Based on Alperstein’s assurances that he would file a police report, Heidi did not file one.

580. Heidi learned in the summer of 2018 that no police report was ever filed by Alperstein.

581. When Jean and Steven coached and competed in the 2016 Rio Olympics,

Heidi suffered further emotional and mental distress.

582. Heidi participated in an investigation of Jean Lopez, but USAT and USOC jointly worked to halt this investigation in order to permit Jean to coach at the 2016 Olympic Games in Rio.

583. By doing so, USAT and the USOC knowingly and willfully prolonged the exposure of Team USA's taekwondo athletes to two different sexual predators who were clothed with the full authority of Team USA and were in a position of extreme power, trust, and influence over Team USA athletes.

584. While cooperating with Alperstein's investigation Heidi was (and still is) a successful taekwondo coach in California.

585. Due to the Lopez brothers competing in the 2016 Olympics, Heidi endured harassment in the Taekwondo community, which harmed her business.

586. This harassment became so severe that it seriously harmed Heidi's relationships and business.

587. In late 2016, Alperstein told Heidi that he could begin his investigation again now that the Olympics were over.

588. Throughout the remainder of 2016 and all of 2017, Heidi cooperated with Alperstein's investigation.

589. In 2017, Heidi was contacted by Kathleen Smith from the Center for Safe Sport.

590. Heidi provided numerous detailed written and oral statements to Ms. Smith and SafeSport, just as she had with Ms. Alperstein.

591. Heidi provided information and facts to Ms. Smith several times in 2017 and

2018.

592. Based on the information and statements provided by Heidi and the other Plaintiffs the US Center for Safe Sport banned Jean Lopez in April 2018.

593. When Safe Sport finally banned Jean Lopez, Heidi felt a sense of vindication.

594. The banning of Jean Lopez gave a sense of relief that Jean would no longer have unrestricted access to young taekwondo athletes.

595. Heidi is currently a taekwondo coach in California, and her profession and business depend on her reputation in the taekwondo community. Thus, the denials of the Lopez brothers, which effectively call her a liar, have directly harmed her business.

596. Heidi is outraged and has suffered severe emotional distress over the handling of the sham Lopez investigations. She has experienced institutional abandonment at the hands of the Lopez brothers and has been harmed in her reputation, career, and profession by the obstruction of the USOC, USA Taekwondo, SafeSport, and the Lopez brothers working to discredit her allegations.

597. In August 2018, Safe Sport reversed itself and permitted Jean Lopez to begin coaching again Heidi suffered emotional and mental distress.

598. Heidi's reputation and creditability were again assailed in the Taekwondo community.

599. Heidi has been further harmed by retaliation taken by the Lopez Obstruction Enterprise. Heidi originally filed this action on April 25, 2018, asserting for the first time publicly her claims against Jean Lopez.

600. On April 30, 2018, in retaliation, an "anonymous" party filed a SafeSport

complaint against Heidi.

601. The allegations contained in this anonymous complaint are baseless, and their sole purpose is to harass, intimidate, and threaten Heidi and her family, to retaliate against Heidi, and to interfere with and obstruct the efforts to enforce federal and state laws against the Lopez brothers and the Lopez Obstruction Enterprise.

**Sexual Abuse, Exploitation, and Trafficking of Gabriela (Gaby) Joslin**

602. Gabriela Joslin grew up in Houston, Texas, where the Lopez brothers operated a taekwondo training club called Elite Taekwondo.

603. Gaby had known the Lopez brothers since she was a young child.

604. Along with the other Plaintiffs, Gaby relied on the authority bestowed upon the Lopez brothers by the USOC and USAT to believe the Lopez brothers were credible, safe, responsible, and trustworthy.

605. In 2006, Jean Lopez became Gaby's coach.

606. Gaby planned to attend the 2006 German Open in Bonn, Germany, as an Olympic hopeful.

607. At the request of Jean Lopez, Gaby lost 20 pounds to fight in the bantam weight class at the German Open in Bonn, instead of a heavier weight class, where Jean and Steven's sister Diana fought.

608. At the last minute, Jean informed Gaby that he could not go with her to Bonn.

609. Thus, in Bonn, Gaby would not have a coach.

610. Gaby nevertheless planned attended the tournament in Bonn in April 2006 to gather the experience needed to make the USOC's 2008 Olympic team.

611. Steven Lopez offered to coach Gaby her during her matches in Bonn.

612. Steven Lopez attended the tournament in Bonn as well, as a USAT athlete and a coach.

613. USAT sponsored Steven, funded his trip, paid per diem, and paid his flight, hotel and other expenses related to the competition in Bonn, Germany.

614. Numerous times prior to the competition in Bonn, Gaby attempted to have conversations with Steven about her upcoming matches, particularly because these were some of Gaby's first bouts in her new bantam weight class.

615. A few days before her first match, Steven Lopez pushed Gaby against the wall of the hotel elevator, and while pinning her against the wall with his hands on her hips, he told her how good she felt as a bantam.

616. The night before Gaby's first match in Bonn, Steven Lopez knocked on Gaby's hotel room door, saying he wanted to discuss her match the next day.

617. Steven entered Gaby's hotel room, sat down on the bed, turned on the television, and flipped through channels, settling on a graphic pornographic movie.

618. He did not discuss the upcoming match. Instead, Steven told Gaby she was "too tense"; he grabbed her hips from the front, turned her around and began rubbing her glutes while she was standing up.

619. Steven then pinned Gaby to the bed, face down, pulled down her pants and mounted her, while he continued rubbing her glutes.

620. It was clear to Gaby that Steven required sex before he would address his responsibilities as her coach.

621. Steven penetrated Gaby, ejaculated inside her, and left the room.

622. Gaby then continued to allow Steven to have sexual intercourse with her for the remainder of her career in taekwondo, out of fear of the Lopez brothers and in particular, to Jean, who made it clear to her that she was to “cater to Steven.”

623. Gaby was groomed, conditioned, and trained to trust her coaches and, in particular, Steven Lopez, who was a “demigod” in taekwondo; Gaby felt she could “not say ‘no’ to him.”

624. Gaby last had sex with Steven in 2010.

625. After retiring from fighting, Gaby began teaching taekwondo in Texas.

626. As Gaby began establishing herself as a coach, Jean Lopez began a sexual relationship with her.

627. Jean was married at the time, although he told Gaby that he was separated and in the process of getting a divorce.

628. Gaby believed that Jean was her exclusive boyfriend.

629. Gaby paid for furnishings for Jean’s apartment, as well as some of his business and travel expenses.

630. In late 2011, Jean violently raped Gaby.

631. Gaby became pregnant as a result of Jean’s rape. Gaby’s pregnancy was an ectopic pregnancy. Gaby had to have an abortion as a result.

632. Jean’s 2011 rape of Gaby was her last sexual contact with Jean Lopez.

633. Gaby was aware that many other victims in Taekwondo had been raped by their coaches.

634. Gaby assumed that either the USOC or USA Taekwondo had programming or counseling available to help athlete rape victims.



635. As such in 2012 Gaby contacted Herbert Perez<sup>145</sup> a former USOC Board member.

636. Gaby sought private and confidential help from either the USOC or USA Taekwondo for dealing with the trauma of Jean's rape and subsequent abortion. But Gaby's pleas for help went entirely ignored.

637. In 2015 Alperstein contacted Gaby about her allegations against the Lopez brothers.

638. Alperstein told Gaby that he would file a police report with the Sugarland, Texas, Police Department on her behalf.

639. Due to Alperstein's representation that he would file a police report in Sugarland, Gaby did not file a police report of her own.

640. In the summer of 2018, Gaby learned that Alperstein did not in fact file a police report detailing her allegations against the Lopez brothers in Sugarland, Texas.

641. But USAT and USOC jointly worked to suspend this investigation in order to permit Jean to coach and Steven to compete at the 2016 Olympic Games in Brazil.

642. It was known in the Hispanic community in the Houston area and the Taekwondo community generally that Gaby was cooperating with Alperstein.

643. When the Lopez brothers were allowed to compete in the 2016 Olympics, Gaby's reputation and creditability were assailed in the Taekwondo and Houston communities.

644. Following the Olympics, Gaby continued to cooperate with the Alperstein investigation.

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<sup>145</sup> <https://www.fostercity.org/directory-listing/herb-perez>

645. In 2017, Gaby provided detailed statements to Kathleen Smith from the Center for Safe Sport.

646. In 2017 Gaby followed the media reports detailing the allegations she and the other Plaintiffs made against the Lopez brothers.

647. Throughout 2017 the USOC, USAT, and the Center for Safe Sport continued to take no action against the Lopez brothers.

648. The lack of action by the USOC, USAT, and the Center for Safe Sport caused further damage to Gaby's reputation and harmed her business and professional reputation.

649. In 2018, based on the information and statements provided by Gaby and the other Plaintiffs, the US Center for Safe Sport finally banned Jean Lopez.

650. When Safe Sport finally banned Jean Lopez, Gaby felt a sense of vindication. The banning of Jean Lopez gave a sense of relief that Jean would no longer have unrestricted access to young taekwondo athletes.

651. In August 2018, Safe Sport reversed itself and permitted Jean Lopez to begin coaching again Gaby suffered emotional and mental distress, particularly that other, young female athletes in Taekwondo will have the endure the rapes, exploitation, and abuse that she had suffered at the hands of the Lopez brothers, the USOC, and USAT.

652. Gaby's reputation and creditability were again assailed in the Taekwondo community following the reversal of Jean's ban in August 2018.

653. Gaby is outraged and has suffered severe emotional distress over the handling of the sham Lopez investigations. She has experienced institutional

abandonment at the hands of the Lopez brothers and has been harmed in her reputation, career, and profession by the obstruction, negligence, and gross negligence of the USOC, USA Taekwondo, SafeSport, and the Lopez brothers working to discredit her allegations.

654. Gaby has suffered a variety of physical and mental symptoms as a result of the personal and emotional injuries caused by the Lopez brothers, the USOC, SafeSport, and USAT.

### **Sexual Abuse, Exploitation, and Trafficking of Amber Means**

655. Amber Means grew up in Spokane, Washington.

656. Amber first met Jean Lopez and Steven Lopez when she attended one of their taekwondo camps at the University of Houston in 2003.

657. Along with the other Plaintiffs, Amber relied on the authority bestowed upon the Lopez brothers by the USOC and USAT to believe the Lopez brothers were credible, safe, responsible, and trustworthy.

658. Steven Lopez took a special interest in Amber at the 2003 camp; he asked her how old she was and said she'd be tall when she grew up.

659. Amber was 13 years old.

660. After camp, Amber returned to Washington State.

661. Jean Lopez contacted Amber's parents and told them that their daughter had tremendous potential in taekwondo.

662. Jean convinced Amber's parents to move from Washington to Texas so that Amber could train at the Lopez's Elite Taekwondo school in Houston.

663. Before leaving Washington, Amber recalls being warned by her coaches in

Washington that the Lopez brothers were known to take a sexual interest in the children they coached.

664. Amber began training at Elite Taekwondo in Houston, Texas, in 2004.

665. Amber was 14.

666. Amber's parents heeded the warning they had heard in Washington and never left Amber alone with the Lopez brothers.

667. As a result, through 2007, while being watched, the Lopez brothers did nothing inappropriate toward Amber.

668. It was common knowledge to Amber and the rest of the United States Taekwondo community that Jean and Steven Lopez would have sex with young girls from other countries' national teams who visited the Lopez's Elite Taekwondo School in Houston.

669. Jean Lopez was Amber's primary coach at Elite Taekwondo.

670. Jean would have his male athletes beat Amber until she had bruises and black eyes.

671. Jean would force Amber to fight male athletes without protective gear.

672. This was inappropriate and retaliatory; Amber had never fought males without protective gear while training in Washington.

673. Steven and Amber attended the 2006 USAT Nationals in Cleveland, Ohio, where Steven did press-related events and Amber competed.

674. At this USAT-hosted tournament, Steven engaged in grooming behaviors: brushing against Amber, rubbing her arms, isolating her, giving Amber attention and making her feel special.

675. Sometime in 2007, when Amber was 17, Steven, then 28 or 29, began taking Amber on “dates.”

676. Steven first kissed Amber after taking her to see a movie in 2007.

677. Sometime in late 2007, Steven Lopez warned Amber that there were complaints circulating in the Taekwondo community about the nature of Amber’s friendship with Peter Lopez.

678. Steven warned Amber that a parent had made a “complaint” about her and Peter’s friendship.

679. Peter Lopez and Amber met to discuss this “complaint.”

680. During this “meeting,” Peter Lopez pressured Amber to perform oral sex on him.

681. Amber texted Steven Lopez while with Peter. Steven called Peter, and Peter stopped trying to receive oral sex from Amber.

682. After this incident, Steven and Amber went on a date.

683. On this “date,” Amber performed oral sex on Steven; she was 17 years old.

684. In February 2008, when Amber was 17, Steven Lopez had vaginal sex with Amber (she lost her virginity to him) at a Houston area rental property owned by Steven Lopez.

685. Steven and Amber began having an open sexual relationship in March 2008, when Amber was 17 years old.<sup>146</sup>

686. In 2008, it was common knowledge that Steven was also having a sexual

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<sup>146</sup> Plaintiffs are in no way implying that a minor can consent to be in a sexual relationship with 29- or 30-year-old man.

relationship with at least two other teenage athletes, N. Doe<sup>147</sup> and C. Doe.

687. Steven Lopez had sexual relations with underage athletes at various tournaments around the world, including at the 2008 Olympic Games.

688. While attending USOC and USAT sponsored events in 2008, Steven Lopez had sex with Amber in several states and countries.

689. It was possible for Steven was able to have sex with Amber at tournaments because he could isolate Amber and keep her away from the watchful eye and protection of her parents.

690. In Texas, Amber had to avoid her parents in order to see Steven.

691. In June 2008, Steven invited Amber to a party at a friend's condo in Houston, Texas.

692. Amber remembers drinking a Gatorade and vodka, then blacking out.

693. Amber's next memory was waking up in the bed of the owner of the condo after he had raped her.

694. The owner of the condo told Amber that Steven had raped her while she was passed out.

695. Steven Lopez had put a drug in Amber's drink that caused her to pass out so he could rape her.

696. Jean Lopez was the USOC Taekwondo coach at the 2008 Olympic Games in Beijing, China, and Steven Lopez was competing in the Olympic Games.

697. Both Lopez brothers were receiving financial compensation from USOC and

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<sup>147</sup> The identity of N. Doe is known to Plaintiffs, all Defendants, and is common knowledge in the Taekwondo and USOC community.

USAT.

698. Although Amber had not been selected for the team, Amber traveled to Beijing.

699. In 2008, 2009, and 2010, Jean Lopez was the USOC's Taekwondo coach.

700. Jean Lopez received financial compensation for coaching taekwondo from the USOC during these years.

701. In 2008, Jean's wife Tabitha became suspicious that Jean was cheating on her with a young female athlete.

702. Tabitha believed that Amber was having sex with Jean in 2008.

703. In reality, Jean was having sex with a different minor female athlete, C. Doe.<sup>148</sup>

704. Around 2010,<sup>149</sup> Jean had Amber disqualified from a tournament.

705. Jean refused to let Amber fight in the same weight division as his sister, USOC Olympian Diana Lopez.

706. Amber last competed in April 2011 at the Collegiate National Championships, where she won the silver medal. But for another coach stepping in at the last minute, she competed without a coach because Jean had ceased communications with her.

707. At a party in February 2013, Steven Lopez again drugged Amber and also a friend of hers; he pinned her to a wall and tried to kiss her but she evaded him. Steven

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<sup>148</sup> The identity of Ms. Doe is known to Plaintiffs' counsel and this affair is common knowledge in the Taekwondo and USOC community.

<sup>149</sup> In 2010 Steven Lopez and two other men drugged and then gang raped a Canadian taekwondo athlete at a hotel room in Dallas, Texas.

became angry and left, and Amber and her friend were able to escape.

708. Like the other Plaintiffs, Amber felt that if she angered the Lopez brothers, she would face retaliation, and that it was pay-to-play and she had to service the Lopez brothers with her body in order to compete in USA Taekwondo and reach the Olympics.

709. When Amber rebuffed the sexual advances of Steven Lopez, she did face retaliation and ultimately her fighting career ended as a result of Jean's control over the placement of athletes on competitive teams.

710. Amber has suffered a variety of mental and physical symptoms as a result of the personal injuries caused by the Lopez brothers, the USOC, and USAT.

711. Amber gave a detailed statement to Alperstein on the phone.

712. Neither the USOC or USAT took any meaningful action against Steven Lopez or Jean Lopez in 2015 or 2016.

713. It was known in the Taekwondo community that Amber was cooperating with Alperstein.

714. Amber creditability and reputation were attacked because the USOC and USAT failed to against Steven Lopez or Jean Lopez in 2015 and 2016.

715. In the spring of 2017, Kathleen Smith from Safe Sport met with Amber and her mother at a restaurant near Amber's home. Amber gave Ms. Smith a detailed in person statement of her abuse at the hands of Steven Lopez and Jean Lopez.

716. Amber also submitted a written statement to Safe Sport detailing her allegations.

717. Based on the information and statements provided to Safe Sport by Amber and the other Plaintiffs, in April 2018 Safe Sport banned Jean Lopez.



718. Amber, like the other Plaintiffs, felt that Safe Sport's banning of Jean Lopez vindicated them in the taekwondo and Olympic communities.

719. Then, in August 2018, Safe Sport rescinded their ban of Jean Lopez.

720. The rescission of Jean's ban has caused Amber reputation and character to be attacked and caused her emotional distress.

721. Amber is outraged and has suffered severe emotional distress over the handling of the sham Lopez investigations.

722. She has experienced institutional abandonment and betrayal at the hands of the Lopez brothers and has been harmed in her reputation, career, and profession by the obstruction, negligence, and gross negligence of the USOC, USA Taekwondo, SafeSport, and the Lopez brothers working to discredit her allegations.

### **CLASS ACTION ALLEGATIONS**

723. Plaintiffs bring this action individually and pursuant to Federal Rule of Civil Procedure 23(b)(2) and (b)(3) and/or (c)(4) on behalf of themselves and the following "Nationwide Classes":

#### **(b)(2) Injunction Class**

All USOC-governed female athletes (subject to the USOC's "commercial terms" page or any other contract).

#### **(b)(3) and/or (c)(4) Damages Class**

All USOC-governed female athlete (subject to the USOC's "commercial terms" page or any other contract and who (1) participated in taekwondo from 2003 to present and (2) traveled or trained with Jean Lopez, Peter Lopez, or Steven Lopez.

724. The Classes consists of hundreds, if not thousands, of women throughout the U.S., making joinder impracticable, in satisfaction of Fed. R. Civ. P. 23(a)(1). The

exact size of the Class and the identities of the individual members are ascertainable through records maintained by the USOC, USAT (and its predecessors), the U.S. Center for SafeSport, the Lopez brothers, and their training facility, Elite Taekwondo, and others.

725. The claims of Plaintiffs are typical of the Classes. The claims of the Plaintiff and the Classes are based on the same legal theories and arise from the same unlawful pattern and practice of sexual abuse, exploitation, and trafficking of female taekwondo and other athletes; the promotion and cover-up of this misconduct; and the commercial benefits Defendants received engaging in this misconduct.

726. There are many questions of law and fact common to the claims of Plaintiff and the Classes, and those questions predominate over any questions that may affect only individual Class members within the meaning of Fed. R. Civ. P. 23(a)(2), (b)(3), and (c)(4).

727. Common questions of fact or common questions of law affecting members of the Classes include, but are not limited to, the following:

- a. Whether Defendants owed a legal duty to the members of the Class under federal and/or state law;
- b. Whether Defendants' violations of the TVPA were knowing;
- c. Whether the Defendants engaged in commercial sex trafficking;
- d. Whether the Defendants engaged in forced labor or services;
- e. Whether the Lopez brothers engaged in a pattern of sexual abuse and exploitation (sexual and physical misconduct);
- f. Whether the Lopez brothers' pattern of sexual abuse and exploitation was committed within the scope of their commercial arrangements/agency/employment with USOC and/or USAT;
- g. Whether USOC and/or USAT had knowledge or was willfully blind of the Lopez brothers' sexual and physical misconduct;

- h. Whether USOC and/or USAT facilitated the sexual misconduct;
- i. Whether USOC and/or USAT acted in reckless disregard of the sexual and physical misconduct committed by the Lopez brothers;
- j. Whether USOC and/or USAT engaged in conduct designed to suppress, cover-up, or “in any way interfere with” complaints or reports regarding the sexual and physical misconduct of the Lopez brothers;
- k. Whether USOC and/or USAT negligently hired, retained, or supervised Jean Lopez;
- l. Whether USOC and/or USAT negligently hired, retained, or supervised Steven Lopez;
- m. Whether USOC and/or USAT negligently failed to investigate or delayed investigating Steven and Jean Lopez?
- n. Whether SafeSport’s reinstatement of Jean Lopez after banning him for life for engaging in a “decades long pattern of sexual misconduct” was outrageous.

728. Absent a class action, most of the members of the Classes would find the cost of litigating their claims to be prohibitive and would have no effective remedy. The class treatment of common questions of law and fact is also superior to multiple individual actions or piecemeal litigation, particularly as to liability, in that it conserves the resources of the courts and the litigants and promotes the consistency and efficiency of adjudication.

729. Plaintiffs will fairly and adequately represent and protect the interests of the Classes. Plaintiffs have retained counsel with substantial experience in prosecuting complex litigation and class actions, and who have expertise in prosecuting personal injury, sexual abuse, and civil rights cases on behalf of vulnerable victims.

730. Plaintiffs and their counsel are committed to vigorously prosecuting this action on behalf of the other Class members, and they have the financial resources and

experience in handling sex abuse cases to do so.

731. Neither Plaintiffs nor their counsel have any interests adverse to those of the other members of the Classes.

732. Plaintiffs and the Class will have personal injury damages that are individualized, but those can be managed separately.

### **CLAIMS FOR RELIEF**

733. The Sports Abuse Act of 2017 specifically amends the civil remedy provision in 18 U.S.C. § 2255, which incorporates the Trafficking Victims Protection Act (“TVPA”) and a multitude of criminal sexual abuse statutes, with explicit concerns about sex trafficking.

734. Section 2255 was enacted to allow minor victims of sex trafficking and sexual abuse to file a civil lawsuit in federal district court and seek a wide range of remedies. Section 2255 imposes civil liability against those who commit or benefit from the forced labor, trafficking, and exploitation of minors, especially if those actions include sexual abuse and exploitation.

735. The Trafficking Victims Protection Act (“TVPA”), 18 U.S.C. §§ 1589-96, creates civil liability for those who commit or benefit from forced labor or services or sex trafficking and trafficking-related offenses, including those offenses enumerated in 18 U.S.C. §§ 1589, 1590, and 1591. Violations of the TVPA include: forcing someone into labor or sexual services; knowingly benefitting from such forced labor or services; recruiting or transporting a person for labor or services against their will, especially if those actions include sexual abuse; attempting to commit these trafficking offenses; conspiring to commit these trafficking offenses; obstructing or interfering with efforts to

enforce the TVPA; and benefitting financially from these offenses.

736. The TVPA expressly authorizes civil remedies against both the perpetrator and others who knowingly benefit from violations of the TVPA. See 18 U.S.C. § 1595(a).

737. Each of the Defendants benefitted financially and/or received something of value from the exploitation, forced labor and services, and sex trafficking of Plaintiffs. Under both the TVPA and Section 2255, the Defendants are liable for the following federal causes of action.

**Counts of MANDY MELOON for Violations of Federal Law**

**COUNT I**

**Forced Labor in Violation of 18 U.S.C. § 1589(a), § 1595(a), § 2255**

*By Mandy Meloon against Steven Lopez*

738. Mandy realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

739. Mandy is authorized to bring this civil claim against Defendants pursuant to the civil remedies provisions of 18 U.S.C. § 1595(a) and § 2255.

740. In violation of 18 U.S.C. §§ 1589(a) and 1595(a), Defendant Steven Lopez knowingly obtained forced sexual services from Mandy by means of serious harm or threats of serious harm in violation of 18 U.S.C. § 1589(a)(2), and through a scheme, plan, or pattern, he intended to cause Mandy to believe that, if that she did not perform such labor or services, she would suffer serious harm or physical restraint in violation of 18 U.S.C. § 1589(a)(4).

741. As a direct and proximate result of the actions of the Defendant, Mandy has suffered personal injuries, including severe emotional distress, physical injuries, and economic losses, and these injuries continue.

742. Mandy claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## COUNT 2

### **Sexual Exploitation, Transportation, and Illegal Sexual Activity in Violation of 18 U.S.C. §§ 2241(c), 2243, 2421, 2422, 2423(a), 2423(b), 2423(c), and 2255**

*By Mandy Meloon against Jean Lopez*

743. Mandy realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

744. Mandy is authorized to bring this civil claim against Defendant pursuant to the civil remedies provision of 18 U.S.C. § 2255.

745. In violation of 18 U.S.C. §§ 2241(c), Defendant did or attempted to cross state lines with the intent to engage in a sex act or attempted to engage in a sexual act with a child age 12-16 by use of force.

746. In violation of 18 U.S.C. § 2242(a)(2), Defendant knowingly caused or attempted to cause Mandy to engage in a sexual act with Mandy while she was incapable of appraising the nature of the conduct and/or physically incapable of declining participation in, or communicating unwillingness to engage in, that sexual act by providing her drinks that had been drugged so that she could be raped and sexually assaulted.

747. In violation of 18 U.S.C. § 2243, Defendant Jean Lopez knowingly engaged in a sexual act with Mandy, age 15, when he was age 24, at a competition.

748. In violation of 18 U.S.C. §2421, Defendant knowingly transported or attempted to transport Mandy in interstate and/or foreign commerce with the intent that she engage in sexual activity for which he could be charged with a criminal offense under, e.g., 18 U.S.C. §§ 1589, 1590, 1591, 2241(c), 2242, 2243, 2422, 2423(a), 2423(b), 2423(c), or other applicable law.

749. In violation of 18 U.S.C. §2422, Defendant knowingly persuaded, induced, enticed, or coerced Mandy to travel in interstate and/or foreign commerce with the intent that she engage in a sex act for which a person could be charged with a criminal offense sexual activity for which he could be charged with a criminal offense under, e.g., 18 U.S.C. §§ 1589, 1590, 1591, 2241(c), 2243, 2421, 2422, 2423(a), 2423(b), 2423(c), or other applicable law.

750. In violation of 18 U.S.C. § 2423(a), Defendant knowingly transported Mandy, and/or attempted to or conspired to transport Mandy, who had not yet attained the age of 18 years, in interstate and/or foreign commerce with the intent that she engage in a sex act for which a person could be charged with a criminal offense under, e.g., 18 U.S.C. §§ 1589, 1590, 1591, 2241(c), 2242, 2243, 2421, 2422, 2423(b), 2423(c), or other applicable law.

751. In violation of 18 U.S.C. § 2423(b), Defendant traveled in interstate commerce for the purpose of engaging in illicit sexual conduct with Mandy, a person under 18 years of age.

752. In violation of 18 U.S.C. § 2423(c), Defendant traveled in foreign commerce and engaged in illicit sexual conduct with Mandy, a person under 18 years of age.

753. As a direct and proximate result of the actions of the Defendants, Mandy has suffered severe emotional distress, physical injuries, and economic losses, and these damages are continuing.

754. Mandy claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.



**Counts of Gaby Joslin for Violations of Federal Law**

**COUNT 3**

**Forced Labor in Violation of 18 U.S.C. § 1589(a), § 1595(a)**

*By Gaby Joslin against Steven Lopez*

756. Gaby realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

757. Gaby is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

758. In violation of 18 U.S.C. §§ 1589(a) and 1595(a), Defendant Steven Lopez knowingly obtained forced sexual services from Gaby by means of serious harm or threats of serious harm in violation of 18 U.S.C. § 1589(a)(2), and through a scheme, plan, or pattern intended to cause Gaby to believe that, if that she did not perform such labor or services, she would suffer serious harm or physical restraint in violation of 18 U.S.C. § 1589(a)(4).

759. As a direct and proximate result of the actions of the Defendants, Gaby has suffered personal injuries, including severe emotional distress, physical injuries, and economic losses, and these injuries continue.

760. Gaby claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

#### **COUNT 4**

##### **Forced Labor in Violation of 18 U.S.C. § 1589(b), § 1595(a)**

*By Gaby Joslin against USAT*

761. Gaby realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

762. Gaby is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

763. In violation of 18 U.S.C. §§ 1589 and 1595(a), USAT knowingly benefitted from participation in a venture with Steven Lopez, knowing or in reckless disregard of the fact that the venture was engaged in the providing or obtaining of Gaby's labor or services by means of force, threats of force, physical restraint, threats of physical restraint, serious harm or threats of serious harm, and/or a scheme, plan, or pattern intended to cause Gaby to believe that, if that she did not perform such labor or services, she would suffer serious harm or physical restraint. Defendant also knowingly benefitted from participating in a venture with Jean Lopez which it knew or should have known was engaging in violations of the TVPA.

764. USAT knew or recklessly disregarded the fact that Steven Lopez was obtaining Gaby's forced labor and sexual services. USAT paid her a stipend, observed her performance in competitions, and Gaby reported Defendant Steven Lopez's abuse.

765. Defendant USAT knew or should have known the conditions under which Steven Lopez was "coaching" Gaby. USAT knowingly or recklessly participated in Steven Lopez's scheme to force Gaby into forced sexual acts. In addition, USAT aided and abetted Steven Lopez's violations of 18 U.S.C. § 1589(a) by providing knowing and substantial assistance to him when they knew or should have known that Gaby was being

subject to forced sexual acts against her will through means of actual force and threats of force, and that she was being abused and raped. USAT benefitted from Steven Lopez's actions including by collecting money through sponsorships, grants, and for medals achieved at competitions, for his recruitment and training of other elite taekwondo athletes, despite indications Gaby was being abused and raped.

766. As a direct and proximate result of the actions of the Defendants, Gaby has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

767. Gaby claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 5**

### **Trafficking with Respect to Forced Labor in Violation of 18 U.S.C. § 1590(a), § 1595(a) *By Gaby Joslin against Steven Lopez and USAT***

768. Gaby realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

769. Gaby is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

770. In violation of 18 U.S.C. §§ 1590(a) and 1595(a), Steven Lopez knowingly recruited, enticed, harbored, transported, and/or obtained Gaby for labor or services. Steven Lopez knowingly recruited and fraudulently enticed Gaby to come to Bonn, Germany, with the intention of forcing her into sexual labor and services for him.

771. Steven Lopez knowingly benefitted financially from his recruitment, enticement, harboring, transport, and obtaining of Gaby. He received free sexual

services and labor from Gaby.

772. On information and belief, and in violation of 18 U.S.C. §§ 1590(a) and 1595(a), USAT, through their agent, Steven Lopez, knowingly transported Gaby to Bonn, Germany, and to various tournaments and training centers between 2006 and 2010. They also knowingly benefitted from participating in a venture with Steven Lopez which they knew or should have known was engaging in violations of the TVPA. In addition, USAT aided and abetted Steven Lopez's violations of 18 U.S.C. § 1590(a) by providing knowing and substantial assistance to him when they knew or should have known that Gaby had been recruited, transported, or obtained by any means for labor or services. USAT benefitted from Steven Lopez's actions, including by collecting money through sponsorships, grants, and for medals achieved at competitions, for his recruitment and training of other elite taekwondo athletes, despite knowing that Gaby was being abused and raped.

773. As a direct and proximate result of the actions of the Defendants, Gaby has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

774. Gaby claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 6**

### **Sex Trafficking of Children, or by Force Fraud or Coercion in Violation of 18 U.S.C. § 1591(a)(1), § 1595(a)**

*By Gaby Joslin against Steven Lopez and USAT*

775. Gaby realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

776. Gaby is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

777. In violation of 18 U.S.C. §§ 1591(a)(1) and 1595(a), Steven Lopez knowingly and fraudulently recruited, enticed, harbored, transported, and/or obtained Gaby, and benefitted from her labor and services, knowing that means of force, fraud, coercion, and the combination of such means would be used to force Gaby to engage in commercial sex acts. Steven Lopez's acts towards Gaby were in or affecting interstate and/or foreign commerce, including by his including or placing Gaby on the team or roster for travel to Bonn, Germany, and to various tournaments and training centers between 2006 and 2010. Furthermore, Steven Lopez benefitted through his actions against Gaby.

778. In violation of 18 U.S.C. §§ 1591(a)(1), and 1595(a), USAT, through its agent Steven Lopez, knowingly recruited, enticed, and transported Gaby to various tournaments and training centers between 2008 and 2010, in interstate and foreign commerce, and benefited from her labor and services, knowing or in reckless disregard of the fact that means of force, fraud, coercion, and the combination of such means would be used to force Gaby to engage in commercial sex acts.

779. In addition, USAT aided and abetted Steven Lopez's violations of 18 U.S.C. § 1591(a) by providing knowing and substantial assistance to him when they knew or should have known that Gaby had been recruited, transported, or obtained by any means for labor or services. USAT benefitted (financially and otherwise) from Steven Lopez's actions including by collecting money through sponsorships, licensing, grants, publicity, and for medals achieved at competitions, and for his recruitment and training of other elite taekwondo athletes, despite knowing that Gaby was being repeatedly sexually

abused and raped.

780. As a direct and proximate result of the actions of the Defendants, Gaby has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

781. Gaby claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

**COUNT 7**  
**Benefitting from a Venture that Sex Traffics Children, or by Force Fraud or Coercion in Violation of 18 U.S.C. §§ 1591(a)(2), 1595(a)**  
*By Gaby Joslin against USAT*

782. Gaby realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

783. Gaby is authorized to bring this civil claim against Defendant pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

784. In violation of 18 U.S.C. §§ 1591(a)(2), and 1595(a), USAT knowingly benefitted from participation in a venture with Steven Lopez engaged in a violation of 18 U.S.C. § 1591(a)(1), knowing or in reckless disregard of the fact that means of force, threats of force, fraud, and/or coercion would be used to cause Gaby to engage in a commercial sex act.

785. USAT also knowingly benefitted from participation in a venture with Steven Lopez which it knew or should have known was engaging in acts violating the TVPA. In addition, USAT aided and abetted Steven Lopez's violations of 18 U.S.C. § 1591(a) by providing knowing and substantial assistance to him when they knew or should have known that Gaby had been recruited, transported, or obtained by any means for labor or services.

786. USAT benefitted (financially and otherwise) from Steven Lopez's actions including by collecting money through sponsorships, licensing, grants, publicity, and for medals achieved at competitions, and for his recruitment and training of other elite taekwondo athletes, despite knowing that Gaby was being repeatedly sexually abused and raped.

787. As a direct and proximate result of the actions of the Defendant, Gaby has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

788. Gaby claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

**Counts of Amber Means for Violations of Federal Law**

**COUNT 8**

**Forced Labor in Violation of 18 U.S.C. § 1589(a), § 1595(a), § 2255**

*By Amber Means against Steven Lopez and Jean Lopez*

789. Amber realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

790. Amber is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a) and § 2255.

791. In violation of 18 U.S.C. §§ 1589(a) and 1595(a), Defendants Steven and Jean Lopez knowingly obtained forced sexual services from Amber by means of serious harm or threats of serious harm in violation of 18 U.S.C. § 1589(a)(2); and a scheme, plan, or pattern intended to cause Amber to believe that, if that she did not perform such labor or services, she would suffer serious harm or physical restraint in violation of 18 U.S.C. § 1589(a)(4).

792. As a direct and proximate result of the actions of the Defendants, Amber has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

793. Amber claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

### **COUNT 9**

#### **Forced Labor in Violation of 18 U.S.C. § 1589(b), § 1595(a)** *By Amber Means against USOC and USAT*

794. Amber realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

795. Amber is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

796. In violation of 18 U.S.C. §§ 1589 and 1595(a), the USOC and USAT knowingly benefitted from participation in a venture with the Lopez brothers, knowing or in reckless disregard of the fact that the venture was engaged in the providing or obtaining of Amber's labor or services by means of force, threats of force, physical restraint, threats of physical restraint, serious harm or threats of serious harm, and/or a scheme, plan, or pattern intended to cause Amber to believe that, if that she did not perform such labor or services, she would suffer serious harm or physical restraint.

797. Defendants also knowingly benefitted from participating in a venture with the Lopez brothers which they knew or should have known was engaging in violations of the TVPA.

798. The USOC and USAT knew, or recklessly disregarded the fact that the Lopez brothers were obtaining Amber's forced labor and sexual services.



799. They housed Amber at their facilities, paid her a stipend, observed her performance in competitions, and Amber reported—verbally and in formal written complaints—the Lopez brothers’ abuse.

800. Defendants USOC and USAT knew or should have known the conditions under which the Lopez brothers were “coaching” Amber.

801. The USOC and USAT knowingly or recklessly participated in Steven and Jean Lopez’s scheme to force Amber into forced sexual acts.

802. In addition, the USOC and USAT, aided and abetted Steven and Jean Lopez’s violations of 18 U.S.C. § 1589(a) by providing knowing and substantial assistance to him when they knew or should have known that Amber was being subject to forced sexual acts against her will through means of actual force and threats of force, and that she was being abused and raped.

803. The USOC and USAT benefitted (financially and otherwise) from Steven and Jean Lopez’s actions including by collecting money through sponsorships, licensing, grants, publicity, for medals achieved at competitions, and for his recruitment and training of other elite taekwondo athletes, despite knowing that Amber was being repeatedly sexually abused and raped.

804. As a direct and proximate result of the actions of the Defendants, Amber has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

805. Amber claims damages in an amount to be proven at trial, including attorneys’ fees, injunctive relief, and other relief that the Court may deem proper.

**COUNT 10**

**Trafficking with Respect to Forced Labor  
in Violation of 18 U.S.C. § 1590(a), § 1595(a), § 2255  
*By Amber Means against Steven Lopez***

806. Amber realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

807. Amber is authorized to bring this civil claim against Defendant Steven Lopez pursuant to the civil remedies provision of 18 U.S.C. § 1595(a) and § 2255.

808. In violation of 18 U.S.C. §§ 1590(a) and 1595(a), Defendant knowingly recruited, enticed, harbored, transported, and/or obtained Amber for labor or services. Steven Lopez knowingly recruited and fraudulently enticed Amber to come from Washington State to Houston, Texas, to Cleveland, Ohio, to Colorado Springs, Colorado, to Sugar Land, Texas, to Des Moines, Iowa, to Beijing, China, and to various other cities and countries with the intention of forcing her into sexual labor and services for him.

809. Defendant knowingly benefitted financially from the recruitment, enticement, harboring, transport, and obtaining of Amber. Steven Lopez received free sexual services and labor from Amber.

810. As a direct and proximate result of the actions of the Defendant, Amber has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

811. Amber claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

**COUNT 11**

**Sex Trafficking of Children, or by Force Fraud or Coercion in Violation of 18 U.S.C. § 1591(a)(1), § 1595(a), and § 2255**

*By Amber Means against Steven Lopez, Jean Lopez, the USOC, and USAT*

812. Amber realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

813. Amber is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a) and § 2255.

814. In violation of 18 U.S.C. §§ 1591(a)(1), 1595(a), and 2255, the Lopez brothers knowingly and fraudulently recruited, enticed, harbored, transported, and/or obtained Amber, and benefitted from her labor and services, knowing that Amber had not attained the age of 18 years and would be caused to engage in commercial sex acts. The Lopez's acts towards Amber were in or affecting interstate and/or foreign commerce, including by Jean Lopez's including or placing Amber on the team or roster for travel to various tournaments and training centers. Furthermore, the Lopez brothers benefitted through their actions against Amber.

815. In violation of 18 U.S.C. §§ 1591(a)(1) and 1595(a), the Lopez brothers knowingly and fraudulently recruited, enticed, harbored, transported, and/or obtained Amber, and benefitted from her labor and services, knowing that means of force, fraud, coercion, and the combination of such means would be used to force Amber to engage in commercial sex acts. The Lopez's acts towards Amber were in or affecting interstate and/or foreign commerce, including by his including or placing Amber on the team or roster for travel to various tournaments and training centers. Furthermore, the Lopez brothers benefitted through their actions against Amber.

816. In violation of 18 U.S.C. §§ 1591(a)(1), 1595(a), and 2255, the USOC and USAT, through their agents, the Lopez brothers, knowingly recruited, enticed, and transported Amber to various tournaments and training centers, in interstate and foreign commerce, and benefited from her labor and services, knowing or in reckless disregard of the fact that she had not attained the age of 18 and that means of force, fraud, coercion, and the combination of such means would be used to force Amber to engage in commercial sex acts. In addition, the USOC and USAT, aided and abetted the Lopez's violations of 18 U.S.C. § 1591(a) by providing knowing and substantial assistance to him when they knew or should have known that Amber had been recruited, transported, or obtained by any means for labor or services. The USOC and USAT benefitted from the Lopez brothers' actions, including by collecting money through sponsorships, grants, and for medals achieved at competitions, for their recruitment and training of other elite taekwondo athletes, despite indications Amber was being trafficked, abused and raped.

817. As a direct and proximate result of the actions of the Defendants, Amber has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

818. Amber claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 12**

### **Benefitting from a Venture that Sex Trafficks Children, or by Force Fraud or Coercion in Violation of 18 U.S.C. §§ 1591(a)(2), 1595(a), and 2255**

*By Amber Means against USOC and USAT*

819. Amber realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

820. Amber is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a).

821. In violation of 18 U.S.C. § 1591(a)(2), § 1595(a), and § 2255, the USOC and USAT knowingly benefitted from participation in a venture with the Lopez brothers that engaged in a violation of 18 U.S.C. § 1591(a)(1), knowing or in reckless disregard of the fact that Amber had not attained the age of 18 and would be caused to engage in a commercial sex act, and/or knowing or in reckless disregard of the fact that means of force, threats of force, fraud, and/or coercion would be used to cause Amber to engage in a commercial sex act. The USOC and USAT also knowingly benefitted from participation in a venture with the Lopez brothers which they knew or should have known was engaging in acts violating the TVPA. In addition, the USOC and USAT aided and abetted the Lopez brothers' violations of 18 U.S.C. § 1591(a) by providing knowing and substantial assistance to him when they knew or should have known that Amber had been recruited, transported, or obtained by any means for labor or services. The USOC and USAT benefitted from the Lopez brothers' actions, including by collecting money through sponsorships, grants, and for medals achieved at competitions, for their recruitment and training of other elite taekwondo athletes, despite indications Amber was being trafficked, abused and raped.

822. As a direct and proximate result of the actions of the Defendants, Amber has suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

823. Amber claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

### COUNT 13

**Sexual Exploitation, Transportation, and Illegal Sexual Activity in Violation of 18 U.S.C. §§ 2242, 2243, 2421, 2422, 2423(a), 2423(b), 2423(c), and 2255**

*By Amber Means against Steven Lopez*

824. Amber realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

825. Amber is authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 2255.

826. In violation of 18 U.S.C. §2243, Defendant Steven Lopez knowingly engaged in a sexual act with Amber, age 17, when he was age 29 or 30, in Des Moines, Iowa.

827. In violation of 18 U.S.C. §2421, Defendants knowingly transported or attempted to transport Amber in interstate and/or foreign commerce with the intent that she engage in sexual activity for which one or both of them could be charged with a criminal offense under, e.g., 18 U.S.C. §§ 1589, 1590, 1591, 2242, 2243, 2422, 2423(a), 2423(b), 2423(c), or other applicable law.

828. In violation of 18 U.S.C. §2422, Defendants knowingly persuaded, induced, enticed, or coerced Amber to travel in interstate and/or foreign commerce with the intent that she engage in a sex act for which a person could be charged with a criminal offense sexual activity for which he could be charged with a criminal offense under, e.g., 18 U.S.C. §§ 1589, 1590, 1591, 2243, 2421, 2422, 2423(a), 2423(b), 2423(c), or other applicable law.

829. In violation of 18 U.S.C. §2423(a), Defendants knowingly transported Amber, and/or attempted to or conspired to transport Amber, who had not yet attained

the age of 18 years, in interstate and/or foreign commerce with the intent that she engage in a sex act for which a person could be charged with a criminal offense under, e.g., 18 U.S.C. §§ 1589, 1590, 1591, 2242, 2243, 2421, 2422, 2423(b), 2423(c), or other applicable law.

830. In violation of 18 U.S.C. §2423(b), Defendant traveled in interstate commerce for the purpose of engaging in illicit sexual conduct with Amber, a person under 18 years of age.

831. In violation of 18 U.S.C. §2423(c), Defendant traveled in foreign commerce and engaged in illicit sexual conduct with Amber, a person under 18 years of age.

832. As a direct and proximate result of the actions of the Defendants, Amber has suffered severe emotional distress, physical injuries, and economic losses.

833. Amber claims damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

**Counts of all Plaintiffs for Violations of Federal Law**

**COUNT 14**

**Obstruction, Attempted Obstruction, Interference with Enforcement  
in Violation of 18 U.S.C. § 1590(b), 1591(d), § 1595(a), and § 2255**

*By All Plaintiffs against Steven Lopez, Jean Lopez, USOC, USAT, and SafeSport*

834. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

835. Plaintiffs are authorized to bring this civil claim against Defendants pursuant to the civil remedies provision of 18 U.S.C. § 1595(a) and, for Plaintiff Amber Means, § 2255.

836. In violation of 18 U.S.C. §§ 1590(b) and 1595(a), Defendants USOC, USAT,

and SafeSport obstructed, attempted to obstruct, interfered, and or prevented the enforcement of this section by:

- a. ignoring verbal and written complaints of sexual abuse, trafficking, and forced labor and services;
- b. dismissing complaints of sexual abuse, trafficking, and forced labor and services;
- c. refusing to act on reports of sexual abuse, trafficking, and forced labor and services;
- d. delaying the investigation of reports of sexual abuse, trafficking, and forced labor and services;
- e. advising athletes to withdraw complaints of sexual abuse, trafficking, and forced labor and services when they knew the complaints were truthful;
- f. offering to put athletes back on team rosters only if they withdrew truthful complaints of sexual abuse, trafficking, and forced labor and services;
- g. threatening athletes with consequences for failure to withdraw complaints of sexual abuse, trafficking, and forced labor and services;
- h. making false statements about athletes regarding sexual abuse, trafficking, and forced labor and services;
- i. suspending ongoing investigations of Defendants Jean and Steven Lopez so that the Lopez brothers could coach and compete in the 2016 Olympics and 2017 World Championships to deliver more “medals and money” to Team USA;
- j. feeding false information to investigators and the media about Mandy Meloon;
- k. frustrating the SafeSport investigation of the Lopez brothers;
- l. dragging out and delaying the SafeSport investigation of Steven Lopez so that he could deliver more “medals and money” to Team USA; and
- m. retaliating against athletes who complained by suspending them or removing them from the team roster;
- n. delaying in imposing restrictions and/or suspensions on the Lopez brothers;



- o. abandoning the SafeSport investigation of Jean Lopez on appeal in August 2018
- p. delaying the hiring of Donald Alperstein from May 2014 to March 2015 and then dragging out the investigation until March 2017 and then handing over the investigation to Safe Sport in March 2017 and then not suspending either Jean Lopez or Steven Lopez until April 2018 (Jean) and May 2018 (Steven);
- q. Failing to contact law enforcement immediately upon knowing that Jean and Steven Lopez were engaging in forced labor and services and sex trafficking;
- r. Falsely telling Plaintiffs that police reports were being filed when, in fact, no police reports were filed; and
- s. Failing to provide the FBI with immediate and detailed records and documents regarding the numerous sex crimes, trafficking, and forced labor and services violations by the Lopez brothers,

among other conduct detailed in the preceding allegations.

837. As a direct and proximate result of the actions of the Defendants, Plaintiffs have suffered severe emotional distress, physical injuries, and economic losses.

838. Plaintiffs claim damages in amounts to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

#### **COUNT 15**

#### **Violation of The Racketeer Influenced And Corrupt Organizations ("RICO") Act, 18 U.S.C. § 1962**

*By All Plaintiffs against All Defendants*

839. Plaintiffs incorporate by reference each paragraph above and below as though fully set forth herein.

840. Plaintiffs bring this Count on behalf of all Plaintiffs and the Class against Defendants Jean Lopez, Steven Lopez, the USOC, USA Taekwondo, and SafeSport. At all relevant times, the RICO Defendants have all been "persons" under 18 U.S.C. §

1961(3).

841. Section 1962(c) of RICO makes it “unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs through a pattern of racketeering activity.” 18 U.S.C. § 1962(c).

842. Section 1962(d) makes it unlawful for “any person to conspire to violate” Section 1962(c), among other provisions. See 18 U.S.C. § 1962(d).

843. As explained above, the Defendants sought to obstruct and interfere with all investigations and attempts to suspend or prosecute the Lopez brothers so that they could compete at the 2016 Olympics and 2017 World Championships. To this end, the USOC and USA Taekwondo presented false and corrupting testimony to Congressional hearings in 2018, which are official proceedings, to further derail all efforts to prosecute and suspend the Lopez brothers.

844. Simply put, the Lopez brothers have been known rapists since 2006 when Mandy Meloon delivered her written allegations to USA Taekwondo. Time and again, the USOC, USA Taekwondo, and SafeSport have delayed, interfered with, and obstructed all efforts to bring the Lopez brothers to justice.

845. The RICO Act is designed to stop the sort of organized criminal activity engaged in by the USOC, USA Taekwondo, SafeSport, and the Lopez brothers. State laws are ill-equipped to deal with national and international sex crimes, which Congress recognized. Likewise, by delivering false and corrupting testimony to Congress in order to further their scheme to allow the Lopez brothers to stay involved in taekwondo, the Defendants have corrupted Congressional hearings that were held specifically to ferret

out the misconduct alleged in this lawsuit.

A. The Lopez Obstruction Enterprise

846. At all relevant times, the Defendants operated as an association-in-fact enterprise, which was formed for the purpose of stopping, hindering, and delaying all investigations of and enforcement actions against the Lopez brothers, as well as making false and corrupting statements that concealed the true nature of the sex abuse and exploitation committed by the Lopez brothers and facilitated and promoted by the USOC, USA Taekwondo, and SafeSport.

847. The Lopez Obstruction Enterprise formed in late 2014 or early 2015 as USA Taekwondo began to “investigate” the sex abuse of the Lopez brothers.

848. The specific intent and scienter of the Lopez Obstruction Enterprise is confirmed and amplified by the earlier obstruction efforts against Plaintiffs Mandy and Heidi, which occurred during 2006-2008. As set forth above, USA Taekwondo made sure to actively discredit Mandy and threaten Heidi so that Jean Lopez and Steven Lopez could continue to deliver “medals and money” for Team USA.

849. This same misconduct resurfaced in 2014 and 2015 as the Lopez brothers’ sexual abuse and exploitation was once again coming into focus. And, once again, the Defendants worked together to make sure the Lopez brothers could continue competing and coaching in taekwondo, in particular at the 2016 Olympics and 2017 World Championships.

850. At all relevant times, the Lopez Obstruction Enterprise: (a) had an existence separate and distinct from each RICO Defendant; (b) was separate and distinct from the pattern of racketeering in which the Defendants engaged; and (c) was an ongoing and continuing organization consisting of legal entities, including the Lopez brothers, USA

Taekwondo, the USOC, and SafeSport.

851. To this end, the USOC has consistently argued that it is separate and apart from USA Taekwondo and that SafeSport is an independent and separate entity.

852. Each member of the Lopez Obstruction Enterprise shared in the financial windfall generated by keeping the Lopez brothers engaged in taekwondo, and each Defendant shared in the common purpose of obstructing and interfering with investigative efforts and delivering false testimony to Congress. In the end, as the Lopez brothers delivered “medals and money,” every Defendant in the Lopez Obstruction Enterprise shared the financial benefits of this activity.

853. The Lopez Obstruction Enterprise engaged in, and its activities affected, interstate and foreign commerce because it involved commercial activities across state boundaries and international borders. In fact, the Lopez Obstruction Enterprise relied on the fact that state law sex crimes would not be prosecuted because the Lopez brothers committed their sex acts in so many different states. This confusion among state law enforcement officials helped the Lopez brothers evade prosecution for so long.

854. Within the Lopez Obstruction Enterprise, there was a common communication network by which co-conspirators shared information on a regular basis.

855. Each participant in the Lopez Obstruction Enterprise had a systematic linkage to each other through corporate ties, contractual relationships, financial ties, bank transfers, and continuing coordination of activities.

856. Through the Lopez Obstruction Enterprise, the Defendants and their members functioned as a continuing unit with the purpose of furthering the illegal scheme and their common purposes of keeping the Lopez brothers involved in Olympic

taekwondo by suppressing all attempts to remove them or prosecute them.

857. While the Defendants participated in, and are members of, the enterprise, they have a separate existence from the enterprise, including distinct legal statuses, different offices and roles, bank accounts, officers, directors, employees, individual personhood, reporting requirements, and financial statements.

858. The Defendants directed and controlled the ongoing organization necessary to implement the scheme at meetings and through communications of which Plaintiffs cannot fully know at present, because such information lies in the Defendants' exclusive control. Some of these secret meetings and conspiracies have been reported by *USA Today*, which obtained confidential materials from insiders, but otherwise, this information has been kept secret by Defendants.

B. The Pattern of Racketeering

859. To carry out their scheme to make sure the Lopez brothers could continue to deliver "medals and money" to Team USA, the Defendants knowingly participated, directly or indirectly, in the conduct of the affairs of the Lopez Obstruction Enterprise through a pattern of racketeering.

860. Under 18 U.S.C. § 1961(1), the term "racketeering activity" includes any violation of §§ 1581-92 and § 1512.

861. The predicate acts alleged here include violations of 18 U.S.C. § 1590(b), obstructing and interfering with enforcement of the TVPA, and 18 U.S.C. 1592(c)(2), the corruption of an official proceeding, as well as the underlying violations committed by the Lopez brothers, USA Taekwondo, and the USOC in violation of § 1589 (forced labor and services) and § 1591 (sex trafficking).

862. The obstruction and interference predicate acts are set forth in 18 U.S.C. §

1590(b), which reaches any person who “obstructs, attempts to obstruct, or in any way interferes with or prevents the enforcement of this section.” The phrase “this section” refers to § 1590(a), the preceding section.

863. As set forth above, the Defendants obstructed, attempted to obstruct, and interfered with the enforcement of 18 U.S.C. § 1590(a) by shielding the Lopez brothers from investigation and prosecution and making sure they could compete in the 2016 Rio Olympics and 2017 World Championships. As explained above, the Lopez investigation by USA Taekwondo, the USOC, and SafeSport was a sham. It dragged on from 2014-2018, in contrast to the “63 days” that most SafeSport investigations last. *USA Today* revealed that the USOC and USA Taekwondo worked together to make sure the Lopez brothers would not be prosecuted or suspended so they could compete in the 2016 Olympics in Rio. This, in fact, occurred, and Alperstein emailed Plaintiff Heidi and specifically told her the investigation would resume following the 2016 Olympics.

864. As set forth above, officials from both the USOC and USA Taekwondo made false statements to Congress during Congressional hearings held in 2018 specifically to ferret out the rampant incidents of sexual abuse and exploitation of Olympic athletes. These knowingly false statements were material misstatements made for the purpose of diverting focus and scrutiny on the misconduct of the USOC, USA Taekwondo, and SafeSport. Under existing case law, false testimony to Congress during an official proceeding (a Congressional hearing) constitutes the corruption of an official proceeding within the meaning of 18 U.S.C. § 1512(c)(2).

865. For the purpose of executing the illegal scheme to keep the Lopez brothers involved in taekwondo and away from prosecutors, the Defendants committed these

racketeering acts intentionally and knowingly.

866. This Lopez Obstruction Enterprise has remained in existence for several years, enabling its members to pursue the enterprise's purpose.

867. The above-described racketeering activities amounted to a common course of conduct.

868. Each instance of racketeering was related, had a common purpose, was carried out with similar participants and methods, and impacted Plaintiffs and the Class in the same manner. The racketeering activities therefore constitute a continuing threat to Plaintiffs and the Class.

869. The predicate acts were all related because they were all focused on keeping the Lopez brothers out of jail and involved in USA Taekwondo as the head coach (Jean) and superstar athlete (Steven).

870. The Defendants have not undertaken the practices described herein in isolation, but as part of a common scheme and conspiracy. In violation of 18 U.S.C. § 1962(d), the RICO Defendants conspired to violate 18 U.S.C. § 1962(c), as described herein.

C. Causation and Damages

871. By reason of, and as a result of the conduct of the Defendants in furtherance of the Lopez Obstruction Enterprise, Plaintiffs and Class members have been injured in their property and business. As detailed above, each Plaintiff has suffered severe reputational injury and damage to their professional and business interests.

872. The Defendants' violations of 18 U.S.C. § 1962(c) and (d) have directly and proximately caused injuries and damages to Plaintiffs and Class members, and Plaintiffs

and Class members are entitled to bring this action for three times their actual damages, as well as injunctive/equitable relief, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c).

**Counts of All Plaintiffs for Violations of State Law**

**COUNT 16  
Negligent Supervision**

*By all Plaintiffs against USOC and USAT*

873. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

874. Defendants USOC and USAT had a duty to protect Plaintiffs from the sexual abuse, harassment, and exploitation of the Lopez brothers. Not only were Plaintiffs underage minors during much of the time period above, but Plaintiffs were subject to "Commercial Terms" and other contractual provisions with the USOC.

875. This duty has already been admitted: the USOC and USAT have repeatedly stated publicly and on their own websites that they are "responsible" for the protection of Team USA's athletes, and the USOC has apologized for "failing" Team USA's athletes by failing to protect them from sexual predators.

876. At least as early as 2006, and certainly by 2015, Defendants USOC and USAT had notice of Defendants Jean Lopez's sexual abuse of Plaintiffs Mandy Meloon, Kay Poe, Heidi Gilbert, and Gaby Joslin, among others.

877. At least as early as 2006, and certainly by 2015, Defendants USOC and USAT had notice of Defendant Steven Lopez's sexual abuse of Plaintiffs Amber Means, Gaby Joslin, and Mandy Meloon, among others.

878. Defendants USOC and USAT knew or should have known that Jean and



Steven Lopez's conduct, agency, and/or employment would subject third parties to an unreasonable risk of harm.

879. Defendants USOC and USAT improperly supervised Jean Lopez by failing to monitor his actions and by acting to obstruct or interfere with investigations of Jean Lopez's sexual assaults of Team USA's athletes. By doing so, they signaled to female athletes that their complaints of sexual assault were futile and that Jean Lopez was above the law in the eyes of the USOC and USAT.

880. Defendant USOC improperly supervised Jean Lopez by appointing him to coach Team USA repeatedly, over multiple years, in taekwondo competitions. By doing so, they clothed him the authority of Team USA and signaled to female athletes that they had to submit to his sexual demands.

881. Defendants USOC and USAT willingly allowed the sexual assaults committed by Jean Lopez and Steven Lopez to continue because the Lopez brothers delivered the "medals and money" to Team USA's balance sheet and brought financial success to the USOC by generating more sponsorships, revenues, licensing deals, and publicity.

882. As a direct and proximate result of the actions of the Defendants' actions, Plaintiffs suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

883. Plaintiffs claim damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 17**

### **Negligent Retention**

*By all Plaintiffs against USOC and USAT*

884. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

885. At all relevant times, USOC and USAT have had a duty to exercise reasonable care in relation to the safety and welfare of their member athletes, including Plaintiffs.

886. At all relevant times, USOC and USAT have had a duty to exercise reasonable care to avoid creating or maintaining, unreasonable risks to the safety and welfare of their member athletes, including Plaintiffs.

887. At all relevant times, Defendants USOC and USAT had a duty to protect Plaintiffs from the sexual abuse, harassment, and exploitation of the Lopez brothers. Not only were Plaintiffs underage minors during much of the time period above, but Plaintiffs were subject to “Commercial Terms” and other contractual provisions with the USOC.

888. These duties are described in the Ted Stevens Amateur Sports Act and the 2017 Sports Abuse Act and have already been admitted: the USOC and USAT have repeatedly stated publicly and on their own websites that they are “responsible” for the protection of Team USA’s athletes, and the USOC has apologized for “failing” Team USA’s athletes by failing to protect them from sexual predators.

889. At least as early as 2006, and certainly by 2015, Defendants USOC and USAT had notice of Defendants Jean Lopez’s sexual abuse of Plaintiffs Mandy Meloon, Kay Poe, Heidi Gilbert, and Gaby Joslin, among others.

890. At least as early as 2006, and certainly by 2015, Defendants USOC and USAT had notice of Defendant Steven Lopez’s sexual abuse of Plaintiffs Amber Means, Gaby Joslin, and Mandy Meloon, among others.

891. Defendants USOC and USAT knew or should have known that Jean and Steven Lopez's conduct, agency, and/or employment would subject third parties to an unreasonable risk of harm.

892. At least as early as 2006, and certainly by 2015, Defendants USOC and USAT had notice of Defendants Jean Lopez's sexual abuse of Plaintiffs Mandy Meloon, Kay Poe, Heidi Gilbert, and Gaby Joslin, among others.

893. At least as early as 2006, and certainly by 2015, Defendants USOC and USAT had notice of Defendant Steven Lopez's sexual abuse of Plaintiffs Amber Means, Gaby Joslin, and Mandy Meloon, among others.

894. Defendants USOC and USAT knew or should have known that Jean and Steven Lopez were dangerous and were unfit to be employees or agents of USAT and the USOC.

895. Defendants USOC and USAT retained Jean and Steven Lopez despite their knowledge of the risks that they posed to Plaintiffs and third parties.

896. By funding and promoting the travel, training, and competitive events at which the Lopez brothers acted as Defendants' agents, Defendants continued to create unreasonable risks to Plaintiffs and others.

897. Defendants USOC and USAT willingly allowed the sexual assaults committed by Jean Lopez and Steven Lopez to continue because the Lopez brothers delivered the "medals and money" to Team USA's balance sheet and brought financial success to the USOC by generating more sponsorships, revenues, licensing deals, and publicity.

898. As a direct and proximate result of the actions of the Defendant, Plaintiffs

suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

899. Plaintiffs claim damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 18**

### **Defamation**

#### *By Plaintiffs Against USAT, Steven Lopez, and Jean Lopez*

900. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

901. At all relevant times, Plaintiffs enjoyed the respect, confidence, and esteem of their neighbors, as well as others in their communities.

902. USAT's statements, by and through its former CEO Askinas, acting within the scope of his employment with and representation of USAT, given to the *Colorado Gazette* on or about August 19, 2007, and given to and/or republished by *USA Today* on or about June 8, 2017, were each defamatory.

903. At the time USAT's statements were originally published in 2007, it was reasonably foreseeable that the statements would be republished by third-party news media as part of news accounts of Mandy's repeated allegations, such as by *USA Today* in 2017.

904. Each statement was false when made, in that Mandy's allegations of sexual assault by Jean Lopez prior to 2007 and USOC and/or USAT's failure to investigate were true, and there was no basis to publicly claim that Mandy was lying or was a liar.

905. USAT's statements, in 2007 and 2017, were not privileged.

906. Askinas, within the course and scope of his employment and/or agency with USAT, gave each false statement intentionally, with knowledge of its falsity; with reckless disregard of the truth; with negligent disregard of the truth; and/or with actual malice toward Plaintiffs, intending to injure Plaintiffs and to deprive them of their good names and reputations.

907. USAT knew or should have known that each of Askinas's statements was false at the time of the publications.

908. Askinas made his each of his statements at the direction of USAT and/or within the course and scope of his employment and/or agency with USAT.

909. USAT ratified Askinas's statements by not forcing him to withdraw them, by leaving Steven and Jean Lopez in place, and by rehiring and promoting Jean Lopez and Steven Lopez as the faces of USA Taekwondo.

910. Each of the statements of USAT, by and through Askinas, was printed, published, circulated, and distributed by news outlets, and was widely read by Plaintiffs' families, neighbors, friends, and other persons.

911. On or about August 19, 2007, the *Colorado Gazette* published statements from Mandy detailing Jean Lopez's sexual assault of her in 1997 while they were at a competition in Egypt.

912. Along with those statements, the *Colorado Gazette* published a response from Askinas. In an effort to publicly brand Mandy as a liar, Askinas stated that a three-month investigation in 2006 concluded that Mandy's allegations "weren't credible."

913. Askinas's response on or about August 19, 2007, to the *Colorado Gazette* was false because Mandy was in fact sexually assaulted by Jean Lopez prior to 2007

and neither the USOC nor USAT investigated Mandy's allegations. Also, Mandy had passed a polygraph, which determined that her allegations were "truthful."

914. Askinas's response on or about August 19, 2007, stated explicitly, stated in effect, stated by innuendo, implied, and/or insinuated that an investigation revealed that Jean Lopez never sexually assaulted Mandy, and therefore that Mandy lied and was a liar.

915. At the time Askinas made these statements to the *Colorado Gazette* in 2007, Askinas was the chief executive of USAT, and acted as an agent, authorized representative, servant, and/or employee of USAT, acting within the course and scope of his employment and/or agency.

916. On or about June 8, 2017, *USA Today* published an interview with Mandy retelling the same allegations of sexual assault by Jean Lopez prior to 2007.

917. Along with Mandy's statements, *USA Today* republished Askinas's response, which had been originally published by the *Colorado Gazette* in 2007.

918. In an effort to continue the public branding of Mandy as a liar, Askinas reiterated the statements he provided to the *Colorado Gazette* in 2007 that Mandy's allegations "weren't credible" based on investigations by USAT and USOC.

919. Askinas's statements on or about June 8, 2017 to *USA Today* were false because Mandy was in fact sexually assaulted by Jean Lopez prior to 2007 and neither the USOC nor USAT investigated Mandy's allegations of sexual assault by Jean Lopez prior to 2007.

920. Askinas's response on or about June 8, 2017, stated explicitly, stated in effect, stated by innuendo, implied, and/or insinuated that an investigation revealed that

Jean Lopez never sexually assaulted Mandy, and therefore that Mandy lied and was a liar.

921. Askinas's statements in 2007 were made with the expectation and intent that the statements would be republished by news outlets in the event Mandy should repeat her allegations and/or should those allegations be reported again on a later date. Thus, it was reasonably foreseeably at that time that the statement would be republished by third-party new media as part of news accounts on Mandy's repeated allegations, such as by *USA Today* in 2017.

922. USAT has known that Mandy's allegations are true and that Askinas's statements are false.

923. USAT's statements, by and through Askinas, were published nationwide, not just through the Colorado Gazette and USA Today, but through other publications that repeated the statements.

924. In addition, Askinas made false statements to *USA Today* in 2017 when interviewed about the allegations made by Plaintiffs and that form the basis of this action.

925. In 2017, Askinas falsely told USA Today that, "I never asked Ms. Gilbert to keep quiet about anything."

926. In 2017, Askinas falsely claimed that he had ever told Mandy that he knew Mandy was lying.

927. In 2017, Steven Lopez falsely denied to *USA Today* that he had punched Mandy in the nose, despite knowing that he had in fact punched Mandy in the nose.

928. Similarly, Steven Lopez also denied assaulting and raping Mandy despite knowing that he had in fact assaulted and raped Mandy.

929. Steven Lopez denied to *USA Today* in 2017 that he had ever drugged and raped Amber, despite knowing that he had in fact drugged and raped Amber.

930. In 2017, *USA Today* reported:

In separate interviews, Steven and Jean Lopez denied allegations of sexual assault made by four women to USA TODAY Sports and investigators.

“I’ve never been inappropriate with anyone,” Jean Lopez said.

Steven Lopez said he was told in January 2016 that there was a complaint against him with USA Taekwondo. But he said he was not given any details of the allegations, nor was he interviewed by Alperstein or anyone else.

Lopez says he was told in a letter last month that the complaint was being transferred to the U.S. Center for SafeSport. The independent agency, which became fully operational in March, was created by the USOC to handle abuse allegations for national governing bodies.

“I’ve never — nothing, nothing at all,” Steven Lopez said when asked if he’s ever sexually assaulted or committed any kind of inappropriate behavior with any woman. “Nothing like that. Nothing close to that.”<sup>150</sup>

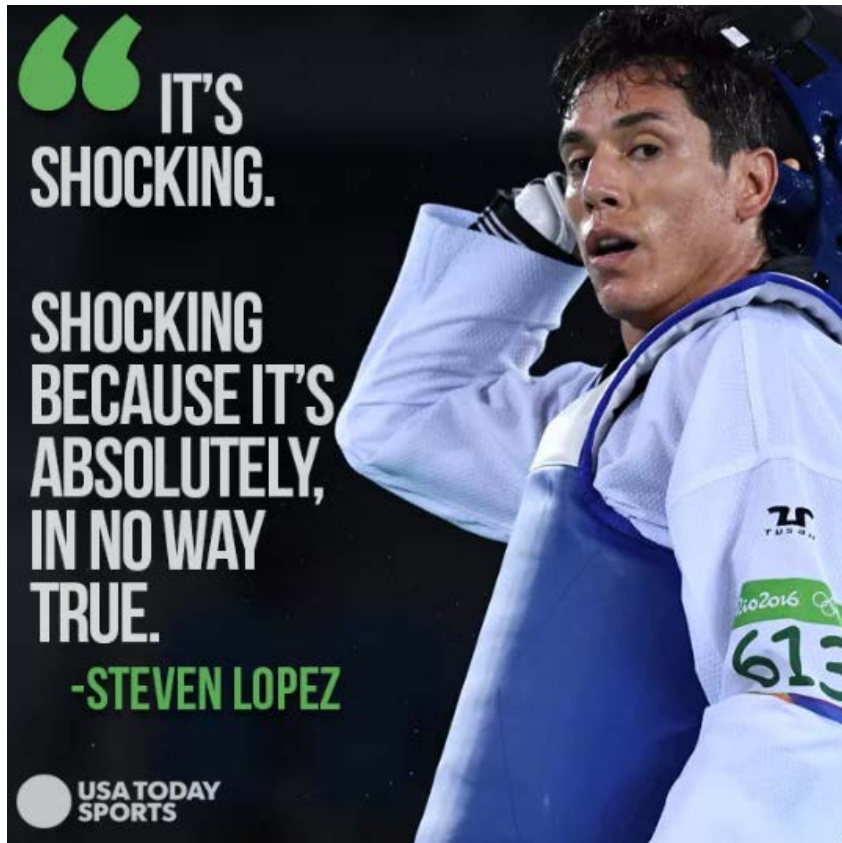
931. Thus, Jean and Steven Lopez falsely claimed or insinuated that four of the Plaintiffs were lying about the sexual assaults committed by Jean and Steven Lopez against them.

932. In half-page photograph that includes a quote from Steven Lopez (in the same *USA Today* story), Steven Lopez falsely claimed that Plaintiffs are lying about his sexual abuse:

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<sup>150</sup> Nancy Armour & Rachel Axon, *Lopez brothers, Olympic taekwondo royalty, hit with sex abuse allegations*, USA TODAY (June 8, 2017), <https://www.usatoday.com/story/sports/olympics/2017/06/08/lopez-brothers-olympic-taekwondo-royalty-hit-sex-abuse-allegations/102630358/>





933. USAT's statements, by and through Askinas, each on its face impugned Plaintiffs' reputation, and tended to expose Plaintiffs to public contempt, ridicule, aversion or disgrace, to induce an evil opinion of them in the minds of right-thinking persons, to cause them to be shunned or avoided, and/or to injure them in occupation, good name, character, and reputation.

934. Steven Lopez's statements impugned Plaintiffs' reputation, and tended to expose Plaintiffs to public contempt, ridicule, aversion or disgrace, to induce an evil opinion of them in the minds of right-thinking persons, to cause them to be shunned or avoided, and/or to injure them in occupation, good name, character, and reputation.

935. Jean Lopez's statements impugned Plaintiffs' reputation, and tended to expose Plaintiffs to public contempt, ridicule, aversion or disgrace, to induce an evil opinion of them in the minds of right-thinking persons, to cause them to be shunned or

avoided, and/or to injure them in occupation, good name, character, and reputation.

936. As a direct and proximate result of the actions of Defendant USAT's, Defendant Steven Lopez's, and Defendant Jean Lopez's statements, Plaintiffs suffered damage by virtue of their loss of reputation, shame, mortification, hurt feelings, and/or damage to their property, business, trade, profession, and/or occupation.

937. Plaintiffs claim damages in an amount to be proven at trial, including attorneys' fees and other relief that the Court may deem proper.

### **Count 19**

#### **NEGLIGENCE**

*By all Plaintiffs against USAT and USOC and SafeSport*

938. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

939. At all relevant times, USOC, USAT, and SafeSport have all had a duty to exercise reasonable care in relation to the safety and welfare of their member athletes, including Plaintiffs.

940. At all relevant times, USOC, USAT, and SafeSport have had a duty to exercise reasonable care to avoid creating or maintaining unreasonable risks to the safety and welfare of their member athletes, including Plaintiffs.

941. At all relevant times, USOC, USAT, and SafeSport have had a duty to exercise reasonable care in investigating and pursuing complaints of criminal conduct, sexual misconduct, and violations of federal law against their member athletes, including Plaintiffs.

942. As described herein, the scope of these duties are described in the Ted Stevens Amateur Sports Act and the 2017 Sports Abuse Act, are mandated by

Defendants' organizational documents and governing policies, and have been recognized by Defendants in repeated 2018 congressional testimony.

943. Defendants USOC and USA Taekwondo breached their duties by failing to take action or otherwise investigate Mandy's or Heidi's 2006-2008 grievances regarding sexual abuse at the hands of Defendants Jean and Steven Lopez, in reckless disregard of the safety and welfare of Plaintiffs and other female taekwondo athletes.

944. From the 2014-2018, Defendants USA Taekwondo and USOC breached their duties of care by:

- a. Violating their own bylaws, which make the USOC responsible for athlete safety and require USAT to promptly investigate allegations of sex abuse;
- b. Unreasonably failing to hire an investigator (Alperstein) for ten months (from May 2014 to March 2015) despite having a board decision to hire the investigator;
- c. Causing the investigation of Alperstein to drag on from March 2015 to March 2017, when it was then handed over to SafeSport, in effect abandoning it and wasting two years to conduct a sham investigation;
- d. Suspending the investigation in the middle of it so the Lopez brothers could compete and coach at the 2016 Olympics;
- e. Unreasonably delaying notifying the FBI or other law enforcement of sexual abuse—including sexual abuse against minors—by Defendants Jean Lopez and Steven Lopez; and
- f. Obstructing and interfering with attempts to report the Lopez brothers to law enforcement officials, including making false statements to Congress in

2018 and falsely telling Plaintiffs that police reports had been filed when, in fact, no police reports were filed against the Lopez brothers.

- g. Failing to properly fund or staff Safesport, in effect spending less than 0.62% of the USOC's annual revenues on athlete safety and protection, and then falsely lying about it and claiming that the delay of SafeSport's opening until March 2017 was caused by anything other than the USOC's gross failure to fund and open SafeSport.

945. From 2017 to 2018, Defendants SafeSport and USA Taekwondo breached their duties of care by:

- a. Failing to promptly investigate and instead unreasonably delaying the investigations of Defendants Jean Lopez and Steven Lopez.
- b. Failing to even interview Defendants Jean Lopez and Steven Lopez in the course of their investigations;
- c. Defendant USAT lifted its suspension of an athlete who was a twice convicted felon;
- d. Defendant USAT failed to notify the USOC of a ban imposed on an athlete for sexual misconduct prior to the 2016 Olympic games and that athlete was permitted to attend the Games.
- e. Defendant USAT unreasonably delayed the investigation and discipline of taekwondo coach Marc Gitelman;
- f. Defendant USAT and USOC failed to enforce the suspension of Marc Gitelman, despite knowing he was a sexual predator, until two days after he was criminally convicted of sexually abusing two student athletes;

- g. Defendant SafeSport, after having imposed a lifetime ban from sport on Jean Lopez for his “decades long pattern of sexual misconduct,” reinstated Defendant Jean Lopez, in contravention of its own policies regarding the appeal process, because his victims, Plaintiffs in this action, refused to appear and provide live testimony on his appeal from the ban.

946. Because of the sham investigation of the Lopez brothers from 2014-2018, Plaintiffs have all suffered institutional abandonment and have experienced severe emotional distress.

947. Because the ban on Jean Lopez was revoked and Jean was reinstated in August 2018 by SafeSport, Plaintiffs have suffered severe emotional injuries and have suffered reputational damages.

948. As a direct and proximate result of the negligent actions and inactions of the Defendants USOC, USAT, and SafeSport, Plaintiffs have suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

949. Plaintiffs claim damages in an amount to be proven at trial, including attorneys’ fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 20**

### **GROSS NEGLIGENCE**

*By all Plaintiffs against USAT and USOC and SafeSport*

950. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

951. At all relevant times, USOC, USAT, and SafeSport have had a duty to exercise reasonable care in relation to the safety and welfare of their member athletes, including Plaintiffs.

952. At all relevant times, USOC, USAT, and SafeSport have had a duty to exercise reasonable care to avoid creating or maintaining, unreasonable risks to the safety and welfare of their member athletes, including Plaintiffs.

953. At all relevant times, USOC, USAT, and SafeSport have had a duty to exercise reasonable care in investigating and pursuing complaints of criminal conduct, sexual misconduct, and violations of federal law against their member athletes, including Plaintiffs.

954. Engaging in conduct that was wanton and willful, recklessly and in conscious disregard of the safety of female taekwondo athletes, including Plaintiffs, Defendants were grossly negligent in breaching these duties in one or more of the following respects, among others:

- a. Defendant USAT actively discredited Mandy's allegations of sexual abuse;
- b. Defendant USAT actively dissuaded Mandy from filing a police report against Jean Lopez;
- c. Defendant USAT attempted to extort Mandy, offering her a spot on the 2008 Olympic team in exchange for dropping her complaint against Defendant Jean Lopez and signing a false statement regarding the allegations and her mental state;
- d. Defendant USAT lifted a suspension for an athlete who was a twice convicted felon;
- e. Defendant USAT failed to notify the USOC of a ban imposed on an athlete for sexual misconduct prior to the 2016 Olympic games and that athlete was permitted to attend the Games.

- f. Defendant USAT unreasonably delayed the investigation and discipline of taekwondo coach Marc Gitelman;
- g. Defendant USAT and USOC failed to enforce the suspension of Marc Gitelman, despite knowing he was a sexual predator, until after he was criminally convicted of sexually abusing two student athletes;
- h. Defendant SafeSport, after having imposed a lifetime ban from sport on Jean Lopez for his “decades long pattern of sexual misconduct” reinstated Defendant Jean Lopez, in contravention of its own policies regarding the appeal process, because his victims, Plaintiffs in this action, refused to appear and provide live testimony on his appeal from the ban.
- i. Defendants USOC and USAT, in conscious disregard of the safety and welfare of female taekwondo athletes, including Plaintiffs, suspended an ongoing investigation and related restrictions in order for Steven Lopez to compete and Jean Lopez to coach at the 2016 Olympics and 2017 World Championships;
- j. Defendant USOC, in conscious disregard of the safety and welfare of female taekwondo athletes, including Plaintiffs, delayed opening an independent entity to investigate and report on sexual misconduct in the Olympic community from 2010 to 2017, despite knowing of rampant sexual abuse within the Olympic community;
- k. Defendant USOC, in conscious disregard of the safety and welfare of female taekwondo athletes, including Plaintiffs, has and continues to

underfund and understaff SafeSport and delayed opening SafeSport until March 2017, over seven years;

- l. Defendants USAT, USOC, and SafeSport, in conscious disregard of the safety and welfare of female taekwondo athletes, including Plaintiffs, provided corrupting and false testimony to Congress in several hearings in 2018;
- m. Defendants USAT, USOC, and SafeSport, in conscious disregard of the safety and welfare of female taekwondo athletes, including Plaintiffs, obstructed and interfered with the investigation of the Lopez brothers and enforcement of the law;
- n. Defendants USOC and SafeSport, in conscious disregard of the safety and welfare of female taekwondo athletes, including Plaintiffs, reinstated Jean Lopez in August 2018 despite already finding him to be a serial rapist of female athletes.

955. These allegations against Defendants are based on misfeasance rather than simply failing to act. Time and again, Defendants affirmatively went out of their way to protect the Lopez brothers (the rapists) and to actively discredit, intimidate, lie to, discredit, and attack Plaintiffs (their victims).

956. The gross negligence is particularly alarming because the resources of the USOC afford it the simple ability to fund SafeSport and provide compliance and security personnel. With hundreds of millions of dollars in annual revenue (\$230M to \$360M in annual revenue) and over \$500M on its balance sheet, the USOC has no excuse for not funding SafeSport and not providing adequate security and compliance personnel.



957. The allegations set forth above in the avalanche of *Washington Post* and *USA Today* articles details, in agonizing detail, the long-term, reckless decisions by the USOC, USAT, and SafeSport to facilitate and foster sex abuse and actively derail and discredit all attempts to protect the victims of sex abuse and exploitation among the ranks of Team USA.

958. As a direct and proximate result of the grossly negligent conduct of the Defendants USOC, USAT and SafeSport, Plaintiffs have suffered severe emotional distress, physical injuries, and economic losses, and these injuries continue.

959. Plaintiffs claim damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

## **COUNT 21**

### **OUTRAGEOUS CONDUCT**

*By all Plaintiffs against USOC and SafeSport*

960. Plaintiffs reallege and incorporate by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

961. Defendants USOC and SafeSport engaged in extreme and outrageous conduct with the intention of causing or with reckless disregard of the probability of causing Plaintiffs severe and extreme emotional distress.

962. As the title of this news article describes, the reinstatement of Jean Lopez in August 2018 has "outraged" Plaintiffs and would be deemed outrageous by any reasonable person : Nancy Armour & Rachel Axon, *Athletes Outraged as Banned Taekwondo Coach Reinstated*, USA TODAY (Aug. 17, 2018).

963. Defendants' extreme and outrageous conduct consisted of, among other things:

- a. Continuing to support and clothe Steven and Jean Lopez with the legitimacy and authority of Team USA despite having actual and constructive knowledge of their decades long pattern of serial sexual predation;
- b. Finally vindicating Plaintiffs by issuing an April 3, 2018 report, supported by evidence and testimony gathered over years-long investigation, and permanently banning Jean Lopez from sport based on his “decades long pattern of sexual misconduct” against young athletes”—including Plaintiffs; but then, on Jean Lopez’s appeal, making the incredible demand, in violation of SafeSport’s own written policies and procedures, that the victims of Jean Lopez’s abuse, including Plaintiffs, relive the horrors of their abuse by giving live testimony on his appeal;
- c. Refusing reasonable alternatives to live testimony at the scheduled arbitration, such as sworn declarations;
- d. Refusing the reasonable request to postpone the arbitration pending discovery, including deposition testimony that would take place in this lawsuit; and instead abandoning the decision on appeal, resulting in the unbelievable, inexplicable, and outrageous decision to reinstate Jean Lopez.

964. SafeSport’s April 3, 2018 Report banning Jean Lopez for life from sport was a short-lived and hollow vindication: with SafeSport’s shocking move to condition the ban on Plaintiffs reliving their abuse, Defendants together confirmed that the USOC-created, USOC-controlled, pitifully-underfunded, and purposefully useless entity called

SafeSport is nothing more than a sham to perpetuate the cover-up and deflection of rampant abuse that USOC and the NGBs have engaged in all these years.

965. As a direct and proximate result of the outrageous conduct of the Defendants USOC and SafeSport, Plaintiffs have suffered severe emotional distress as a result of Defendants' conduct, and in particular, the August 2018 reinstatement of their abuser.

966. Plaintiffs claim damages in an amount to be proven at trial, including attorneys' fees, injunctive relief, and other relief that the Court may deem proper.

### **DEMAND FOR JURY TRIAL**

Plaintiffs are entitled to and hereby demand a jury trial in this matter.

### **PRAYER FOR RELIEF**

Wherefore, Plaintiffs respectfully requests that this Court will:

- a. Enter judgment against Defendants, jointly and severally, in such amounts as will fully and adequately compensate Plaintiffs for the damages they have suffered, in an amount to be determined at trial;
- b. Award Plaintiffs punitive damages against Defendants, jointly and severally, in an amount to be determined by the jury for Defendants' violations of federal law;
- c. Award Plaintiffs damages and treble damages under the RICO Act;
- d. Award Plaintiffs pre-judgment and post-judgment interest;
- e. Award Plaintiffs their actual expenses of litigation, including reasonable attorney's fees;
- f. Award Plaintiffs injunctive relief that requires the USOC and USAT to put in place (and fund) supervision and compliance protocols that actually

prevent, uncover, and stop the sexual abuse, exploitation, and trafficking of

Team USA's athletes;

- g. Appoint Plaintiffs as class representatives;
- h. Appoint Plaintiffs' counsel as counsel for the class;
- i. Award Plaintiffs such other and further relief as the Court deems

just and proper.

Respectfully Submitted,

/s/ Rex A. Sharp  
Rex A. Sharp  
Ryan C. Hudson  
Larkin E. Walsh  
Sharp Law | Rex A. Sharp, P.A.  
5301 W. 75<sup>th</sup> St.  
Prairie Village, KS 66208  
913.901.0505  
913.901.0419 (fax)  
[rsharp@midwest-law.com](mailto:rsharp@midwest-law.com)  
[rhudson@midwest-law.com](mailto:rhudson@midwest-law.com)  
[lwalth@midwest-law.com](mailto:lwalth@midwest-law.com)  
[www.midwest-law.com](http://www.midwest-law.com)

Daniel A. Lipman  
Parker Lipman LLP  
3200 Cherry Creek South Dr, Suite #520  
Denver, CO 80202  
720-638-9424  
303-964-1900 (fax)  
[dan@parkerlipman.com](mailto:dan@parkerlipman.com)  
[www.parkerlipman.com](http://www.parkerlipman.com)

Jonathan Little  
Saeed and Little, LLP  
1433 N. Meridian Street  
Indianapolis, IN 46202  
317-721-9214  
[jon@slawfirm.com](mailto:jon@slawfirm.com)  
[www.slawfirm.com](http://www.slawfirm.com)

Stephen John Estey  
ESTEY & BOMBERGER, LLP  
2869 India Street  
San Diego, CA 92103  
619.295.0035  
[steve@estey-bomberger.com](mailto:steve@estey-bomberger.com)  
[www.estey-bomberger.com](http://www.estey-bomberger.com)

B. Robert Allard  
CORSIGLIA, MCMAHON & ALLARD, LLP  
96 N. Third Street, Suite 620  
San Jose, California 95112  
(408) 289-1417  
[rallard@cmalaw.net](mailto:rallard@cmalaw.net)  
[www.cmalaw.net](http://www.cmalaw.net)

**Counsel for Plaintiffs**

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**CERTIFICATE OF SERVICE**

It is hereby certified that a true and correct copy of the foregoing document was filed and served, via the CM/ECF system on August 24, 2018, on all counsel of record and will be served on Defendant U.S. Center for SafeSport in accord with Fed. R. Civ. P. 4.

*(A duly signed original is available at the office of Rex A. Sharp, PA)*

By: /s/ Rex A. Sharp  
Attorney for Plaintiffs

# Reducing Financial Waste & Improving Governance: Proposed Reforms to the U.S. Olympic Committee

Eli Bremer, Oly  
Nancy Hogshead-Makar, J.D., Oly  
Steven Sexton, Ph.D., Professor, Economist, Duke University  
Andrew Zimbalist, Ph.D., Professor, Sports Economist, Smith College  
Dan Marburger, Ph.D., Professor, Sports Economist, Arizona State  
University

Ed Williams, J.D., Oly, Donna Lopiano, Ph.D., Kathy Johnson-Clarke,  
Oly, Jennifer Sey, Robert Allard, J.D., Jon Little, J.D., Jennifer Spiegel,  
J.D., Jessica Armstrong, J.D., Eva Rodansky, Patricia Rodowsky

July 23, 2018

**EXHIBIT 1**

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## **I. Summary**

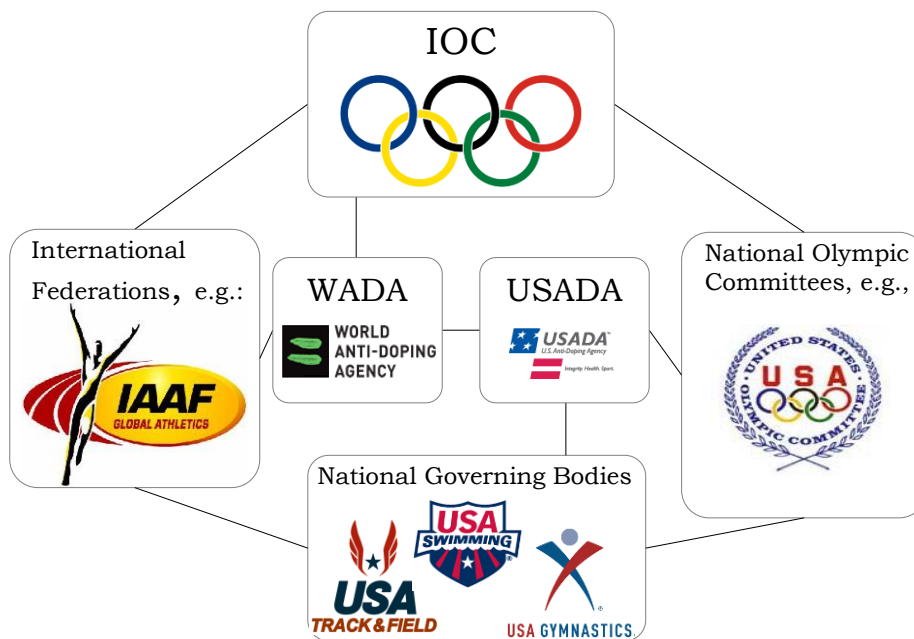
The U.S. Olympic Committee and its National Governing Bodies are under Congressional scrutiny for their long-term, willful failures to protect athletes from sexual abuse. This Report addresses the nexus between all types of athlete abuse, the economics of the Olympic movement, and the USOC's corporate governance. Congress gave the USOC monopoly power over choosing the Olympic Team, along with exclusive use over prestigious and lucrative marks associated with the Games. Over time, the USOC has gained monopsony power over buying the services of the athletes themselves. Predictably, the USOC governing structure has led to runaway executive compensation and the exploitation of athlete labor. Reforms are urgently needed to increase transparency and accountability for spending, limit unnecessary bureaucratic expansion, and shift power to athletes. The USOC must reorient its primary mission towards supporting the nation's Olympic athletes, in service to this nation.

## **II. Operation of the USOC**

### **A. International Olympic Committee Framework**

The International Olympic Committee (IOC) was formed in 1892 to promote international Olympic competition and sportsmanship throughout the world. Under its current structure, the IOC recognizes a single National Olympic Committee (NOC) for each of the 206 countries participating in Olympic athletics. Each NOC is a member of the IOC and interacts directly with the organization. Athletes are eligible to participate in the Olympic Games only if they compete under the authority of their nations' member NOC. In addition to the nation-based NOC system, each sport in the Olympics is also organized under an International Federation (IF). Each IF recognizes a single National Federation (NF) for each country. Only those athletes presented from an NF are able to participate in sanctioned international competitions held by the IF under the Olympic system. Rules heavily restrict movement of athletes between NFs to avoid countries recruiting internationally.

## THE OLYMPIC SPORTS STRUCTURE



### B. Formation and Administration of the US Olympic Committee

The NOC for the United States is the US Olympic Committee (USOC), a federally chartered non-profit headquartered in Colorado Springs, Colorado. In 1978, Congress granted the USOC substantial powers and benefits under the Amateur Sports Act (ASA or the “Sports Act”).<sup>1</sup> Specifically, in lieu of direct government funding, the USOC was given monopoly power over the Olympic rings, certain words like “Olympic”, “Olympiad”, “Citius Altius Fortius”, “Paralympic”, “Paralympiad”, “Pan-American”, “America Espirito Sport Fraternite”, or any combination of those words, the brand and marketing of the Olympics within the United States.<sup>2</sup> The Sports Act also established National Governing Bodies

<sup>1</sup> 36 U.S.C. Sec. 220501 et seq., available at: <https://www.teamusa.org/Footer/Legal/Governance-Documents>. Congressional hearings are the result of a common theme; the lack of athlete’s rights. The Sports Act was passed, in part, to protect athletes from exploitative administrators who failed to act in the best interests of athletes. In the 1972 Olympics, officials failed to get America’s sprinters to the arena in time, failed to advocate for Jim Ryun when he was tripped during his premiere event, failed to protect Rick DuMont from having his medal withdrawn for using an asthma medication he’d been using since early childhood, and failed to assure that the Soviet Union Basketball team did not get additional time on the clock, pushing back Tom McMillen from guarding the Soviet player. The Soviets scored with the additional time and won the Gold Medal. The U.S. Basketball Team has never accepted its silver medal. In all instances, the USOC was not organized to advocate for athletes in need.

<sup>2</sup> U.S. Olympic and Paralympic Brand Usage Guidelines, available <https://www.teamusa.org/brand-usage-guidelines>. The USOC also owns many federal trademarks including, but not limited to:

- OLYMPIC, OLYMPIAD, OLYMPIAN and FUTURE OLYMPIAN
- GO FOR THE GOLD and GATEWAY TO GOLD
- LET THE GAMES BEGIN

(NGBs) for all Olympic sports, which serve as the IOC-required National Federations operating under each sport's International Federation. These affiliated organizations are semi-autonomous on paper, but in fact operate as coordinated parts of a single system.

### 1. Operations under the Amateur Rule (1978-1986)

At the formation of the USOC forty years ago, the Committee only permitted amateur athletes to compete in Olympic competitions, per the policy of the IOC. In its early years of operation, USOC revenues and marketing efforts were relatively small; TV revenue was miniscule, and athletes could not be marketed individually due to their then-"amateur" status.

The amateur rule shaped the mission, organization, and culture of the USOC in a number of significant ways. With uncompensated amateur athletes as its constituency, the system was designed to provide power and money to the Committee (and by extension the NGBs) rather than to athletes. The money flowing into the USOC supported the Corporation and its staff.

The amateur rule also resulted in American Olympians typically being young, as few athletes could support themselves as amateurs into adulthood; athletes stopped competing to find employment. During this period the USOC operated on a relatively modest scale and relied heavily on volunteers, many of whom were parents or supporters of local clubs. With few professional staff, volunteer committees managed the bulk of USOC operations.

With this in mind, the Sports Act created a separate body to represent the interests of athletes. The Athletes Advisory Council's (AAC) mission is, "To communicate the interests and protect the rights of athletes, in cooperative support of the USOC achieving its mission."<sup>3</sup> The Sports Act requires 20% athlete participation on boards and committees, and that provision continues today.<sup>4</sup> To qualify as an "athlete" eligible for AAC membership, the athlete must be within ten years of their last international competition.

The current AAC member athletes serve as volunteers, and have no paid staff to support their work, including administrative tasks, and have no access to USOC-funded professional independent legal advice. In addition, the designated athletes are often chosen by their NGB

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- PARALYMPIC, PARALYMPIAD and PARALYMPIAN
  - PAN-AMERICAN, PAN AM GAMES
  - PYEONGCHANG 2018, TOKYO 2020, BEIJING 2022, PARIS 2024, LOS ANGELES 2028, LA 2028, LA28
  - ROAD TO RIO, ROAD TO PYEONGCHANG and ROAD TO TOKYO
  - TEAM USA

<sup>3</sup> The Athletes' Advisory Council: <https://www.teamusa.org/athlete-resources/athletes-advisory-council>

<sup>4</sup> The definition of "Athlete" for purposes of representing other competitors is relatively narrow; "amateur athletes who are actively engaged in amateur athletic competition or who have represented the United States in international amateur athletic competition within the preceding 10 years." §220504. Membership (b)(2). In 1978, as originally conceived, this was a compromise between professional athletes, who enjoyed full labor-law rights, and NCAA athletes, who had almost no rights.

leadership, rather than from their fellow athletes. There are no ethical firewalls for an athlete also being employed by USOC-corporate, or using their time on the AAC as entre into USOC-corporate employment.

Importantly, there is no governance provision for athlete or AAC input on staff hiring or corporate decisions.

The amateur rule also shaped the USOC's mission in a general sense, driving a narrow focus on advocating for the right of American athletes to compete in various "protected" competitions (i.e., the Olympics, Paralympics, and qualifications). As self-supported amateurs, many athletes were unable to compete internationally between Olympic Games and the USOC therefore expended little effort on their behalf outside of protected events. The scope of the USOC was thus relatively limited. The USOC did not protect athletes' monetary interests, who historically had been formally barred from reaping the financial rewards associated with the Olympics.

## 2. The Professional Era

In 1986, the IOC voted to allow some professional athletes to compete in the Olympics. By 1991, all restrictions on amateurism were removed from the Olympic movement. This policy change served to increase revenues to the USOC with more recognizable athletes competing. In addition, it increased the potential longevity of athletes' competitive careers by providing new sources of financial support.

The rules regarding professionalism also had a subtle but profound effect on the business model of the USOC and the NGBs. Though athletes were now theoretically able to "sell" their labor, the USOC and NGBs leveraged their monopoly powers over Olympic marks and protected words to prevent athletes from acquiring substantial outside support. Sponsors wanted to hire "Olympians" – but were unable to designate their spokespeople as such. Athletes cannot use the five rings, or the magic words, "Olympics" or "Olympic" when they sell their services to sponsors. Moreover, the USOC, NGBs and athletes are squarely in competition with each other over who will get a sponsorship deal with a company. As a result, it is the rare athlete that can support themselves free and clear of their NGB.

By limiting athletes' access to outside sponsorships, the USOC effectively became the sole acquirer of their services. Set up originally as single-seller monopoly to preserve and bolster revenue, Olympic organizations now inadvertently became single-buyer monopsonies as well – an extremely rare position of market dominance.

In 1998, Congress updated the Amateur Sports Act with passage of the Ted Stevens Olympic and Amateur Sports Act (TSOASA). The new statute addressed a number of budding problems in the Olympic movement, including the need for an Athlete



Ombudsman to give athletes independent advice.<sup>5</sup> There was no consideration to sharing the value of the marks with the athletes.

Despite the fundamental change to the financial premises of Olympic athletics since the abandonment of the amateur rule, little to no attention was given to the financial structure of American Olympic administration, the governance model needed to oversee it, or the problems that could arise if finances and power were improperly managed.

Other reorganization efforts that followed also neglected to address financial management, even as they addressed other structural issues. In 2003, the USOC Board was reformed and dramatically streamlined with an approximate 90% reduction to 11 board members. A further reform in 2010 restored four members to the Board, for a total of 15 directors, at the recommendation of an independent commission led by former NFL commissioner Paul Tagliabue. Additionally, the USOC added its CEO to the board as an ex-officio member and extended term-limits in an attempt to give the Commission more international clout in the wake of the Chicago 2016 bid fiasco in 2009.<sup>6</sup>

Throughout these years of reform and restructurings, the USOC did not alter its financial governance.

### **III. The Business Culture of the 21st Century USOC**

#### **A. Abandoning the Non-Profit Model, While Retaining Non-Profit Status**

In the early 2000's, the USOC saw considerable turnover in executive leadership. This tumultuous period brought a critical transformation of the Committee's organizational culture, particularly under CEO Lloyd Ward. A former CEO of Maytag Corporation, Ward's tenure at USOC was relatively short, from 2001 to 2003; its impact was profound, however. Combining tremendous charisma with the ardent belief that the USOC should operate more

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<sup>5</sup> The Athlete Ombudsman position was supposed to provide an advocate for athletes' rights, as guaranteed to them by Congress under the Sports Act. The Ombuds position was supposed to solve the recurring problem of athlete conflicts with their NGB or the USOC; athletes were repeatedly disadvantaged as they tried to resolve conflict with professional staff and lawyers. As a result, they often lost the conflict, even when the Sports Act protected their participation. The Ombudsman currently reports directly to the CEO of the USOC; the USOC has co-opted the Ombudsman position so that it cannot function as Congress intended. See <https://www.teamusa.org/Athlete-Resources/Athlete-Ombudsman>

<sup>6</sup> The U.S. Olympic Committee bid for the 2016 Olympics in Chicago finished last, out of the running in the first round of voting, with a paltry 18 of a total 94 votes, despite in-person support by President Obama and First Lady. Juliet Macur, *Rio Wins 2016 Olympics in a First for South America*, New York Times, October 2, 2009, available at: <https://www.nytimes.com/2009/10/03/sports/03olympics.html> In addition, the bid cost nearly \$76 million dollars and it left a pricey legacy for taxpayers. "The city is on the hook for about \$140 million in principal and interest on the purchase of property for an Olympic Village to house athletes, and it was saddled with costly, 10-year union contracts that were hammered out to ensure labor peace during the Games." See, Kathy Bergen and Stacy St. Clair, *Chicago's bid for 2016 Olympics leaves pricey legacy 7 years later*, Chicago Tribune, July 15, 2016, available at <http://www.chicagotribune.com/news/ct-olympics-chicago-2016-met-20160715-story.html>

like a for-profit corporation than a non-profit, Ward brought an overtly corporate mentality to the USOC. This included policies such as increasing USOC staff and executive compensation, allegedly in an effort to attract top national talent. USOC personnel soon observed major changes in compensation policy, such as the same staffers receiving large pay raises that were unrelated to improved performance, and senior staff being replaced by less qualified junior candidates at highly inflated salaries. Athletes did not see the same level of compensation for their efforts. After the 2016 Rio Olympics, the USOC's board of directors gave five executives \$100,000 or more in bonuses, many already making mid-six figures. Meanwhile, an athlete winning a gold medal received just \$37,500. It was during this time that NGB compensation also hit an inflection point and began to spike as well.

Over the years, USOC and NGB leaders have justified the shift towards dramatically increased salaries with the claim that revenues grew during the same period. There is little evidence that increased salaries have driven increased revenue, however. Two outside factors provide a more plausible explanation for the rapid financial growth associated with the American Olympic movement, neither of which is related to the performance of the USOC itself.

#### B. External Factors Driving USOC Revenue Growth; Broadcasting Deals and University Sport Sponsorship

One major external factor driving increased USOC revenue through the 1990's and 2000's was a series of large broadcast deals with NBC, which funneled money to the USOC and NGBs via agreement with the IOC. The impact of broadcast rights was shaped in part by the IOC's decision in 1986 to stagger the winter and summer Olympics, resulting in events every two years. With a long-term investment in the Olympic brand, NBC promoted the events with a saturation marketing strategy that had a ripple effect. Corporate sponsors soon observed the massive investment by a major media entity and increased their commitments accordingly, banking on seemingly guaranteed media exposure. This rapid inflation of financial investment and growth in the value of the Olympic brand occurred with virtually no action by the USOC or NGBs; it simply followed from strategic moves by a mega media conglomerate and other corporate interests. In effect, the broadcasting value of the Olympics brought a windfall to the USOC, on a scale that fundamentally changed the nature of the organization. With little or no effort, the Committee reaped 12.75 percent of multi-billion dollar television contracts and 20 percent of international sponsorship deals during this period. From 1996 to 2008 alone, for example, NBC reportedly paid the IOC \$3.5 billion for Olympic broadcasting rights. Worldwide disgruntlement with the USOC large share of these contracts led to a negotiated decrease in these shares to 7 percent of TV rights and 10 of sponsorship revenue beginning in 2020; however, the USOC was guaranteed a minimum quadrennial payment of \$410 million from the IOC.

Another factor driving USOC revenue in recent decades was the growth and maturation of NCAA sports. Years before Olympic revenues rose, the proliferation of lucrative broadcasting contracts steadily increased NCAA revenue. The NCAA invested this money into a variety of Division I sports; its bylaws required member schools to support a

required minimum number of men's and women's sports.<sup>7</sup> Many of these sports are also Olympic sports. College athletic scholarships have become one of the largest sources of all scholarship dollars; enabling athletes to continue to train at a high level with substantial housing, living expenses, quality coaching, training and medical care. NCAA member schools provide \$2.9 billion in athletics scholarships annually to more than 150,000 student-athletes.<sup>8</sup>

With expanding opportunities for paid athletic scholarships and quality collegiate coaching, participation in these youth sports rose. The NCAA thus created a pipeline funneling talented athletes from youth and college programs onto a variety of U.S. Olympic teams.

This means that the top predictor of medal potential for a Summer Olympic Sport for the United States is its status as an NCAA Division I program. As an additional bonus, many clubs feeding into the NCAA system opted to affiliate with NGBs rather than other organizations (such as the YMCA or AAU) and drove membership and dues to these Olympic organizations. With increased resources and participation, NGB brand value increased; logo and co-branding values saw a rise as well.

USA Swimming provides a vivid case study for how American Olympic organizations have capitalized on the value of the NCAA system, which they do little to create or maintain. This once-small NGB experienced exponential growth in the early 2000's when Michael Phelps became a competitive and promotional superstar. USA Swimming and the USOC had played no direct role in cultivating Phelps' success, however. He came up under the North Baltimore Aquatic Club system, which is oriented towards the pursuit of college scholarships rather than the Olympics. When his coach, Bob Bowman, accepted a lucrative job coaching at University of Michigan, Phelps followed him there to train for a number of years. In 2004, Phelps won the first gold medal in a career that would eventually make him the most decorated athlete in Olympic history. Phelps' performance drove TV viewership and sponsorships that filled the coffers of USA Swimming, to its tremendous one-way benefit. Little, if any, of the growth during this period was due to effective business management or leadership acumen yet executive compensation soared – in 18 years, USA Swimming increased its CEO compensation by an estimated 700% (based on interviews with insiders as USA Swimming does not publicize historical numbers).<sup>9</sup> In short, Chuck Wielgus and his staff reaped the benefits of the Michael Phelps phenom; the new revenues that went to the USOC and USA Swimming did not flow to Phelps himself or his teammates.

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<sup>7</sup> The Football Bowl Subdivision (FBS) requires at least 16 varsity intercollegiate sports. These schools must "Annually offer a minimum of 200 athletics grants-in-aid or expend at least four million dollars on grants-in-aid to student-athletes in athletics programs." Available at:

<https://www.ncaa.org/sites/default/files/Football%20Bowl%20Subqa%2012%208%2014.pdf>

<sup>8</sup> Scholarships, NCAA; available at <http://www.ncaa.org/student-athletes/future/scholarships>

<sup>9</sup> According to USA Swimming's 990s, USA Swimming's Executive Director Chuck Wielgus was paid \$1,032,978.00 in 2016. <https://www.usaswimming.org/docs/default-source/accounting/2016-form-990.pdf?sfvrsn=2>

### C. Recent NGB Funding Policy

In 2010, the USOC hired Scott Blackmun as its new CEO. Under Blackmun's leadership, the Committee adopted new strategies for allocating funds and continued to increase executive compensation. Within two years of his arrival, Blackmun and Chief of Sport Performance Alan Ashley led the adoption of a multi-tiered NGB funding policy. Under the new system, top-tier sports would be given substantial funding, while bottom-tier sports would only receive funding for business development. Many athletes and members of the athletic community criticized the tier system as unfair and misguided. The USOC stood by the model, however, apparently convinced that winning the medal count drives revenues and that sports with existing medal-potential should therefore be the organization's top priority.

## IV. A Fresh Look at USOC Financials: Unearned Revenue & Wasteful Spending

Well-run businesses routinely evaluate revenues and expenses to determine where value is created. A look at recent USOC financial reports provides important insight into how the Committee's operations currently drive unearned revenue and wasteful spending.<sup>10</sup>

### A. Unearned Revenue

In its most recent publicly available financial statement, the USOC 2016 Annual Report, the Committee reported revenues of \$339M. This figure reflects the typical spike in years when the Games are held (in this case, the Summer Olympics); when averaged over 2013-2016, USOC annual revenue average is substantially lower at approximately \$230M per year. Interestingly, while total annual revenue fluctuated significantly during this four year period, the relative percentage of revenue categories remained essentially constant. The USOC 2016 Annual Report breaks revenues into five broad categories: Broadcast Rights (\$169M), Marks Rights (\$104M), Other (\$30M), Licensing Royalties (\$21M), and Contributions (\$15M). A closer look at the context for these figures reveals that the USOC generates little of the value from which it reaps financial benefit.

For 2016, as in the previous three years, broadcast rights make up the single largest revenue stream, bringing the USOC nearly 50% of its gross funds. This revenue is largely comprised of a percentage of the enormous NBC contract with the IOC, distributed to the USOC per agreement. Relative to the size of the distribution it receives, the Committee is obligated to provide only negligible deliverables under this arrangement.

Marks Rights and Licensing Royalties taken together account for \$125M, or 37% of 2016 revenues. These categories represent the money generated by the market value of the US Olympic brand in the United States. As with broadcasting revenue, the USOC makes a

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<sup>10</sup> USOC Audited Financial Statements can be found here: <https://www.teamusa.org/footer/finance>

disproportionately small contribution relative to its share of this value. It is NBC, not the USOC, that undertakes the largest share of Olympic marketing efforts; much of the robust brand equity that benefits the Committee is therefore attributable to the network.

As the 2016 Annual Report makes clear, the monopoly rights granted to the USOC – i.e., broadcast rights, marks rights, and licensing royalties – are extraordinarily lucrative, generating 87% of its total revenue. This value holds steady even accounting for non-event years – for 2013-2016, these categories still constituted 87% of total revenue (with slightly different ratios among categories). The current system directs huge amounts of money, \$294M in 2016 alone, to the USOC simply for serving as the congressionally designated national Olympic organization. The Committee receives this revenue regardless of its administrative efficiency or competence at supporting the value of the Olympic brand.

In summary, the vast majority of revenue received by the USOC requires very little effort or expenditure on the organization's part. These funds derive from value created and maintained by other Olympic stakeholders and the Committee's privileged legal status. In a sense, this arrangement is a feature of the U.S. Olympic system, not an aberration. Congress established the USOC as a monopoly over the Olympics for the benefit of achieving oversized revenues relative to expenses.

## B. Wasteful Spending

The USOC not only benefits disproportionately from the value of the Olympics, its expenditure of this unearned revenue is also poorly managed. According to the 2016 Annual Report, the USOC had annual expenses totaling \$260M: Sport programming (\$110M), Athlete & Member Support (\$80M), Other Programming (\$23M), Marketing (\$22M), Administration (\$15M), and Fundraising (\$10M).

At first blush, the USOC appears to spend a substantial amount of money on its primary mission of supporting Olympic athletics; the USOC reports 73% (\$190M) of its 2016 expenses attributed to Sport Programming and Athlete and Member Support. If that figure were accurate, the USOC would operate with an overhead of around 27% - at the higher end of acceptable norms for a properly run non-profit. The USOC has unique qualities, however, that make its actual operational costs *lower* than a conventional non-profit.

Even a cursory look at its purported expenses reveals the Committee's significant inefficiencies. As discussed above, unique market conditions inflate the value of the Olympic brand for the USOC relative to its marketing expenditures. While reported annual marketing expenses of \$22M would be reasonable for a normal business generating \$125M from marks rights and licensing royalties, the Committee benefits from exceptionally strong brand value that is largely funded externally, and from unusually advantageous logo and licensing deals. Recall that the USOC is not the primary marketer of the Olympics (NBC) or Olympic sports (NCAA).

It is a well-known fact that sealed bidding or similar simple strategies can often produce a higher net proceed than a complex bidding process. This is because the simplified



acquisition process nets a cost reduction to the bidder and thus an increase in bid amount. It also can increase bid participation and reduce potential for staff bias that is inherent in complex bidding processes. With that in mind, it is entirely possible that a substantial portion of the \$22M spent on marketing is not only unnecessary, but it may also decrease gross and net profits from licensing due to the nature of the agreements.

The marketing problems associated with the current USOC model are apparent in the Deloitte sponsorship. The following is a quote currently found on the Deloitte website: *"Deloitte has been a proud sponsor of the U.S. Olympic Committee since 2009, providing professional services that help enable Team USA to successfully compete on the global stage. As a trusted advisor, Deloitte has worked to shape long-term strategy and improve operational efficiency for Team USA."*<sup>11</sup>

Though the terms are not public, the USOC has repeatedly acknowledged that the sponsorship with Deloitte is largely "in-kind" consulting services, rather than sponsorship fees. One of those "in-kind" services provided to the USOC is consulting on executive compensation; Deloitte validates USOC executive pay. These same USOC executives then determine the terms of the Deloitte Olympic sponsorship agreement. At a minimum, this is an enormous optical problem. Utilizing a sealed bid proposal would likely net more cash, as well as remove the problem of staff bias in choosing a sponsor which validates their pay scales.

The USOC reports that Administration and Fundraising combined for around 10% of its 2016 expenses (\$25M), a figure that would, again, be appropriate if accurate. Anecdotal evidence strongly suggests that the USOC in fact spends far more on these overhead expenses due to bureaucratic sprawl and inflated executive compensation. With no publicly available detailed breakdown of these expenditures, the USOC's accounting of its overhead costs falls well short of transparency. There are considerable incentives for the Commission to provide vague, or even misleading, information regarding its administrative spending – independent rating systems such as Guidestar and Charity Navigator monitor such figures to determine whether non-profits are fraudulent.

Regarding the 73% of total expenses (\$190M) reportedly spent on the USOC's mission of Sport Programming and Athlete and Member support, this figure raises two red flags. First, the USOC does not directly train or support any individual athletes, providing funding instead through other organizations (i.e., NGBs for various sports). Funding NGBs, however, is not synonymous with actually supporting athletes. Instead, much of the money goes to pay the salaries of the staff and operations at the NGB.<sup>12</sup>

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<sup>11</sup> <https://www2.deloitte.com/us/en/pages/about-deloitte/topics/team-usa-olympic-sponsorship.html>

<sup>12</sup> Will Hobson and Steven Rich, "USA Track and Field CEO has alarmed some insiders with his spending and style," Washington Post, October 7, 2016. USA Track and Field CEO Max Siegel is given \$1.7 million in salary and bonuses, a compensation package seven times the average for the CEO of a nonprofit with a similar budget. Available at: [https://www.washingtonpost.com/sports/olympics/usa-track-and-field-ceo-has-alarmed-some-insiders-with-his-spending-and-style/2016/10/07/ca470956-8a35-11e6-875e-2c1bfe943b66\\_story.html?utm\\_term=.b3aa7b8e314b](https://www.washingtonpost.com/sports/olympics/usa-track-and-field-ceo-has-alarmed-some-insiders-with-his-spending-and-style/2016/10/07/ca470956-8a35-11e6-875e-2c1bfe943b66_story.html?utm_term=.b3aa7b8e314b)

Moreover, the USOC's numbers simply don't add up. If we divide \$190M by the total number of Olympians and Paralympians in a quad (approximately 1150), then each athlete would receive an average of \$165k/year in funding. Even if you assume three athletes need to be supported for every athlete (Olympic and Paralympic) who actually make it to the Olympic Games, the average support from just the USOC would be \$55k/athlete/year. The indisputable reality is that typical Olympic athletes receive a fraction of this amount in support. Moreover, the USOC only targets those athletes who can earn medals; it does not support three athletes for every one that simply makes the Olympics. So where is the money reported as athlete support actually going? A logical conclusion, particularly in light of the unique structure of the USOC, is overhead and Committee staffing.

### C. Inefficient by Practice and Design

Monopolies and monopsonies left unconstrained do not follow the same economic rules as competitive businesses. Like all corporations, these organizations will seek profit maximization, but without normal market forces shaping their actions they achieve it in a different way from a competitive firm. For non-competitive businesses, bureaucratic growth and enrichment of management at the expense of the other stakeholders is the norm. As the only "purchaser" of Olympic athletes' labor, the USOC can also pay bottom-dollar for these services. (In contrast, administrative employees benefit from wage competition because the Committee has no monopsony power over staff labor).

As a non-profit, the USOC has no individual owners to capture the significant profits generated by its monopoly/monopsony structure. Its revenues have instead fed into bureaucratic bloat, unguided by planning or foresight, to the detriment of deliberate growth of its core mission. As revenues rise, managers grow departments and increase budgets. Expansion in turn increases apparent managerial responsibility and thereby "justifies" higher compensation. This cycle has repeated over the past 20 years as USOC/NGB bureaucracy ballooned and executive compensation skyrocketed. In essence, as revenue grows, the administrative system acts like a giant sponge, absorbing a disproportionate share of new funds. The phenomenon has become so entrenched that many athletes perceive the job of Olympic administrators as little more than creating and keeping those very jobs, with few employees having any real connection to their sport performance.

The USOC Sport Performance group illustrates how inefficiency pervades American Olympic administration. This department, historically comprised of 50-60 employees, adjudicates funding and support requests from NGBs and makes annual grants accordingly. This means dozens of full-time USOC employees analyze various sports and determine how to allocate Committee resources. The NGBs, nominally independent entities that function in fact as an integrated part of the Olympic system, engage in a mirror image effort on their side of the process to produce annual funding requests. All told, around 100 full-time employees are involved in the resource allocation juggernaut, at an estimated cost of approximately \$10M each year. For this substantial outlay, the result is a bureaucratic maze widely acknowledged to add little value for its high cost. The allocation process plays

out every year without any feedback loop for quality assurance, virtually ensuring that inefficiency persists.

The bonus compensation system at the Sport Partnership group also demonstrates a troubling management culture. According to the USOC Director of Sport Performance, staff are rewarded for successfully funding medal-winning sports. The allocation process thus functions as a kind of betting pool for employees, with staff incentivized to fund sports already likely to win medals rather than taking risks to grow new medal-potential sports.

## **V. USOC's Unique Structure Warrants Unique Governance**

By federal law and decades of practice, the US Olympic Committee is both a monopoly and a monopsony. Despite their self-proclaimed independent nature, the NGBs that manage each individual Olympic sport program also operate as a component of this monopoly/monopsony system. For practical reasons, including cooperation with the International Olympic Committee and compliance with International Federation rules, altering the fundamentally unitary structure of the USOC is impractical, perhaps even impossible. Reforms aimed at realistically reducing financial waste and improving governance should therefore focus on ensuring that stakeholders are protected from the immense power and potential for abuses inherent in a monopoly/monopsony system.

The monopoly power of the USOC was central to its original design and has brought many intended benefits to the nation's Olympic program. A single-seller structure primarily serves the crucial function of coordinating the nation's participation in the international Olympic movement. As the commercial power of the Olympics has grown, it has also enabled the Committee to generate large, sustained profits, relative to a normal business, from deep-pocket sponsors competing robustly for brand rights. These are the benefits. But protected from market forces that drive bureaucratic efficiency and accountability, the major risk from the monopoly-side of USOC operations is wasteful overhead spending that funnels money away from the organization's mission.

In contrast, the USOC's monopsony on Olympic athlete labor and services emerged only after the repeal of the amateur rule in 1986, and individual athletes have unfortunately borne its most egregious harms. With total control over the market for access to Olympic competition, the USOC and NGBs hold inordinate power over athletes, many of whom are particularly vulnerable due to the demands of elite-level competition. As recent events make plain, the power imbalance between American Olympic organizations and the athletes they are supposed to serve has resulted in exploitation that includes sexual, physical, emotional, and financial abuse. While athletes are ostensibly the true stakeholders of the Olympics, the USOC monopsony creates systemic opportunities for harm. Put simply, the institutions charged with supporting America's Olympic athletes have, over time, developed to take advantage of them.



## **VI. Improving USOC Governance: Oversight & Financial Reform**

Exempt from normal market forces, monopolies and monopsonies both require outside regulation to function in productive and ethical ways. The current lack of USOC regulation has led to the predictable failures associated with these unconstrained business models. Waste and abuse in Olympic administration will continue, perhaps even worsen, without meaningful governance and financial reform.

### **A. Board Reform: Increasing Accountability**

Congressional authority over the USOC justifies and warrants active oversight of the Committee's governance and operation. Congress has two credible options for exercising an effective level of oversight without causing undue or harmful influence into the practical aspects of national Olympic governance.

#### **Option 1: Independent USOC Oversight Committee**

One option for improving supervision of USOC operations is to preserve the current USOC Board structure and establish a new standing oversight committee, appointed by the Commerce Committee, with full audit authority over the USOC and NGBs. An independent USOC Oversight Committee should consist of well-respected non-profit or civic leaders with the requisite expertise to evaluate the business practices of the USOC and NGBs and report directly back to Congress on a routine basis. To bring about meaningful reform, any such committee would require a grant of significant authority over certain aspects of USOC administration, including involvement in overhead management, such as employee compensation policy and staffing levels. Congress must support this authority with robust enforcement measures, in order to incentivize compliance.

#### **Option 2: Political Appointments to the Current USOC Board**

A second option for making the USOC more accountable for its financial operations is to reconfigure the membership of its current Board to include political appointees. Congress could enact a hybrid model wherein the legislative and executive branch name, for example, one-third to one-half of USOC Board members (between 5 - 8 total), with the remaining spots appointed under the existing system.

Partisan concerns could be minimized under such a system by distributing the assignments between majority and minority leaders – one seat each determined by the Speaker of the House, House Minority Leader, Senate Majority Leader, Senate Minority Leader, and President. The participation of political appointees would ensure that the USOC Board answered to and was connected with political leadership.

## **B. Financial Reform: Reducing Wasteful Spending**

Today's American Olympic program generates enormous revenue that arises, in large part, from the symbiotic relationship between extraordinary athletic performances and mass marketing. While the USOC does perform some unique functions in the process, such as submitting athletes to the Olympics, selling the Olympic logo, and monitoring NGB compliance, the USOC does not train athletes nor does it provide substantial value to the brand. Financial reforms are needed to keep the USOC supported in its limited mission as efficiently as possible. The overarching goals should be to prevent the USOC from unnecessarily absorbing funds into its own bloated administration and to instead direct funds through the system to competitors, the real constituency of the Olympic program. Effective financial reform of the USOC to this end must take a multi-prong approach.

### **1. Mission and Institutional Competency Assessment**

This effort must begin with a thorough analysis of USOC operations to determine which of its current actions and responsibilities come within its unique capacity. Currently, accounting measures that may conform to industry standards nevertheless obscure the institutional competencies and inefficiencies of the USOC.

### **2. Streamlining USOC Operations**

Once the Committee's operational competencies have been identified, financial reform must focus on limiting the USOC to an optimal size and scope. Committee spending should be restricted to its unique institutional duties and to activities where a national organization can provide economies of scale that are impossible for lower-level groups. Reform should also include external auditing procedures to address unnecessary administrative growth. With no internal controls or efficiency incentives in place, the USOC will remain prone to wasteful bloat.

### **3. Redirecting Funds from Management to Athlete-Level**

Along with shrinking the USOC to a more efficient operational size, financial reform must also adjust the flow of funds within the organization. Regulations should discourage revenue pooling at the management-level and require the flow of resources to athletes, to the maximum extent possible. Accounting practices should state the amount of money going to athletes for them to live and train; rather than "athlete support" – a term that includes many staff positions that currently do not benefit athletes training and competing.

### **4. Improving NGB Governance and Equitable Funding of All Sports**

NGBs play a major role in the allocation of Olympic revenues and should be held to the same transparent, non-profit best practices as the USOC, including adherence to employee compensation standards and efficient administrative scale. To ensure that NGBs comply with these requirements, organizations that fail to do so should face decertification.

To improve funding equity across the full range of Olympic sports, all NGBs in the monopoly system that comply with the operating standards set by the USOC and meet outside non-profit finance and governance criteria should receive a minimum financial distribution from the monies generated in the Olympic monopoly. A reasonable benchmark would be .5% of gross revenues into the USOC on an annual basis. This share comprises just over 20% of gross revenues from the monopoly and would allow the USOC substantial discretion for additional agile spending. With guaranteed minimum funding, NGBs can reduce the administrative costs associated with funding core functions at a basic level. An equal distribution system would help provide all American Olympic athletes with their fair share of support, helping to close some of the most extreme funding disparities in the system.

## **5. Establishing a USOC Inspector General**

Effective financial reform of the USOC must include establishing an independent, secure authority empowered to receive complaints, investigate facts, and make determinations of wrongdoing. For example, the USOC could create an Inspector General position that would provide athletes and NGBs with an official forum to raise concerns about wasteful spending and other athlete abuses by the USOC. Recent events have shown the unquestionable imperative for providing clear, accessible paths to report malfeasance within the Olympic system. An independent Inspector General would signal a commitment to transparency in USOC operations sorely needed to restore the trust of athletes and the American public.

## **6. Require Excellence in Business Management**

The USOC should have an overtly stated aspirational goal of becoming the best-run non-profit in the country. This should be a cultural driver throughout the organization and should direct the financial and governance decisions of the corporation. If athletes are expected to be the best in the world, the organization which serves them should strive for the same.

# **VII. Conclusion**

The U.S. Olympic movement has seen explosive growth in recent years, with unparalleled prestige, public support, and commercial investment. But the outdated organizational structure of the USOC has led to significant inefficiency in the distribution of revenue, including its failure to spend money to protect athletes from sexual abuse. The USOC has also adopted the practice of runaway executive compensation and the exploitation of athlete-labor; our Olympians. In its current state, the Committee operates with significant weaknesses from both a monopoly and free market model – unresponsive to forces that normally lower bureaucratic costs. Congressional reforms are urgently needed to increase accountability for spending, limit unnecessary bureaucratic expansion, and reorient the USOC to its primary mission of supporting the nation's Olympic athletes.

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Please contact:  
Elizabeth Blackney  
541-390-1913 or  
[elizannehq@gmail.com](mailto:elizannehq@gmail.com)

Ed Vasquez  
408-420-6558 or  
[ed@ejvcommunications.com](mailto:ed@ejvcommunications.com)

FOR IMMEDIATE RELEASE

(Washington, D.C.) The following statement with the attached memorandum by The Committee to Restore Integrity to USOC (Team Integrity) will be sent to the U.S. House Oversight and Government Reform Committee and U.S. House Energy and Commerce Committee. Co-Chairs of Team Integrity are Edward Williams, Esq., Oly and Nancy Hogshead-Makar, Esq., Oly.

The USOC, including its Board of Directors and its legal counsel, have tried to convince Congress and the Olympic community that it could not have helped the gymnasts because it currently lacks the authority under the Sports Act and USOC bylaws to supervise National Governing Bodies. For example:

- 1) [Larry Probst](#), Chair of the USOC Board at a press conference at the Pyeongchang; “Right now, [NGBs] are independent institutions that have their own board of directors, their own management teams, their own revenue-generating machines.”  
--Probst said the organization is considering requesting changes to the Ted Stevens Olympic and Amateur Sports Act, the federal law that governs America’s Olympic sports organizations, [to give the USOC more legal authority to enact changes at sport governing bodies](#).
- 2) [Scott Blackmun](#), 8-year CEO of the USOC, and former USOC General Council: “Olympic governing bodies are ultimately independent organizations that occasionally have balked at USOC intrusion, Blackmun and others at the USOC have said.”
- 3) [Susanne Lyons](#), long-time USOC board member and Interim CEO: “We are launching a review of the relationship between the USOC and NGBs as currently defined in legislation -- the Ted Stevens Amateur Sports Act. ... As the leader of the U.S. Olympic and Paralympic movements, we must ensure that our governance structure unequivocally provides the USOC with the ability to oversee and act when necessary to protect athletes.”

Ed Williams, Olympian, one of the architects of the Sports Act in 1978, and lawyer frequently representing both athletes and NGBs, said,  
“As our memo lays out, it is not the lack of any legal authority that has caused the USOC to fail to provide athletes with the rights and protections due them. The Sports Act and the USOC bylaws currently grant full authority to the USOC to conduct a compliance review of any matters related to the continued recognition of an NGB. This authority includes expressly imposing a range of sanctions on a non-compliant NGB, including suspension, withdrawing funding, and decertification. What has been missing is leadership; the USOC took an intentionally “hands off” approach to enforcing the Sports Act’s requirements and its own published and mandated policies, with disastrous consequences for its athletes.”

Nancy Hogshead-Makar, Olympian and CEO of Champion Women, an organization providing legal advocacy for girls and women in sports, said, “When athletes plead for the protections Congress expressly provided them, the USOC has responded that consequences on the NGB will hurt athletes. But athlete-support shouldn’t be treated like the disposable income. After all, supporting athletes is the mission of the USOC, not its bureaucracy.”

**EXHIBIT 2**

# THE COMMITTEE TO RESTORE INTEGRITY TO THE USOC

## MEMORANDUM FOR THE RECORD

### **RE: The USOC Currently Has the Authority to Mandate NGB Compliance With the Sports Act and USOC Policies**

#### **I. Summary:**

Good governance, proper sport management, and appropriate support of athletic programs are necessary for National Governing Bodies (NGBs) to serve the Olympic Movement and America's athletes. As provided in the *Ted Stevens Olympic and Amateur Sports Act*<sup>1</sup> and the United States Olympic Committee Bylaws,<sup>2</sup> the USOC currently has the authority to conduct a compliance review of all matters related to the continued recognition of an NGB. This authority includes expressly imposing a range of sanctions on a non-compliant NGB, including decertification and withdrawing USOC funding. The USOC can accomplish NGB compliance through a number of different strategies. Therefore, the USOC does not need any further grant of authority from Congress under the Sports Act or its own Bylaws to require NGBs to be in compliance.

#### **II. The USOC's Authority Over NGBs is Sweeping, and is Derived From the Sports Act and the USOC Bylaws.**

The USOC is the Congressionally-designated "umbrella organization" over NGBs.<sup>3</sup> As such, the USOC may direct an NGB to make any change to comply with the Sports Act and all USOC Bylaws and policies. Indeed, Congress has already well-equipped the USOC with the authority and responsibility to mandate NGB compliance, as it deems appropriate, as part of its oversight functions under the Sports Act and the USOC Bylaws. Applicable provisions in the Sports Act and USOC Bylaws include:

1. **Section 220521(d) of the Sports Act provides that the USOC with broad authority. It states that the USOC "may review all matters related to the continued recognition of an organization as a national governing body and may take such action it considers appropriate, including placing conditions on the continued recognition."**
2. **Section 8.1 of the USOC Bylaws goes further. It states that "the [USOC] Board... has the power to review all matters relating to the continued recognition of an NGB... and may take such action as it considers appropriate, including, but not limited to, placing conditions upon the continued recognition of an NGB..., placing an NGB... on probation, suspending an NGB ... or terminating the recognition of an NGB..."**
3. **Section 8.20 of the USOC Bylaws clarifies the authority vested in the USOC CEO. It states that "Any action by the [USOC] to suspend, revoke, or otherwise take action with respect to the membership and recognition of an Olympic, Pan American or Paralympic Sport Organization pursuant to the provisions of Section 220521(d) of the Act and Section 8.1 of these Bylaws shall be taken at the initiative of the CEO and shall be finally determined by the Board. Such action may be taken because of a compliance review undertaken by the [USOC] or pursuant to other information known to the [USOC]."**

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<sup>1</sup> 36 U.S.C. Sec. 220501 et seq., available at: <https://www.teamusa.org/Footer/Legal/Governance-Documents>

<sup>2</sup> See, "USOC Bylaws Effective Date October 13, 2017" available at: <https://www.teamusa.org/Footer/Legal/Governance-Documents>

<sup>3</sup> See legislative history of the Amateur Sports Act of 1978, as amended and re-named the Ted Stevens Olympic and Amateur Sports Act in 1998.

### **III. The Sports Act and USOC Bylaws Establish Specific Requirements on NGBs.**

The requirements for a sports organization to be recognized by the USOC as one of our country's National Governing Bodies are set forth in the Sports Act and the USOC Bylaws as follows:

1. To be recognized, and to continue to be recognized, an NGB must meet those requirements and duties set forth in Sections 220522, 220523, 220524 and 220525 of the Sports Act. (See also, USOC Bylaw Section 8.3.
2. In addition, to be eligible for membership in the USOC as an Olympic or Pan American Sport NGB, a sports organization must meet those requirements and duties set forth in Section 8.7 and 8.8 of the USOC Bylaws, including the need "to satisfy such other requirements as set forth by the [USOC]" (See USOC 8.7(w))
3. Pursuant to existing USOC Bylaws 8.7(v); "permit the corporation, at its request, to have reasonable access to all files, records and personnel necessary to make such membership and governance reviews as the corporation deems necessary or appropriate;"
4. Specifically, under USOC Bylaw Section 8.7 NGB "...Membership Requirements, NGBs must comply with the safe sport policies of the corporation and with the policies and procedures of the independent safe sport organization designated by the corporation to enhance safe sport practices and to investigate and resolve safe sport violations."

Accordingly, the USOC presently has the absolute right under the Sports Act and USOC Bylaws to conduct compliance reviews of NGBs, and to impose a broad range of sanctions. The USOC does not need any further grant of authority from Congress under the Sports Act or its own Bylaws to initiate an NGB compliance review.

### **IV. The Sports Act and USOC Bylaws Specify Actions that the USOC and CEO can Undertake to Gain Compliance.**

Under current USOC Bylaws, the USOC CEO has the authority to initiate any action to suspend, revoke or otherwise take action with respect to the membership and recognition of an Olympic, Pan American or Paralympic Sport Organization on any compliance irregularity. The USOC CEO also has the authority to determine what action should be taken; provided that the determination to decertify an NGB due to compliance failures shall require a vote of the USOC Board of Directors. (USOC Bylaw, Section 8.20).

If information comes to the USOC's attention that an NGB is out of compliance with Sports Act, USOC Policies, or is otherwise not complying with legal or other standards that would put athletes in jeopardy, the USOC, by its CEO, has the authority to authorize a compliance review. (*Id.*) Under current USOC authority, USOC compliance related actions may include, without limitation:

- 1) directing staff-to-staff conversations between the USOC and the NGB;
- 2) undertaking direct USOC CEO-to-NGB CEO conversations;
- 3) conditioning USOC funding of an NGB on compliance-related changes;
- 4) undertaking a full compliance review of the NGB; and /or
- 5) recommending to the USOC Board of Directors that an NGB be decertified for Sports Act and / or USOC Policy compliance failures.