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THE OLYMPICS SITE SELECTION PROCESS

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON COMMERCE
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

OCTOBER 14, 1999—THE NEED FOR REFORM
DECEMBER 15, 1999—REVIEW OF THE REFORM EFFORT

Serial No. 106–88

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THE OLYMPICS SITE SELECTION PROCESS: THE NEED FOR REFORM

THURSDAY, OCTOBER 14, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:06 a.m., in room 2123, Rayburn House Office Building, Hon. Fred Upton (chairman) presiding.

Members present: Representatives Upton, Barton, Burr, Bilbray, Whitfield, Ganske, Bryant, Klink, Waxman, Stupak, McCarthy, Strickland, and DeGette.

Also present: Representatives Hefley and Isakson.

Staff present: Jan Faiks, majority counsel; Eric Link, majority counsel; Clay Alspach, legislative clerk; Chris Knauer, minority investigator; and Brendan Kelsay, minority investigator.

Mr. UPTON. Good morning. Today the subcommittee is holding its first hearing on the site selection process associated with the awarding of the International Olympic Games. The purpose of the hearing will be to review the conduct of the Atlanta Organizing Committee, the U.S. Olympic Committee, and the International Olympic Committee in connection with the bidding for the 1996 Olympic Summer Games. We also are going to hear about the reforms that these organizations are proposing that hopefully will guarantee the end of this culture of corruption, a culture leading to a system that appears to suggest the host city is not judged on its merits, but rather on its gifts.

This committee started reviewing Atlanta's bid after we learned about the outrageous vote buying that occurred in Salt Lake City. We are hoping that Salt Lake City's actions were an aberration, but sadly, as the Atlanta report so graphically confirmed, Salt Lake City was not an aberration. True, Atlanta's experience does not rise to the same level as Salt Lake City, but it is also true that there is a system or, as I have identified, a culture of corruption that exists within the bidding for the Olympic Games that encourages the practice of excessive lobbying of IOC members. This activity, this culture must stop. It is tarnishing the pride and prestige of the Olympic Games, and it is not fair to the athletes or the cities all over the world who are bidding for the honor of hosting the games.

We are going to hear from the cochairs of the Atlanta games. They have been very open and frank in their amended report to the committee, and I appreciate very much the effort that Judge Grif-

fin Bell has made to present the facts regarding the Atlanta bid process to this committee.

The Atlanta report shows that Atlanta officials and volunteers gave many excessive gifts that were expensive; travel to OIC members as well; pages and pages of Cabbage Patch dolls, shopping sprees, carburetor kits, brake pads, jewelry, children's clothes, shoes, golf clubs, Spode china, computer parts. The list goes on and on. IOC traveled on Atlanta's expense account to Walt Disney World, Miami, Honolulu, New York, Sea Island, Georgia, just to name a few of the locations, but just as troubling the report shows that IOC members themselves asked Atlanta organizers for health care services, employment opportunities, athletic training, lavish hospitality and first-class travel, political and scholastic assistance. Atlanta was eager to accommodate these requests, and based on the documents presented to this committee, Atlanta made every effort to satisfy virtually every request.

Is this the price that we want to use to award the Olympic Games? No. It's wrong. Integrity and ethics do matter. The end does not justify the means.

Additionally it's disturbing to the committee as the many gifts and favors that were offered, Atlanta engaged in a comprehensive intelligence gathering to learn details about IOC members' likes and dislikes. Consultants, officials from other bid cities, members of the press, IOC members themselves, even Atlanta hostesses and drivers gathered information on IOC members for the Atlanta organizers. The smallest detail or nuance was not too insignificant to record in an IOC's member profile for later use in choosing a personal gift or arranging travel for a member's child. The Atlanta documents list the favorite foods and beverages, colors, hobbies, strengths and weaknesses of every IOC member. Details as to whose wife needed special treatment because she could influence her husband's vote were carefully listed.

The IOC profiles struck me as going too far, too explicit, and certainly an invasion of privacy. Is this what is necessary to win a vote to be a host city? I certainly hope not.

Today the committee will hear from François Carrard, Director General of the IOC; and Anita DeFrantz, one of four Vice Presidents on the IOC Executive Committee; and Jim Easton, an IOC member from the United States. Mr. Samaranch is committed to appear before this committee on December 15, and we look forward to his testimony at that time. Ms. DeFrantz was personally involved in helping Atlanta win the Olympic Games, and I'm anxious to hear her views on the bidding process.

I would hope that everyone here today knows that the culture of corruption that has evolved in the bidding process must stop. We have to find ways to reform how cities are awarded the right and privilege to host the games.

Our last panel today is composed of distinguished Americans who are working to change the bidding process. Senator Howard Baker, Ken Duberstein, and Dr. Henry Kissinger will share with the committee their reviews on how this system must be changed, and we certainly welcome their testimony.

In my district I have had the pleasure to have two great Olympic heroes live in my home county: Muhammad Ali and Jesse Owens.

We all remember that Ali lit the Olympic flame to open the Atlanta Olympics. Ali represents all that is right with the Olympics today. Unfortunately, this hearing represents all that is wrong, the painful contrast.

The Olympics hold a special place on the world stage. They are more than a sporting event. They are an exchange of ideas. They are a celebration of global cultures. They are a time when the world can come together, united in sports and certainly in peace.

Sadly, the organizers of the Atlanta games admitted that they had to play a bidding game to win the games. I believe that they made a choice to play that game, and it was the wrong choice. I am angry at the USOC for not conducting proper oversight of both Atlanta and Salt Lake City's efforts. I'm also deeply troubled that the IOC has allowed the Olympic rings to become tarnished. This system is not fair to great athletes like Ali and Owens and all the thousands of people in the world who work and practice long hours to become Olympians.

I will do everything in my power to ensure that the culture of corruption is destroyed. I will follow the reform movement closely, and I will look forward very much to hearing from Mr. Samaranch on the December 15.

There are those that have suggested that these hearings are about trashing the Olympics. They could not be more wrong. These hearings are about cleaning up the Olympics, removing the stain created by the tawdry behavior of the Atlanta Olympic Organizing Committee, the USOC and the IOC. We have a lot of work to do. Let's let the process begin.

I yield to the vice chair, the ranking member of this subcommittee, Mr. Klink.

Mr. KLINK. I thank the chairman, and, Mr. Chairman, I would tell you in actuality it is with great regret that I find myself here today.

Like most members, I have tremendous respect for the Olympic movement and for its athletes, but what has happened in Salt Lake City and Atlanta deserves special attention if we're really going to concern ourself with the future of the games. We would be naive if we had not recognized that the Olympics had become big business. For the cities that are lucky enough to host the games, its many sponsors, and the IOC itself, the Olympics can mean several billion dollars in local revenue and infrastructure improvements for a host city. It can also mean the city will become the focus of the world community for weeks, months, even years, producing both immediate and long-term benefits.

The IOC was awarded nearly $400 million in revenues from the Atlanta games. NBC has paid almost $3.5 billion to the IOC to broadcast the games until 2008. But it is the process used by a host city to bid for those games and the methods used by the IOC to award the games that are the focus of today's hearing. Both are seriously flawed and in need of reform.

The countless documents examined by the subcommittee suggest that the games aren't automatically awarded to a city based on technical merit. Instead today's bid process has encouraged a system where lavish gifts and other special favors are heaped on IOC members in order to influence their vote. This has resulted in a

system where the ability to host the games based on what's best for the athletes may take a back seat to other considerations, such as how ingratiating a bid city was to a particular IOC member. Perhaps the 1991 Toronto, Ontario, Olympic Council report to the IOC described the bid process the best. The council noted that one of the key factors needed to win the right to host the Olympic Games was for a city to, "demonstrate why it is in each IOC member's personal interest to vote for and to award the games to that city." Any system where the bid city must prove that it is in the personal interest of an IOC member to vote for any city is a system that's gone astray.

Mr. Chairman, many would like to think that the giving of lavish gifts and opulent travel and other special favors was unknown until the tawdry events of Salt Lake City became public, but I have to take exception to that notion. The activities reported in the Salt Lake City bid revealed in the King & Spalding report on the Atlanta bid appeared to have been around for many years.

Let me quote from a Sports Illustrated article written 13 years ago back in 1986. This was about a bid for the 1992 Summer Olympics. This is a quote: "The tactics of Olympic bidders vary somewhat, but they're never very subtle. The most popular strategy is simply to shower everyone on the IOC with gifts, trips, and parties. No city did this better—did better in this area than Paris. Whenever an IOC member felt the need to vacation in Paris for a while, he was instantly sent airline tickets and given a free room at the elegant Hotel de Crillon as well as reserved tables at Maxim's or Tour d'Argent with the bill paid in advance. Members traveled everywhere in limousines, sometimes with a police escort, and they were given perfume, raincoats, jogging suits and discounts at some of Paris's finest shops."

The 1991 report I cited earlier by the Toronto, Ontario, Olympic Council, whose bid to host the Olympics, by the way, was unsuccessful, also sounded several alarms. That's nearly a decade ago. Some of them dealt with travel. Some dealt with excessive gift-giving. Let me quote from what Toronto told the IOC in 1991: "No single issue is so open to abuse as gifts and other material inducements to individual IOC members. Perhaps no single issue has the power to undermine the integrity of the IOC as this particular one. Unfortunately many IOC members expect to receive gifts above and beyond what anyone would judge to be courteous and gracious. Cash, jewelry or other items easily converted to cash were hinted at on several occasions. We were surprised to discover on more than one shopping trip that the bid city host was expected to pay for all purchases made by not only the member, but the guests as well."

Again, Mr. Chairman, these kinds of reports were not made yesterday. They were made nearly a decade ago. Further, as you review the various investigations that follow the Salt Lake City revelations, it appears that many of those involved during the host city bids knew this culture existed. Yet the IOC has chosen not to reform and thus to allow a shameful system to continue and, in fact, even worsen. It is for those reasons I still remain somewhat skeptical that the IOC is serious at this time.

Mr. Chairman, with us today are officials from Atlanta responsible for both winning and hosting the 1996 Olympic Summer Games. While I'm proud the United States won the right to host those games, I'm disappointed with the process that Atlanta chose to win that bid. While I agree with those that say the Atlanta bid tactics weren't as unrestrained as Salt Lake's, I still believe they went too far. Instances of lavish travel, gifts and other special favors were given or were attempted to be given to IOC members whose vote was critical to Atlanta.

Do these attempts represent an effort to outright buy votes? I can't say that. What the evidence does show, however, is that numerous gifts and favors were given by Atlanta officials that had little or nothing to do with demonstrating that city's ability to host the game. What Atlanta officials did to win the 1996 bid was at times borderline. Atlanta officials claimed they played within the bid system's culture as they found it, but one might argue that the Atlanta officials did nothing to help stop or to reform an ethically bankrupt process. Instead, Atlanta's actions served only to reinforce if not to endorse an already tawdry system that arguably made future bid efforts for other cities even more polluted. One can only wonder if Atlanta or cities before Atlanta had blown the whistle on this system, whether Salt Lake City would be in the mess it's in today.

But I'm not here to cast aspersions on Atlanta or anyone else. Instead I'm here because I want to work with you, Mr. Chairman and the other members of this committee and the many witnesses before us today to fix a system that we all agree is broken. I'm looking forward to the testimony of the people before us today because we need to know what went wrong in order to support meaningful corrections to our own systems as well as those in the IOC.

Finally, Mr. Chairman, while I'm saddened by the events that took place in both Salt Lake City and Atlanta, I must point out that it is because of the exposure of those events by this country's governmental institutions, including the U.S. Congress, the free press, and the public, that reforms are now being contemplated by the IOC. I believe good has come out of this process, and by throwing open all the files and the records of how the bid process worked for two U.S. cities, admittedly an often painful and embarrassing experience, we've discovered some serious flaws in the IOC system and several of our own. Our bid processes will be improved because of what we've done over the past year, and hopefully so, too, will the final reforms adopted by the IOC. I only wonder if certain other former bid countries could also benefit by examining in close detail their own bid experiences.

Let me conclude, Mr. Chairman, by saying that while some in the IOC may have strayed from what the Olympic movement have been about and have sadly used the bid process to seek personal reward, most have not and are extremely hard-working and are very dedicated individuals. In fact, I believe that the vast makeup of the IOC care very deeply about the health and the integrity of the Olympic Games.

I look forward to working with all of our friends from abroad as well as many outstanding witnesses who are before us to build an

Olympics that is transparent, accountable, and free of the recent activities that have so jeopardized the Olympic flame.

With that, Mr. Chairman, I yield back.

[The prepared statement of Hon. Ron Klink follows:]

PREPARED STATEMENT OF HON. RON KLINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Thank you Mr. Chairman.

Mr. Chairman, in actuality, it is with great regret that I find myself here today. Like most Members, I have tremendous respect for the Olympic movement and its athletes. But what has happened in Salt Lake City, and now Atlanta, deserves special attention if we really are to concern ourselves with the games' future.

We'd be naive if we didn't recognize that the Olympics have become big business for the cities lucky enough to host the games, its many sponsors, and the IOC itself. The Olympics can mean several billion dollars in local revenue and infrastructure improvement for a host city. It can also mean that the city will become a focus of the world community for weeks, months—even years, producing both immediate and long-term benefits. The IOC was awarded nearly $400 million in revenues from the Atlanta games. NBC has paid almost $3.5 billion to the IOC to broadcast the games until 2008.

But it is the process used by a host city to bid for the games and the methods used by the IOC to award the games that are the focus of today's hearing. Both are seriously flawed and in need of reform. The countless documents examined by this subcommittee suggest that the games aren't automatically awarded to a city based on technical merit. Instead, today's bid process has encouraged a system where lavish gifts and other special favors are heaped on IOC members in order to influence their vote. This has resulted in a system where the *ability* to host the games (based on what's best for the athletes), may take a back seat to other considerations, such as how ingratiating a bid city was to a particular IOC member.

Perhaps the 1991 *Toronto Ontario Olympic Council*, report to the IOC describes the bid process best. The council noted that one of the key factors needed to win the right to host the Olympic games, was for a bid city to "demonstrate why it is in each IOC Member's *personal* interest to vote for, and award the Games to that city [emphasis added]." Any system where the bidding city must prove that it is in the "personal interest" of an IOC member to vote for any city is a system that has gone astray.

Mr. Chairman, many would like to think that the giving of lavish gifts, opulent travel, and other special favors was unknown until the tawdry events of Salt Lake surfaced. But I might take exception to that notion. The activities reported in the Salt Lake City bid, and revealed in the *King and Spalding* report on the Atlanta bid, appear to have been around for years. Let me quote from a *Sports Illustrated* article written way back in 1986 about the bid for the 1992 summer Olympic games:

> "The tactics of Olympic bidders vary somewhat, but they are never very subtle. The most popular strategy is simply to shower everyone on the IOC with gifts, trips and parties . . . No city did better in this area than Paris. Whenever an IOC member felt the need to vacation in Paris for a while, he was instantly sent, airline tickets and given a free room in the elegant Hotel de Crilion, as well as reserved tables at Maxim's or Tour D'Argent with the bill paid in advance. Members traveled everywhere in limousines, sometimes with a police escort, and they were given perfume, raincoats, jogging suits and discounts at some of Paris's finest shops."

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> "No single issue is so open to abuse as gifts and other material inducements to individual IOC members. Perhaps no single issue has the power to undermine the integrity of the IOC as this particular one. Unfortunately, many IOC members expect to receive gifts above and beyond what anyone would judge to be courteous and gracious. Cash, jewelry or other items easily converted to cash, were hinted at on several occasions. We were surprised to discover on more than one shopping trip that the bid city host was expected to pay for all the purchases made by not only the member, but the guest as well."

Again, Mr. Chairman, these kinds of reports weren't made yesterday, but a decade or more ago. Further, as you review the various investigations that followed the Salt Lake City revelations, it appears that many of those involved during host-city

bids knew this culture existed. Yet the IOC chose not to reform, and thus allowed a shameful system to continue and even worsen. It is for those reasons that I still remain somewhat skeptical that the IOC is serious this time.

Mr. Chairman, with us today are officials from Atlanta responsible for both winning and hosting the 1996 Olympic summer games. While I am proud that the United States won the right to host those games, I am disappointed with the process Atlanta chose to win that bid. And while I'll agree with those that say that the Atlanta bid tactics weren't as unrestrained as Salt Lake's, I still believe they went too far. Instances of lavish travel, gifts, and other special favors were given (or attempted to be given) to IOC members whose vote was critical to Atlanta. Do these attempts represent an effort to outright buy votes? I can't say. What the evidence does show, however, is that numerous gifts and favors were given by Atlanta officials that had little or nothing to do with demonstrating the city's ability to host the games.

Mr. Chairman, what Atlanta officials did to win the 1996 bid was, at times, borderline. Atlanta officials claim they played within the bid system's culture as they found it. But one might argue that Atlanta officials did nothing to help stop or reform an ethically bankrupt process. Instead, Atlanta's actions served only to reinforce (if not endorse) an already tawdry system that arguably made future bid efforts for other cities even more polluted. One can only wonder, if Atlanta, or the cities before Atlanta, had blown the whistle on this system, whether Salt Lake City would be in this mess today.

But I'm not here to cast aspersions on Atlanta or anybody else. Instead, I'm here because I want to work, with you, Mr. Chairman, the other Members of this Committee, and the many witnesses before us to fix a system we all agree is broken. I'm looking forward to their testimony because we need to know what went wrong in order to support meaningful corrections to our own systems, as well as those of the IOC.

Finally, Mr. Chairman, while I am saddened by the events that took place in both Salt Lake City and Atlanta, I must point out that it is because of the exposure of those events by this country's governmental institutions (including the Congress), free press, and the public, that reforms are now being contemplated by the IOC.

I believe good has come out of this process. By throwing open all the files and records of how the bid process worked for two U.S. cities—admittedly an often painful and embarrassing experience—we've discovered some serious flaws in the IOC's system, and in several of our own. Our bid processes will improve because of what we've done over the past year, and hopefully, so too will the final reforms adopted by the IOC. I only wonder if certain other former bid countries could also benefit by examining in closer detail their own bid experiences.

Let me conclude by saying that while some within the IOC have strayed from what the Olympic movement should be about, and have sadly used the bid process to seek personal reward, most have not and are extremely hardworking and dedicated individuals. In fact, I believe that the vast makeup of the IOC care very deeply about the health and integrity of the games. I look forward to working with our friends from abroad, as well as the many outstanding witnesses before us today to build an Olympics that is transparent, accountable, and free of the recent activities that have so jeopardized the Olympic flame.

With that, I yield back.

Mr. UPTON. Yield to the vice chairman on the subcommittee Mr. Burr.

Mr. BURR. Thank you, Mr. Chairman.

Mr. UPTON. Before we start, maybe we should ask how your son did in football in North Carolina last night.

Mr. BURR. Twenty-seven to nothing, 5-0. Thank you for asking.

Mr. UPTON. The question of putting the real football an Olympic team sport is, I know, before the committee. We'll pursue that a little bit later.

Mr. BURR. Clearly you've hit on something of interest to me, though, as this is.

I welcome all of our witnesses. For generations families have together watched the majesty and the competition and celebration of the Olympic Games. The games make heroes out of athletes who have beaten the odds and who have performed amazingly under in-

tense pressure. Vivid pictures of triumph are forever etched in our minds and in the minds of our children. There's nothing more American than watching young children being inspired by the stories of these amazing people. These athletes represent all that is good in our world, love of a skill, and talent, dedication to a goal, the fulfilling of a potential destiny.

We have over the years protected the purity and the integrity of the games. Drug testing, professional contract arrangements and strict athletic rules are commonplace and accepted, all implemented with the intention of keeping our games pure.

Today we are here for no different cause, no lesser motive. We're not here to find fault with Atlanta. The culture of the International Olympic Committee in a sense left them with no options if they wanted to host Olympic Games. Let me be very clear. That culture, however pervasive, does not excuse Atlanta's choices, and they have found fault themselves with their actions. After extensive review, Atlanta has said rules, procedures and guidelines in the bidding process did exist. Our problem is this: No one abides by these rules. No one enforces them. Play the game or lose the process.

In its response to the committee, Atlanta said of all competing cities, it had the best technical bid. And it was apparently ranked by the IOC evaluation committee as the best bid among competing cities. On its merits alone, Atlanta should have won, but that was not the system that votes of IOC members were necessarily cast on merit.

So why are we here? We're here to find out on what basis those votes are cast. We're here to find out how the flagrant violations of the IOC rules went unnoticed and unquestioned by so many. We're here to examine the responsibilities of the USOC and whether they endorsed the practice of bidding cities or whether they ever raised the questions of violations of IOC rules. We're also here to look at the relationship between the USOC and the IOC. Last, Mr. Chairman, we're here to look at the culture of the governing body in Olympic sports and find the answers to the question can they change voluntarily.

Many here today might ask why Congress doesn't address the problem with U.S. cities and leave the IOC alone. It's a fair statement. We're not here to dictate policies. Rather we're here to question our future involvement and participation in the Olympic movement if true reform of the bidding process does not take place. Can the Congress continue to allow U.S. corporate expenses related to participation in Olympic Games to be deductible and supporting a process that allows cities and countries to purchase the prestige of hosting an Olympic game? We must answer that question.

Today's hearing is not about the past. It is about the future. Because of this scandal, today's hearing is not about athletes, it's about ethics. It's not about competition on the field, it's about the character of those who write the rules. I feel confident I speak for many members of this committee and this Congress when I say we want the focus to get back on athletes and competition. That's what the Olympics are really all about. Until we get to the bottom of this and take steps to fix what needs to be fixed, we won't be able to shift that focus. In the end we owe it to the athletes, the companies that choose to sponsor the games, and the hundreds of thousands

of Americans that support Olympics through their donations. They deserve nothing less than the knowledge that the process they are participating in is fair and the money being spent is done appropriately.

Mr. Chairman, I look forward to a very productive day. Thank you for this hearing. I yield back my time.

Mr. UPTON. Thank you, Mr. Burr.

Mr. Waxman from California.

Mr. WAXMAN. Thank you very much, Mr. Chairman. I want to commend you for holding this hearing today. This is an important subject. Since last November, we've been reading about how members of the International Olympic Committee received cash and expensive gifts from cities that were competing to host the Olympics. The individual IOC members who solicited and received these gifts clearly deserve blame, but so, too, does the system that allows such a culture to develop.

Sadly, the culture of greed and corruption that led to the Salt Lake City scandal has been flourishing for years. This scandal is now almost a year old, and yet the IOC has been remarkably slow in taking the necessary steps to reform itself.

Back in March a commission led by Senator Mitchell recommended a number of reforms, including the banning of expensive gift-giving and the periodic reelection of the IOC members. These reforms seemed entirely reasonable, but not surprisingly, Mr. Samaranch and others at the IOC did not fully embrace them.

Frustrated by the intransigence of the IOC, Congressman Lazio and I introduced a bill in April that would strongly encourage the IOC to adopt these reforms. Our bill, H.R. 1370, would prohibit American corporations, including the television networks, from providing any financial support to the IOC until the IOC adopted the Mitchell Commission reforms. I believed then, and I still believe now, that only the cutoff of American corporate money will get the IOC's attention. Quite simply, the IOC could not operate without the hundreds of millions of dollars that it receives each year from American corporations.

Six months have passed since our bill was introduced, and we are still waiting for the IOC to reform itself. I have been told that Mr. Samaranch has been working hard on convincing others at the IOC to approve a package of reforms, and that these reforms should be in place by December. I really hope this is the case, because if necessary steps are not taken to restore the integrity of the Olympic Games, I believe that there will be a strong bipartisan sentiment in Congress for some time—some type of punitive action against the IOC. I would remind the IOC that Congress has been quick to impose sanctions in the past when it has disapproved of the activities of foreign countries, international organizations, and multinational corporations. We will be no less willing to act when we feel the integrity of the Olympics is being compromised.

I look forward to hearing the testimony of the witnesses today, and I eagerly await the announcement of the reforms by the IOC. Thank you very much, Mr. Chairman.

Mr. UPTON. The gentleman from Iowa, Mr. Ganske—Dr. Ganske, I'm sorry.

Mr. GANSKE. Thank you, Mr. Chairman, for holding this hearing. I will be brief because I know our guests want to get to their testimony, and I want to take this opportunity to welcome all of our distinguished guests, but in particular to note the presence of a friend, a fellow Iowan, Mr. Bob Helmick, who is a senior law partner at the law firm of Dorsey and Whitney, specializing in municipal finance, graduated from Drake University Law School with highest honors, and was valedictorian. He's received a number of honorary humanitarian and law doctorate degrees. He's been active nationally and internationally in amateur sport, having served as president of three of the largest sports organizations in the world: the U.S. Olympic Committee, the International Amateur Swimming Federation, and National Amateur Athletic Union. He is a well-known civic leader in arts and education organizations. He's been instrumental in building a nationally recognized public finance practice and in drafting the majority of the laws in the State of Iowa which relate to cities. He most recently was counsel to the State of Iowa in the creation of its fiberoptic network, which has received national recognition.

But in particular, I think in regards to this hearing, many will recall that in 1991, Mr. Helmick was the subject of a lot of media attention. What is generally not known is that the subsequent facts and disclosures cleared Mr. Helmick of any wrongdoing. He is the only IOC member in the history of the organization to open up his personal records to public scrutiny, and so I look forward to his testimony, as I'm sure it will be informative, up-front, and full of good Iowa common sense. Welcome. And I yield back.

Mr. UPTON. Thank you, Dr. Ganske.

Mr. Stupak from Michigan.

Mr. STUPAK. Thank you, Mr. Chairman. Thank you for holding these hearings.

Mr. Chairman, the Olympic movement was motivated by the idea that Olympic competition between the best athletes from around the world would be a unifying force to our globe. The Olympics have become more than a mere sporting event. They are a testament to the triumph of human spirit. While many of us know of Michael Johnson or the Dream Team, there are thousands of competitors we will never know who will never win endorsement contracts. They compete to honor themselves and their country.

The duty of the ideals underlying the Olympic movement and the Olympic Games makes the behavior that is the subject of this hearing all the more disappointing. I'm sure many of my colleagues will describe the types of activities conducted by the Atlanta Committee for the Olympic Games. These activities violated the rules of International Olympic Committee, the U.S. Olympic Committee and the Atlanta committee itself.

Some of the violations are particularly upsetting to me because they involve the diversion of money for scholarships to foreign athletes with the sole purpose of influencing the IOC vote of that country. I've long sought the scholarship program for athletes that attend United States Olympic education training centers here in this country. Many of these Olympic athletes give up the opportunity for an education to represent their country. These athletes

compete with athletic scholarships in boxing, biathlons, ski jumping and many other sports.

Since I have an Olympic education training center in northern Michigan where many of these athletes train, I personally have contacted sponsors of the USOC to urge them to help provide scholarships to these athletes. Unfortunately, they tell me while they give out scholarships in the name of the player of a game such as the Big Ten basketball tournament to the USOC, but they can't give a true scholarship for these student athletes for education purposes. Instead, the money goes to the USOC.

So if we can't use the money for true education scholarships for our own athletes, what happens then? The USOC uses the money that the college athletes generate for the Olympics and not for educational scholarships, but then they use that money to influence or to buy a vote by giving the educational scholarships to foreign athletes while the USOC and Olympic training centers struggle financially to remain viable.

Although Congress has passed legislation authorizing Olympic education training scholarship programs, no money has ever been appropriated. So to see the resources of a USOC not being used for education purposes for our own athletes, but instead is being used internally, and some of it even being diverted to facilitate the purchase of an IOC member's vote is very disturbing to me.

These hearings will accomplish two purposes: First, we need to understand the facts involved with solicitations of the IOC members' votes both in this country and abroad. While I can understand the pressure put on the Atlanta committee due to competition from other host cities, we cannot condone or justify their behavior. We need to understand where the line should have been drawn. Second, we need to examine the current reform proposals pending before the IOC. I've read the Mitchell report and wish to hear the views of the IOC on these suggestions.

I believe it's important to work with the IOC to ensure these reforms are met. I would say to the Director General of the IOC and a witness before this subcommittee that we want to compliment the IOC reform efforts. This hearing is neither an indictment of the IOC or of many members of the IOC or their host countries. As the King & Spalding report states, every gift has a giver and a receiver. Certainly in the cases of Atlanta and Salt Lake City and possibly others, representatives of the United States to the Olympics were willing and active participants in the culture of inappropriate gift-giving.

It's my understanding the IOC is meeting in December to discuss these reform proposals. I urge the IOC to do more than just adopt new rules or regulations. The IOC must change the culture in which these bids are conducted through accountability and enforcement; otherwise new rules and regulations are worthless. I hope that this subcommittee can complement those efforts and help ensure the actions taken by members of the Atlanta committee will become a footnote to the great and wonderful legacy of the Olympic movement.

Thank you for holding these hearings, Mr. Chairman. I look forward to working with you in the future on this issue.

Mr. UPTON. Thank you, Mr. Stupak.

Mr. Bryant from Tennessee.

Mr. BRYANT. Thank you, Mr. Chairman. Let me tell you before I start my statement how much I appreciate your efforts and your staff's extraordinary efforts, in preparing and holding this hearing.

Like everyone in the room today, I regret that we have to be here on this particular subject, as I would much rather be talking about Atlanta's superb presentation of the Olympic Games and the world-class athletes that participated in those Olympics.

While I am disappointed to learn about the tainted selection process where Atlanta was chosen as the host city, in some ways I'm sympathetic to their dilemma. Atlanta did not set out to buy or improperly influence the IOC committee that selected them. Unfortunately, the, "playing rules," of the selection game were not up to the high standard of the Olympic Games themselves. And just as unfortunate, Atlanta played by these rules, which they felt were expected. As a result, the Olympic rings had been decidedly tarnished. It will take a concerted effort by all the world's nations to restore their past luster.

I agree with the members of the Special Bid Oversight Commission that the IOC must be reformed. I realize this cannot be done easily given the power it has to literally direct billions of dollars and international prestige to potential host cities. But the IOC must change the culture of that committee. However, for these reforms to succeed, to be expected to succeed, it cannot be done without the cooperation of other countries vying for the honor of hosting future Olympic Games.

And I suppose as I sit here and listen to our opening statements, I know you did not come up here expecting to hear these statements. You came up here prepared to give your testimony, and we do look forward to that, but I think about the other countries out there that will be and have been in competition to host the Olympics, and I wonder sometimes if they're sitting there thinking, why is this—why are these people in Washington telling us about morals and integrity and honesty? And I have those thoughts too, sometimes, but we, I think, must strive to set those standards, and I think today's hearing will further that to some degree by bringing to light, I think, of the American public more of—not necessarily Atlanta, because, again, I am a friend of Atlanta. I'm from the sister State of Tennessee and very much appreciated Tennessee's participation in the siting for some of the actual events for the Olympics. But, again, I think we all agree in this room that the problem has to do with the International Olympic Committee and the people who oversee and govern the activities, particularly in the selection process.

But, again, with the moneys that are at stake here and the prestige, I'm kind of dubious at this point that we'll see the type of change that we need to see in this selection process because I don't know that we can get every nation to agree to these correct and right and appropriate playing rules. Again, a lot of money is at stake, and a lot of prestige is at stake. I simply want to be careful, too, today, that we don't exclude the United States from further participation in this selection process.

Again, none of this reform is going to be able to be accomplished without the cooperation of the IOC, and, again, while I don't con-

done what has happened in Atlanta, I'm concerned that the United States at the same time not unilaterally disarm ourselves and ensure that the games will never be held in the United States again.

I look about the room and see so many distinguished people from Georgia here today, including members of their delegation in Congress, former Senator Nunn, former Judge and Attorney General Bell, former mayor and U.N. Ambassador Young, and I know I'm probably missing somebody here, but I think there is concern. I appreciate very much Atlanta's role in this as some of these things have come to surface, their willingness to come out fully and participate and to disclose what has happened in the interest of trying to improve the situation in the future.

I look forward to hearing from this very distinguished panel. I want to especially, though, thank the oversight commission that had Mr. Duberstein on it and others for their very thoughtful report. I want to thank also Mr. Bell's law firm, King & Spalding, which also included some very good suggestions on reforms. I hope we can really learn from these hearings as well as take to heart their suggestions on how we can begin to influence in any way, as a Congress, the reform of the IOC selection process. They've got some good ideas. They've been there. I'm sure Mr. Payne will be able to contribute a great deal as sort of the point man on the Atlanta effort as to what can be done to affect this process, to make it better, and to bring it up to the standards and ideals and the goals and all those good things that we think of when we think about the Olympics.

Again, I thank all of you for taking the time from your extremely busy schedules to be here. I look forward to hearing your testimony. Thank you.

Mr. UPTON. Thank you.

Ms. McCarthy from Missouri.

Ms. MCCARTHY. Thank you, Mr. Chairman. I would like to thank the witnesses appearing before us today. While I know Senator Nunn won't be testifying, I want to acknowledge that his integrity will lend a great deal to this effort.

The International Olympic Committee is charged with monumental responsibility. Every 2 years the IOC brings peace, hope, goodwill, sportsmanship, and culture exchange to the entire world. And for the city that selects to host the games, it brings more. The selection of a city means jobs, economic expansion, unique opportunity to capture international attention. Selection is a wonderful opportunity. It's an awesome responsibility.

I very much hope that our panel members will speak to several issues of grave concern. Current IOC rules regarding limitation of candidate cities' financial commitments limit gifts, "to documents or other items intended for information and/or souvenir articles. Gifts of a value exceeding U.S. $200 are not permitted."

What kinds of reforms are being proposed that will include consequences when rules are broken, consequences such as sanctions, which were mentioned by Mr. Waxman? How will the IOC implement these reforms, and what kind of oversight measures can be taken to ensure the integrity of its process for the future?

Mr. Chairman, I thank you for holding this hearing today, and I hope that we are able to impress upon the IOC representatives

who are with us the unacceptability of past behavior and the need to implement meaningful reforms for the future immediately. Thank you.

Mr. UPTON. Thank you.

Mr. Barton from Texas.

Mr. BARTON. Thank you, Mr. Chairman. I add my commendation to you for holding this hearing. I'm going to be very brief. I know we're here today to focus on Atlanta and its effort. I want to say that I received a number of very positive character references about one of our witnesses, Mr. Payne, from several people around the country who have told me what an outstanding individual he is.

The focus of my questions if I'm able to stay for the hearing is going to be more on the international committee. I think President Samaranch needs to be removed. I think he needs to be removed sooner rather than later. I think he's created a cesspool at the international level. Until that cyst is removed, I see nothing but future trouble for all the other cities that want to compete for the international Olympics.

We hold the Olympics out to be a bright shining star to our young people, and it's supposed to be the best about what competition and fair play is all about, but anybody who has read the Sports Illustrated expose several months ago about the way the international committee operates, it amazes me that any city that attempts to obtain the games is able to do it in a totally fair way.

So I appreciate your holding these hearings, and I hope that we can through our pressure institute some needed reforms at the international level.

Mr. UPTON. Thank you.

Ms. DeGette from Colorado.

Ms. DEGETTE. Thank you, Mr. Chairman.

First of all, I'd like to welcome an old friend of mine here today, Bill Hybl, who will be testifying. Bill and I served together for 6 years on the Colorado College Board of Trustees, our Alma matter. Before Bill had to serve with me for those 6 years, his hair used to be dark brown. Now you can see it's gray. Hopefully it won't all fall out after the hearing today.

Mr. Chairman, I think that the Atlanta and Salt Lake City examples show that the bidding process that has developed internationally in recent years has truly tarnished the Olympic rings. The bribery that has been catalogued in the reports which I have read which were provided to this committee, cast dark clouds over the true spirit of the Olympic Games. The International Olympic Committee members involved in these scandals, frankly in an effort, I believe, to elevate themselves to a pseudoroyal status, have forgotten that these games are about elite athletes at the pinnacle of their ability and about the true triumph of amateur athletics. In an attempt to land mega advertising accounts and endorsements, the IOC and host cities who fall into this bribery culture forget that these games brought together black and white athletes to compete for South Africa. They brought the USA and USSR together in Seoul in 1988, a year before the Berlin Wall fell, and it sees new countries join in the Olympic family every year.

Frankly, we need to get to the bottom of this culture of bribery that the IOC has created. While the organization has rules, and they seem clear, they are not adhered to in any way. In fact, Salt Lake City believed that it lost the 1992 games to Nagano because it played by those rules. The culture that has developed results in cities and volunteers shelling out hundreds of thousands of dollars for IOC officials for shopping sprees at Saks, medical treatments for IOC member relatives, and college tuition.

As I said, I've reviewed both the Mitchell report and the King & Spalding report. In my view, because of the relatively limited scope of the investigation of Atlanta and the fact that all witnesses and volunteers were not interviewed, all documents were not reviewed, I believe the extent of the problem we see in this report is the minimum, and I don't think any of us can rule out the conclusion that there were many more gifts, bribes, and abuses than have been documented. And frankly, I don't think it's worthwhile undertaking a more extensive investigation because what we've seen shows that what happened was wrong, and we need to work at an international level to stop it.

We're not going to solve this problem today by finger-pointing and by raking over these old issues. Instead we need to work collectively to decide how the United States is going to take the leadership role in convincing the IOC to change its rules and to make real reforms that we can stick with. I applaud the Mitchell Commission for taking the initiative in developing a comprehensive plan for reform. I applaud the USOC for taking the lead in trying to implement these reforms. I believe while we cannot act in a vacuum, we've got to take the lead in insisting that the IOC clean up its act. That's the thing I'm going to be most interested in hearing from the panel today how they think this can happen.

Let me just conclude by saying a tennis camp in Florida for two teenagers from the Republic of the Congo does not give an IOC member the sense that a marathon course is going to be good for a marathoner or that the food court layout of the city will facilitate families' enjoyment of the games, nor does that type of an attempt at direct bribery do anything to provide athletic equipment for poor children in the country of the Congo. U.S. cities, like cities worldwide, have had to perform like dancing ponies, and the USOC has been a victim as much as anyone. On the other hand, United States cities have participated in this type of conduct, and, therefore, it is incumbent on the cities, the USOC, and the U.S. Congress to take the lead in putting international pressure in cleaning up these practices.

Mr. Chairman, I'm looking forward to the testimony today. As you may know, several members of this subcommittee also sit on the conference committee for the important H.R. 10 financial modernization, so I would like to apologize if I have to leave if they have recorded votes. I know several other members will as well.

Thank you, Mr. Chairman.

[The prepared statement of Hon. Diana DeGette follows:]

PREPARED STATEMENT OF HON. DIANA DEGETTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Thank you Mr. Chairman. Welcome Bill Hybl.

Mr. Chairman, I think we can all agree that the Olympic rings have been tarnished. The bribery that has been catalogued in the reports provided to this committee casts dark clouds over the true spirit of the Olympic games. The International Olympic Committee members involved in these scandals, in an effort to elevate themselves to a sudo-royal status, have forgotten that these games are about elite athletes at the pinnacle of their ability. In an attempt to land mega-advertising accounts and endorsements, the IOC and the host cities who fall into this bribery culture, forget that these games brought black and white athletes together to compete for South Africa; the USA and the USSR together in Seoul in 1988, a year before the Berlin Wall fell; and sees new countries joining the Olympic family each year.

We need to get to the bottom of this culture of bribery that the IOC has created. While the organization has rules, they are not adhered to—in fact, Salt Lake City believed it lost the 1992 games to Nagano because it played by those rules. This culture results in cities shelling out hundreds of thousands of dollars for IOC officials for shopping sprees at Saks, medical treatments and college tuition.

It is time to stop making excuses and apologies—the US cities involved and the USOC know what occurred was wrong. We do not solve this problem, and insure that the next US bid city is not subject to this culture of bribery, by rehashing past wrongs.

What we must do is stop the culture that requires cities to perform these demeaning acts. I applaud the Mitchell Commission for taking the initiative and developing a comprehensive plan of reform. I applaud the USOC for taking the lead in implementing these reforms. While the US and the USOC cannot act in a vacuum, we must take the lead in insisting that the IOC clean up its act, reform its ways and cease to place themselves, as IOC members, above common decency. Above all, the US and the USOC can and must ensure that the athletes regain their proper place as the central focus of the Olympic games.

By no means does a tennis camp in Florida for two teenagers from the Republic of the Congo give any IOC member the sense that a marathon course is good for a marathoner, that the food court layout will facilitate families enjoyment of the games or that the downhill course will facilitate a new world record for Picabo Street.

US cities, like cities worldwide, have had to perform like dancing ponies and the USOC has been just as much a victim as anyone. We must clean up our act, as the USOC has expressed it is willing to do, so that we may lead by example.

The culture of bribery must stop. We can itemize all the wrongdoing today but unless we act to ensure that this culture ends, those who do adhere to the IOC rules and behave ethically will already have three strikes against them.

I hope the IOC will begin to act in the spirit of the games it represents and move to eliminate this culture.

Mr. UPTON. I would note that a number of members of the subcommittee serve on other subcommittees and conference committees and will be coming in and out for most of the day.

Mr. Whitfield from Kentucky.

Mr. WHITFIELD. Mr. Chairman, thank you very much. I'm delighted that we're having this hearing today. Speaking for myself, I must say that I do not pretend to be any sort of expert or even understand very well the way the IOC works or the U.S. part of that commission works, and I'm delighted that we have a number of people here today who have personal experience in dealing with this issue, and I'm sure all of them are quite distinguished. And we're caught up in the culture, but I'm hopeful that they can come forth with some recommendations.

I personally think it will be difficult for the U.S. to dictate probably to other countries on this issue, but hopefully, as Ms. DeGette indicated, we can take the lead in working with other countries and come up with a solution to this problem. I think that's the spirit we enter these hearings with today is to listen to people who have been involved, listen to their suggestions, and from that hopefully come up with some meaningful solutions and recommendations. So I look forward to hearing from the panels.

Mr. UPTON. Thank you.

[Additional statement submitted for the record follows:]

PREPARED STATEMENT OF HON. TOM BLILEY, CHAIRMAN, COMMITTEE ON COMMERCE

Thank you Mr. Chairman.

In May of 1999, when the Committee started its inquiry into the Atlanta Organizing Committee's 1996 Olympic bid, we wanted to learn whether the events surrounding Salt Lake City's Olympic bid were an isolated incident, or part of a larger pattern of misconduct. As we have learned, Atlanta actively gathered information about IOC members, and armed with this information, broke gift and travel rules in order to keep its host city bid competitive. And as Atlanta's organizers will testify today, it is highly doubtful that Salt Lake City and Atlanta were the only bidding cities engaged in improper gift giving to IOC members.

The improper actions surrounding the Olympic bids of Atlanta and Salt Lake City are an affront to the Olympic spirit. The IOC and its member organizations must not tarnish the years of hard work and training athletes spend in pursuit of the Olympic dream.

Unethical behavior points to a sad contradiction: Olympic athletes must prove that they have not gained an unfair advantage, yet, based on what we learned as part of our inquiry into Atlanta's Olympic bid, some IOC members expected bidding cities to seek the very same unfair advantage. The IOC and bidding cities should take a lesson from the athletes who succeed or fail on their own merits in front of the entire world.

Because of the events in Atlanta and Salt Lake City, as well as questions about other bidding cities, I believe we all can agree that there is a pattern of abuse in the Olympic site selection process. Indeed, since December 1998 several groups have been formed to study the process used to select Olympic host cities. Also, the Department of Justice, has an ongoing investigation that has led to two indictments to date. Clearly there is a need for reform in the site selection process.

While all of this attention to new ethics standards and proposals that aim to overhaul how Olympic host cities are selected is a good start, it is not enough. This conduct did not spring up yesterday, and it will not simply go away tomorrow.

This is why we need to ensure that the outcome of all this study and work is actual change, and not window dressing. Verification of the compliance with new policies will be critical to rebuilding the credibility of the Olympics. I am looking forward to hearing from today's witnesses about how they think real change can be introduced, and—more importantly—maintained.

Thank you Mr. Upton for your work on this hearing. I want to thank all the witnesses for their appearance here today. I look forward to their testimony.

Mr. UPTON. Our first panel today consists of the cochairs of the Atlanta Olympic Committee, the Honorable Andrew Young as well as Mr. Bill Payne. We also have the former president of the USOC, Mr. Robert Helmick, and the current president of the USOC, Mr. Bill Hybl.

If the four of you could take—could come to the witness stand. I want to note as you may be aware, this subcommittee is an investigative subcommittee, and as such we have always had the practice of taking testimony under oath. Do any of you have objection to that?

Seeing none, the Chair also advises you that under the rules of the House and of this committee, you are entitled to be advised by counsel. Do you desire to be advised by counsel this morning?

Mr. PAYNE. Yes, sir.

Mr. UPTON. If you could indicate who your counsel is so the clerk can make sure she records it accurately.

Mr. BELL. Judge Bell and Ted Hester of the law firm of King & Spalding, and we're representing Mr. Young and Mr. Payne.

Mr. UPTON. Mr. Hybl and Mr. Helmick, do you have counsel as well?

Mr. HELMICK. No, sir.

Mr. HYBL. Mr. Chairman, the general counsel of the U.S. Olympic Committee is with us for advice today.

Mr. UPTON. If all of you can stand, counsels included, and raise your right hand.

[Witnesses sworn.]

Mr. UPTON. You're now under oath, and we have two members asking to introduce a couple of you, and Mr. Hefley, a member from Colorado; Mr. Isakson from Georgia. Mr. Hefley, you may proceed.

Mr. HEFLEY. Thank you, Mr. Chairman. I can't tell you what a thrill it gives me to call you Mr. Chairman. When you and I entered Congress here some years ago, we hardly dared to imagine this day would come. So it's a great pleasure for that.

I appreciate your letting me have the honor of introducing one of your panelists and also of sitting in on your hearings here, which I think are very important.

I represent the U.S. Olympic Committee. Their headquarters are in Colorado Springs. I can't tell you how thrilled I was when the Olympic Committee made the decision to come to Colorado Springs, because to me the Olympics had always represented all that is best in athletics, all that is untarnished, all that is good, all that is right. Everyone wants to identify with the Olympics. It's a name brand that carries a very positive connotation, whether you be Coca-Cola, Pepsi, FedEx, the sponsors of the Olympics or whether you be other sporting events like the Senior Olympics the Wheelchair Olympics the Handicap Olympics, whatever it is you want to identify—in fact, the Olympics have problems with that name identification sometimes, I know, because everyone wants to get in on that. And I was heartsick to learn of the corruption in the selection process. At a time when so many institutions are tarnished, we can't let that happen with the Olympics. So I am delighted to introduce one of the leaders in rooting out that corruption.

Bill Hybl, who in real life is an executive at the Broadmoor Hotel and El Pomar Foundation, but his volunteer job is as president of the U.S. Olympic Committee. Bill and I have been friends for a long, long time. In spite of my indiscretion early in our political lives when I supported—Diana, I supported Bill's opponent in his race for the State legislature. Unfortunately the good sense of the voters of that district prevailed, and Bill was elected. They paid no attention to me whatsoever.

Bill was elected to the State legislature, did a wonderful job there, although brief, because he went with the Broadmoor El Pomar Foundation, and he's doing a magnificent job in his volunteer job at the Olympic Movement.

What you are doing today, Mr. Chairman, is important work, and I know that Mr. Hybl stands ready to help you in your efforts and, more importantly perhaps, to help in the important task of reforming the Olympic movement. So it gives me great pleasure this morning to introduce my friend, president of the U.S. Olympic Committee, Bill Hybl.

Mr. UPTON. Thank you, Mr. Hefley. I would just note for the record that a number of us were glad you stayed out of the race when your wife ran for State legislature as well. She was able to win despite your handicap.

Mr. Isakson.

Mr. ISAKSON. Thank you, Mr. Chairman. I'm delighted to be here today and delighted to be joined by Congressman Chambliss and Congressman Bishop with the opportunity to introduce two great Georgians, Billy Payne and Andy Young. While my remarks today are my own, I am confident I speak for thousands, if not millions, of Georgians who admire and respect these two fine men. I know the purpose of this meeting is not to lavish praise on these men, but neither should it be to condemn them out of context or without perspective.

Billy Payne is my personal friend of more than 40 years. In the late 1980's, Mr. Payne and a handful of citizens set out on an impossible dream to bring the 1996 Centennial Olympic Games to Atlanta, Georgia, and the South. First they had to convince the USOC that Atlanta should be America's bid city, and then they had to bring the International Olympic Committee and its members to the American South to convince them that unpaid volunteers could raise $1.5 billion, construct the venues, and host over 3 million visitors from around the world.

The fact that Billy succeeded amazed many, but to those of us who have watched him time and again, whether it's to lead a successful campaign, to build a new sanctuary for his church, or raise scholarships for his beloved University of Georgia, it was no surprise at all.

Andy Young, a former Member of this Congress, former Ambassador to the United Nations and former mayor of Atlanta, needs no introduction. His ability and integrity are known around the world. Andy is also my friend and a man I admire and respect. The fact that Andy Young was the only elected official to embrace Billy Payne's dream was no surprise, because like Billy, Andy knows that dreams can come true if you're willing to work and keep the faith.

The legacy these two men left goes far beyond the memories of 16 magic days for the citizens of our city, our State, and our country. Today the Olympic Village provides dormitories for our students at universities and colleges, the Olympic stadium is the home of the Atlanta Braves, and Centennial Olympic Park is Atlanta's most significant urban renewal project since Sherman's march to the sea. More importantly, the children of our State saw firsthand that dreams can come true and that regardless of the barriers of language, wealth, or race, the world can come together and compete in an environment where sportsmanship and mutual respect are the rule and not an exception.

Mr. Chairman, I'm aware of the purpose of this hearing is to evaluate Judge Bell's report and the fact that the Atlanta committee violated the International Olympic Committee's $200 gift rule. I do not believe that the end justifies the means or the fact that everybody else did it is an excuse or defense. On the other hand, I do not believe these men deserve to be questioned unless there's the clear understanding that they operated in an environment governed and enforced by an international committee made up of members who accepted the gifts that violated the rules that those members themselves had adopted.

I would hope we would look to the future to determine what, if any, oversight this Congress should undertake in the governance of

future American bid cities rather than dwell on what Congress would have done 10 years ago to oversee an American bid city competing in an international environment and governed by an international committee.

Mr. Chairman, I'm very grateful of the time you've allowed me, and I am honored to introduce two of Georgia's finest citizens and my friends, Billy Payne and Andy Young.

Mr. UPTON. Thank you very much.

Gentlemen, your statements will be made part of the record in its entirety. We would appreciate if you could limit your opening remarks and summary of your testimony to about 5 minutes. We have a little light here that works, that turns red at the appropriate time.

Mr. Payne, we'll begin with you. Thank you.

TESTIMONY OF WILLIAM P. PAYNE, COCHAIR, ATLANTA OLYMPIC COMMITTEE; ANDREW YOUNG, GOOD WORKS INTERNATIONAL, COCHAIR, ATLANTA OLYMPIC COMMITTEE; WILLIAM J. HYBL, PRESIDENT, UNITED STATES OLYMPIC COMMITTEE; AND ROBERT H. HELMICK, FORMER PRESIDENT, UNITED STATES OLYMPIC COMMITTEE

Mr. PAYNE. Thank you very much, Mr. Chairman, ladies and gentlemen of the subcommittee. Judge Bell's report to which you referred often already provides a detailed accounting of our efforts in Atlanta to win the right to host the 1996 Centennial Olympic Games, and I will not attempt to repeat the detail here in my brief opening statement.

At the outset, ladies and gentlemen, let me say that I completely agree that the international process for bidding for the Olympic Games is dramatically in need of reform. We are prepared to assist this subcommittee and the International Olympic Committee in any way possible in making that reform a reality.

In fact, as detailed in our written response, Atlanta's bidding effort included excessive actions, even thought processes, that today seem inappropriate, but at the time we believed it represented the prevailing practice in the selection process in an extremely competitive environment. Those kinds of practices should not be permitted in future Olympic bids. In hindsight, we recognize, I recognize, that these excesses by those of us in Atlanta and other bidding cities were a mistake, but I hope and believe that they should not be allowed to overshadow all that is wonderful about the Olympic movement and all that was wonderful about the Atlanta games.

I have long believed and still believe passionately in the power of the Olympic movement to bring people together in a common sense of celebration of humanity as we all honor the greatest athletes in the world. We must do everything possible to eliminate these excesses, to reform these processes, but not forget, please not forget, and certainly never destroy the great promise of the Olympic legacy and America's preeminent role. That being said, I would like to briefly comment on our bidding activities.

As you have seen, and your staff as well, from reviewing our many documents, we received input from virtually anybody willing to talk to us about the process as we were learning about it and about their assessment of the process. Those assessments, those

many assessments, painted a convincing picture of a culture that existed within the bidding process and, importantly, what we would need to do if we wanted to play the game, if we wanted to bid and bring the Olympic Games to our home city.

We learned the following about the selection process: The IOC culture itself was a culture of some 70 different countries that were the resident countries of the IOC members, and that culture existed within a closed system that had been historically insulated from many external oversight mechanisms. It was, in effect, a world unto its own with no apparent accountability. Each IOC member had a totally independent, totally subjective voting power and a secret ballot system. Lobbying the votes of these members throughout the 2½ years of our efforts was intensely competitive and largely uncontrolled among the bidding cities with no limits on overall spending, no disclosure requirements, and little public scrutiny. The process had proven to be a very expensive one for cities aspiring to host the Olympic Games.

Bid cities routinely lobby each IOC member on a personalized and targeted basis. Many, though not all, IOC members were customarily given such special treatment. Prior Olympic bid efforts were characterized by generous gifts, frequent international travel, lavish hospitality, and numerous favors and personal accommodations for IOC members. Among those familiar with the international bidding process, the general consensus honestly was the ritual of courting IOC members was not only necessary, but an indispensable undertaking in order to have a realistic chance of winning the Olympic Games.

At that time, going back to 1987, we neither defended nor rebuked, as the chairman has pointed out, the site selection process and dealt with it as we found it. Instead, we simply accepted the reality in the process of bidding for the Olympic Games. Our objective was to win for Atlanta and the United States the right to host the 1996 games, not at that time to reform the International Olympic Committee. But make no mistake, and we are the first to admit, that the Olympic Games are a huge financial undertaking. Our organizing committee agreed to shoulder the responsibility, to raise $1.7 billion just to put on the games in our city of Atlanta. And at the end of the day, we were proud to say that we accomplished our goal of breaking even.

The U.S. Olympic Committee, as Mr. Hybl will point out, and the U.S. athletes benefit significantly when the Olympic Games are hosted within our great country. The Atlanta Games provided U.S. Olympic Committee and its athletes approximately $230 million from television, marketing, and sponsorship proceeds, including their share of the National Olympic Committee distributions from the International Olympic Committee. And as we all know, the IOC also benefits from the staging of the games by taking a share of virtually every dollar raised, some of which is distributed back to the U.S. Olympic Committee along with other National Olympic Committees. The IOC controls, must approve, and shares in the television rights, sponsorships, licensed merchandise, commemorative coins and sale of memorabilia. For the Atlanta Games, the IOC retained 40 percent of the television rights, 5 percent of the fee on all merchandise and goods sold, and 3 percent of the revenues from

the federally permitted Olympic coin. All totaled, the IOC received approximately $400 million in cash and value from the Atlanta Games.

Undeniably Atlanta and Georgia and, we hope you would concur, America benefited enormously from hosting the 1996 games. The games stimulated hundreds of millions of dollars in permanent capital improvement in Georgia.

In closing, Mr. Chairman, let me say that we did indeed launch and conduct a very aggressive effort as we launched for the first time ever really our city's competition in the international arena. We generally felt that we had to be aggressive in order to prevail. That aggressiveness and our inherent enthusiasm contributed to the many excesses which are detailed in our report, but we believe honestly that that same enthusiasm also contributed to the incredible pulling together of the people of Atlanta and America as we together embraced the common purpose and shared vision of bringing the Olympic Games to our great country.

I salute once again, Mr. Chairman, your reference to safeguard the future of the Olympic movement and importantly the opportunity for other American cities to fairly compete for the honor of hosting future Olympic Games. Thank you.

[The prepared statement of William P. Payne follows:]

PREPARED STATEMENT OF WILLIAM PORTER PAYNE

Good morning, Mr. Chairman and Members of the Subcommittee. I understand that the Subcommittee has reviewed and will include in today's hearing record the Georgia Amateur Athletic Foundation's (GAAF) September 16, 1999 response to Chairman Bliley and Chairman Upton. That response provides a detailed accounting of our efforts to win for Atlanta the right to host the 1996 Centennial Olympic Games and I will not attempt to repeat that detail in my statement here this morning. I would, however, like to briefly share with you my thoughts on some of the broader questions and larger issues facing this Subcommittee as well as the International Olympic Committee (IOC).

At the outset, let me say that I completely agree that the international process of bidding for the Olympic Games is in need of reform. I am prepared to assist this Subcommittee and the IOC in any way possible in making that reform a reality.

It is a fact, as detailed in our written response, that Atlanta's bidding effort included excessive actions, and even thought processes, that today seem inappropriate but at the time, reflected the prevailing practice in the selection process and an extremely competitive environment. Those kinds of practices should not be permitted in the competition for future Olympic bids.

In hindsight, I recognize that many of these excesses by those of us in Atlanta and by other candidate cities in the bidding process were a mistake, but they should not be allowed to erase or overshadow all that is good about the Olympic Movement and the Atlanta Games. I have long believed and still believe in the power and majesty of the Olympics to bring people together in a common sense of celebration of humanity as we honor the greatest athletes in the world. We must do everything possible to preserve and safeguard that potential for future generations. We must eliminate the excesses, reform the processes, but not forget, and certainly never destroy, the great promise of the Olympic legacy and America's prominent role.

That being said, let me briefly comment on the Atlanta bidding effort. On February 8, 1987, I conceived the idea that Atlanta, Georgia and the United States of America should be proposed as a candidate to host the Olympic Games. For the next three years and seven months, together with my friend and colleague Andy Young, I led the effort that presented Atlanta's candidacy first to the U. S. Olympic Committee (USOC) and then to the International Olympic Committee.

After our successful selection as the official U.S. candidate city, hundreds, and ultimately thousands, of additional volunteers and considerable corporate support began marshalling behind this "impossible dream". We were increasingly amazed at the intensity and passion with which the people of Atlanta and Georgia began embracing this quest. While no one was sure we could win, our community rallied together behind the magnificence of the Olympic competition.

When I first proposed the idea of an Olympic bid, I had no idea when the next Olympic Games would be available, had never heard of the IOC, and was wholly unfamiliar with the Olympic site selection process. Our first task was to learn as much as possible about the site selection process at both the USOC and IOC levels.

From February 1987 until September 1990 when Atlanta was selected by the IOC to host the 1996 Games, GAAF received input—both solicited and unsolicited—from just about anybody willing to give their assessment of the selection process. For example, we received advice from USOC members; IOC members; sports federation members; national Olympic committee members; journalists; corporate sponsors; and individuals from other Olympic bid cities including Los Angeles, Anchorage, Barcelona, Athens, Melbourne and Toronto. Taken together, they painted a convincing picture of the culture that prevailed in the bidding process and, most importantly, what Atlanta would need to do to bring home the Olympic Games. We learned the following about the IOC site selection process:

- The IOC culture was the product of the more than 70 cultures of the voting IOC members and existed within a closed system that had historically been insulated from any external oversight mechanism. It was, in effect, a world unto its own, with no apparent accountability;
- Each IOC member had independent, totally subjective voting power in a secret ballot system;
- Lobbying for the votes of these members was intensely competitive and largely uncontrolled among the bidding cities. With no limits on overall spending, no disclosure requirements, and little public scrutiny, the process had proven to be an extremely expensive one for the bid cities;
- Bid cities routinely lobbied each IOC member on a personalized, targeted basis. Many, though not all, IOC members were customarily given such special treatment;
- To the extent that the IOC had written rules, they were customarily ignored by the bidding cities and were not enforced by the IOC; and
- Prior Olympic bid efforts were characterized by generous gifts, frequent international travel, lavish hospitality and numerous favors and personal accommodations for IOC members. Among those familiar with the bidding process, the general consensus was that this ritual of "courting" IOC members was not only acceptable but also necessary for a city to have any realistic chance of winning the Olympic bid.

At the time, GAAF neither defended nor rebuked the site selection process as we found it. Instead, we simply accepted it as the reality of bidding for the Olympics. Our objective was to win for Atlanta and the United States the right to host the 1996 Games, not to reform the IOC.

To accomplish that goal, we developed and implemented a strategy that reflected much of what we had learned and continued to hear about the site selection process. We set out to win a majority of the IOC votes primarily by cultivating close relationships with IOC members. We recognized early on not only that Atlanta was an underdog, but that we would not be able to out-spend the other candidate cities. Instead, we decided that we had to do better than the others at "personalizing" our approaches to IOC members, supported by gifts, travel, and other favors tailored to the tastes of the individual IOC members. We believed that by doing this, we could create relationships that would allow us to gain insight from IOC members regarding our candidacy and ultimately increase the level of support for Atlanta among IOC members.

This strategy, which we first published in our "Strategic Operating And Management Plan" in December 1988, included plans to:

- Develop an information file on IOC members;
- Visit IOC members in their home country;
- Arrange for IOC members to visit Atlanta;
- Attend all meetings where three or more IOC members are gathered;
- Communicate with IOC members on a regular basis; and
- Establish a personalized gift program to IOC members.

That strategy, along with the efforts of our many volunteers, apparently worked. We will never know the relative importance to Atlanta's victory of the technical merit of our bid, but it was ranked as the best by the official IOC Evaluation Commission; of intangibles, such as its civil rights leadership; of the dedication and tremendous enthusiasm of our volunteers and our entire community; and of the personal relationships we developed with IOC members, which were supported by gifts, travel, entertainment, and other accommodations. We do know that the amount of money that GAAF spent on IOC members and throughout the selection process was not by itself the deciding factor. GAAF spent approximately $7.8 million while it

was reported that most other cities spent considerably more: Athens, Greece—$25 million; Melbourne, Australia—$20 million; and Toronto, Canada—$15 million. Most of this money was spent after the fall of 1988, when Lillehammer was selected to host the Winter Games.

Despite the difference in spending, GAAF was able to accomplish its goal of winning the Olympic bid, and then successfully staged the 1996 Games through the tireless efforts of thousands of civic-minded volunteers and tremendous community, corporate, and governmental support. As a result, both Georgia and the IOC were able to reap the benefits of the 1996 Games.

Make no mistake—the Olympic Games are a huge financial undertaking. ACOG agreed to shoulder responsibility to raise and spend over $1.7 billion dollars just to put on the Olympic Games in Atlanta. At the end of the day, ACOG accomplished its goal of breaking even.

The United States Olympic Committee and U.S. athletes benefit significantly when Olympic Games are hosted in the United States. The Atlanta Games provided the USOC approximately $230 million from television, marketing, and sponsorship proceeds, including moneys received through the IOC. The IOC also benefits from staging the Games by taking a share of virtually every dollar raised, some of which is distributed back to the USOC along with other national organizing committees. The IOC controls, must approve, and shares in all television rights, sponsorships, licensed merchandise, commemorative coins or memorabilia. For Atlanta, the IOC retained 40% of television rights fees, 5% of all merchandise or goods sold, and 3% of the revenues from the sale of Olympic coins. All totaled, the IOC received approximately $400 million in cash and value from the Atlanta Games.

In our supplemental report, we indicated that the prize of the bid competition "was enormous: hosting the Olympics brought incalculable prestige and potentially billions of dollars in economic impact to the winning city." In fact, this was precisely the impact on Atlanta as the result of the 1996 Games.

The 1996 Games stimulated hundreds of millions of dollars in permanent capital investment in Georgia, with a total economic impact for Georgia of more than $4 billion. The 1996 Games stimulated approximately 2.5 million square feet of new construction and installation of more than 2,000 miles of fiber optic cable. Some of Georgia's most popular destinations include two primary Olympic legacies—Centennial Olympic Park and Turner Field. Much of that investment also brought major infrastructure and facility improvements to several Georgia academic institutions. Citizens in other Georgia cities still enjoy the Georgia International Park in Conyers, the Stone Mountain tennis center, the Columbus softball complex and the Lake Lanier rowing center. The 1996 Games helped define Atlanta as an "international city" and dramatically increased domestic and international tourism in Atlanta.

The Olympics clearly have an extraordinary intangible impact as well. The 1996 Games allowed Georgia and Americans to experience the grandeur of the Olympics first hand. Athletes from all over the world visited Atlanta and pushed the very edges of their personal envelopes with the whole world watching. Relationships were formed that transcended governments and ideologies. We watched Atlanta and Georgia learn more about the world, and the world learn more about us. And, although the media has recently focused on the negative aspects of the Olympic bid process, the media archives are replete with stories describing the magnificence of the Olympic spirit so overwhelmingly demonstrated in Atlanta and America during the 1996 Games.

Despite all that is wonderful about the Olympic legacy, I do believe that reform is needed in the bidding process, particularly in the areas of gifts and travel.

In the intensely competitive site selection process, the temptation is great for bidding cities to offer—and IOC members to accept—generous gifts. To eliminate this temptation and potential for abuse, I believe that all gifts of any value whatsoever should be prohibited in the bidding process. Also, IOC members should be required to report any offers of gifts from bid cities and the IOC should create and vigorously implement some type of enforcement mechanism for these rules.

Our report, and those reports which have detailed the activities relating to recent Olympic bids in Toronto, Sydney, and Salt Lake City have identified the entire travel and reimbursement area as one particularly susceptible to excesses and abuses by bidding cities or members of the international sporting family. This potential for excess is increased by the significant international travel costs at issue and the reluctance of bid cities to interrogate or challenge IOC members about their itineraries or backup documentation. To avoid this problem, I believe that all travel of IOC members should be paid for directly by the IOC and no reimbursement for travel costs should be required of any bidding cities in the competition.

In closing, let me say that we were indeed aggressive as we launched our city's effort for the first time ever into the intensely competitive international arena. We genuinely felt we had to be aggressive in order to prevail in that arena. That aggressiveness and our inherent enthusiasm obviously contributed to the excesses detailed in our report. That same enthusiasm also contributed to an incredible "pulling together" of the people of Atlanta as we embraced this common purpose and shared vision of bringing the Olympic Games to our home city.

I salute your efforts to safeguard the future of the Olympic movement and the opportunity for other American cities to compete for the honor of hosting the Olympic Games.

Mr. UPTON. Thank you.

Mr. Young.

TESTIMONY OF ANDREW YOUNG

Mr. YOUNG. Thank you, Mr. Chairman. Let me thank you for inviting us to testify before this committee.

I'd like to go back to the time when we first started this, because when we went to Seoul in 1988, we were a small group of volunteers operating almost totally on our own funds and knowing that we were getting into a rough game, but we heard the stories of diamonds and furs exchanged in Olympic competitions amongst IOC members. We knew we couldn't play that game. But knowing that it might be a dirty game like in a dirty game of football, you figure you don't have to play dirty, but when you get in it, you expect to win. So we got in the game, and we were determined to win.

We learned two things in Seoul. The first was to our shame and surprise, nobody really knew Atlanta. They kept getting us confused with Atlantic City. And we had to define ourselves, and one of the reasons we went out of our way to get people to come to Atlanta was nobody knew Atlanta. People know Washington. They know New York. They know California. The only thing they knew about the South was civil rights, the Civil War, and Disney World. One of the reasons why we openly agreed to take people to Disney World was that's what they knew about the South. That's what they wanted to see.

The other thing we learned about at Seoul was that this was a very complex process. We watched the bidding for the Winter Olympics, and all of the conventional wisdom was that the great cities and the great nations would win. Anchorage was the U.S. bid. Ostersund was Sweden's bid; Sofia was Bulgaria's bid; and there were all kinds of theories. Nobody thought Lillehammer, including Samaranch, and when Lillehammer won, nobody could figure out why. As we went around to the IOC members to try to figure out why, we kept hearing they were such nice people. We determined that in five secret ballots, one, you can't buy an election in five secret ballots. You have a ballot. People don't talk to each other. The low person drops out. Then they vote on the next one. The lowest vote drops out. Then they vote on the next one. You've got to survive five secret ballots with no communication. We decided that was, one, a pretty honest process, one that, in order to win, you had to capture the hearts of the IOC members. And that's why we set out to do such detailed analysis of the personalities.

Most of the people on the IOC are enormously rich, and money doesn't matter, but a lot of the subtleties of their egos and ambitions and their interests were important in helping them to under-

stand Atlanta. It was also necessary for us to demonstrate that we had the capacity to put on the games.

Now, in dealing with the poorer nations and the poorer members, we had another problem, and that is we were known to be a rich nation. There was a lot of resentment that our athletes were well-trained and well-fed. Their athletes had no training facilities. Their athletes had no equipment, and yet we were expecting them to come and compete. We were constantly challenged to show that we had an interest in the developing world's athletes.

We were able to do that in part because we've always done that in Atlanta. We had a training camp for athletes before coming to Los Angeles when we had no ambitions for the games and no interest for the games. Local businessmen put together money, and we sponsored a training camp at Emory University, and we allowed athletes to come there and train for 2 or 3 weeks, for a month, before going to Los Angeles. It was simply goodwill. We hosted the Angolan team in Atlanta one summer. Local citizens did this just to give Angolans a chance to play basketball. We also ended up recruiting a couple of their basketball players for our junior college, but it's been something we've constantly done, and if there were excesses in this direction, those excesses were consistent with our practices even before we were involved in the Olympics.

My family has always been involved in helping people from other countries get education. It's part of our church tradition because our family was educated by missionaries. So we feel a responsibility for several generations to make sure that anybody who wants a good education in the United States of America ought to be able to have it if they're willing to work and study, and when we were involved in things like this, it wasn't with the intent of bribing IOC members. It's because that's the way we've always done business in Atlanta. If we took people to Augusta, it's because that's the way we got 1,100 businesses into Georgia during the time I was mayor of Atlanta, because we bring them on the red carpet tour, and we'd show them the best that we had to offer, and we would try to impress them with the quality of life that we had, because we didn't have tax breaks. We couldn't compete with other States in terms of the amenities. So we tried to put the emphasis on honesty and efficiency and, yes, southern hospitality. We could make you feel at home, and we could treat you better in Atlanta than anywhere else in the world. That's the way we've done business, and that's the way we've been a successful city.

We didn't want to lose this, and we probably did overextend ourselves and our hospitality, but it wasn't with the intention of corrupting the system. It was with the intention of demonstrating that we with our diversity represented best what the Olympic ideal stood for, and we bragged about our affirmative action. We bragged that the Hispanic representatives could come; and the president of Coca-Cola was Robert Goizueta, a Hispanic; that the president of one of our larger engineering firms was born in India; that we had a Polish community and an Irish community that would entertain people, and no matter what language you were or what your cultural background was, we found a way to speak your language and to introduce you to Atlanta and make you feel at home.

That's what we thought we were doing. We think we did it successfully, and that's why it's been hard for us to think of what we did in the context of a culture of corruption and us having been coopted by a culture of corruption. We have problems with that, though we admit that in any international ethical environment, whether it's the United Nations, the IOC, the International Monetary Fund, the World Bank, there are competing standards of ethics. Ours, I think, are the highest. We have a responsibility to uphold those and fight for them, but in the meantime, we try to play the game as fairly as we can on a level playing field and win, and that's what we think we did.

[The prepared statement of Andrew Young follows:]

PREPARED STATEMENT OF ANDREW YOUNG, GOOD WORKS INTERNATIONAL

Good morning, Mr. Chairman and Members of the Subcommittee. I am delighted to be here with you to discuss our thoughts and your thoughts about the Olympic Games.

Let me first say that I am enormously proud of Mr. Billy Payne and the thousands of volunteers who first helped Atlanta to win, then prepared Atlanta to host the 1996 Centennial Olympic Games. These past few months of discussion and review of the Olympic bid process have in no way diminished the pride that I feel for our efforts.

In my career, I have been involved with countless activities in which people from all walks of life joined together for a brilliant cause. During the 1960's, people joined together to fight racial and economic oppression under the leadership of Dr. Martin Luther King, Jr. In the decades that followed, people joined together to fight social and cultural oppression in Third World nations across the globe, often under the leadership of President Jimmy Carter.

One common thread that has united and joined people together is the Olympic Games. When Atlanta hosted the 1996 Games, nearly 200 countries fielded teams, the most participating countries in the history of the Games. For nearly three weeks during those Games, virtually every country on the planet focused their attention on Atlanta—and on the United States—because of one reason: the athletes.

It is the athletes that embody the deep spirit of the Olympic Games. Not the corporate sponsors' Not the Olympic committees or federations or the individuals who bid for the Games' Not the television producers or commentators. What most excites the athletes about competing in the Games? I think it is the chance to experience the world, the chance to become friends with their peers from 200 different countries. And maybe, through their new friendships with people who do not share the same language, these athletes can begin to understand what they all share—and that is, the diversity of the human race.

Atlanta won its Olympic bid on the strength of its diversity and inclusiveness, thus 40 percent of the Olympic related construction contracts were awarded to minority- and women-owned firms. Our good job of promoting economic diversity led to greatly increased wealth. With two billion dollars in spending on the Olympics, Atlanta led the region in economic growth during the 1990s. The total economic impact from the Olympic Games in 1996 for both Atlanta and Georgia is estimated at more than $4 billion.

As I was about to conclude my second term as mayor of the city of Atlanta, things had gone very well for seven years. I had inherited from Maynard Jackson a sound base of urban development. We had just completed a new terminal at Hartsfield International Airport, the mass transit program—which I had helped to start while I served in Congress—was moving steadily along and in general, things were in good shape.

I began an effort with the Chamber of Commerce, the Convention and Visitors Bureau and the State Commission of Trade and Industry to attract new, private investment to the city. In my eight years as Mayor, we attracted over seventy billion dollars in private investment. This was a city generating wealth not just trying to redistribute existing wealth through taxation.

On the heels of this success, two local attorneys, Horace Sibley and Billy Payne, wanted to talk to me about hosting the Olympics in 1996. Most Atlantans laughed at the notion but I had a vision of the Olympics in 1936 in Berlin. I was four years old and my father took me to a local theatre to see a Movietone clip of Jesse Owens

winning four gold medals, defeating in our eyes Hitler's vision of a white master race.

Even so, I hesitated. As Mayor, I was acutely aware of the financial debacle inherited by the city of Montreal when it hosted the 1976 Summer Olympic Games. Jokes were still made about its Olympic Stadium, where the Montreal Expos had since played baseball, and that for every hot dog the fans bought, another penny went to reducing the city's Olympic debt. Many pennies were required—the taxpayer burden approached one billion dollars. The Atlanta Games would have to be privately funded. I would not allow Atlanta's taxpayers to owe one penny.

But Billy was persistent. Billy and I were both men with a religious sense of service. Billy says that he first had the dream of bringing the Olympics to Atlanta during dedication services for a $1 million addition to his church in Dunwoody. He and his wife, Martha, spearheaded the capital improvement campaign and he liked the notion of public service and wanted to do more on a bigger scale. Bringing the Olympics to Atlanta was certainly that and more.

Atlanta had the airport, transit system, 6,000 hotel rooms, a massive convention center, a new domed stadium, and the ideal site for the Olympic Village—all needed to win the Olympic bid. However, Atlanta's global contribution was—and remains—clearly in the area of human rights and the ability of people from many divergent backgrounds to live together in harmony.

More than 1,000 churches offered hospitality to families of visiting athletes during the Olympics and thousands upon thousands of volunteers helped put on the Games. Volunteers "made a witness to the world" during the bidding and the preparation of the Games. All of the volunteer efforts were strictly volunteer, with no monetary gain.

Volunteers helped clean up the city beforehand, took tickets and drove dignitaries and officials to venues and hotels. Doctors volunteered at the Olympic Village, homemakers and students volunteered wherever needed, and the city's business community donated time, money and goodwill.

The strategy to promote Atlanta as the host for the Centennial Olympic Games was developed largely by local volunteers who understood the universal appeal of the American South's reputation for hospitality and graciousness. During our bid effort, these volunteers helped educate visiting members of the International Olympic Committee about the virtues of Atlanta. Rather than entertain the IOC members in fancy restaurants, volunteers all over Atlanta invited them into their homes. Here, they saw that the top executive of our largest company, Coca-Cola, was Hispanic, and Atlanta had business and civic leaders whose ethnic backgrounds were as diverse as could be imagined.

These members of the International Olympic Committee also were impressed by Atlanta's, and in particular my own personal experience, with Dr. Martin Luther King Jr., and his courageous leadership of the American Civil Rights Movement. I spent many moving hours with the IOC representatives from Africa and from other destitute nations around the world. What they knew of Dr. King was nothing short of legendary. He and his work inspired them in their own countries, even as they were faced with unspeakable poverty, ethnic hatred and violence, and deplorable living conditions.

I shared with these IOC members that our Movement began as a struggle for freedom. But despite important gains in education and economic opportunity, for black Americans without education, political power, or wealth, their condition remained as Martin once described, "a lonely island of poverty in an ocean of material wealth and affluence." The IOC members from Africa and other Third World nations understood this perfectly, because their island of poverty was very real.

The people in these countries had nothing. When asked by the IOC delegate from the Republic of the Congo if I could help children in the Congo get soccer balls and gym shorts, I tried to help them. For this, Atlanta's Olympic bid effort has been scrutinized. Mr. Chairman, I have dedicated my life to helping children like these, and I am at peace with myself that this act of human kindness was appropriate. If I had failed to help these children—who even with new soccer balls still competed in games in their bare feet—I would not be at peace. The issue of whether or not this was within the gift-giving guidelines of the Olympic bid process was not my primary concern. Nor was the issue of winning a vote for Atlanta. We saw a need to help an impoverished people, and we helped them.

The Atlanta Olympic Organizing Committee donated money to a South African anti-apartheid organization. This organization was fighting the single greatest obstacle to the African continent and needed help. This organization was not even affiliated with any Olympic group, because South Africa at that time was banned from Olympic competition. Why? Because of apartheid. The issue of whether or not this

was a questionable gift was not my primary concern. We saw a need to bring apartheid to an end, and in a small way, perhaps we helped.

I cannot tell you how excited I was when the South African athletes marched into the Atlanta Olympic Stadium during the Opening Ceremonies on July 19, 1996. But my spirit was truly lifted when—on the final day of competition on August 4, 1996—a young South African athlete won the Gold Medal in the final event of the Olympics, the men's marathon.

Let me briefly digress: I urge the Subcommittee to remember that in determining a city to host the Olympic Games, the selection process by the IOC is a series of secret ballots, taken in silence, one at a time. The low vote getter is dropped and new ballots are marked until one city gets a majority. With Atlanta, it took five secret ballots, and from the small number of votes cast by the IOC members for Atlanta in the early rounds of balloting, it is apparent that Atlanta did not buy the vote. We had determined from the beginning that the only way to win was to become the "emotional" favorite. With five secret ballots, people voted their hearts as well as their heads. The ballots occurred as follows:

- Round 1: Athens 23, Atlanta 19, Toronto 14, Melbourne 12, Manchester 11, Belgrade 7
- Round 2: Athens 23, Melbourne 21, Atlanta 20, Toronto 15, Manchester 5
- Round 3: Athens 26, Atlanta 26, Toronto 18, Melbourne 16
- Round 4: Atlanta 34, Athens 30, Toronto 22
- Round 5: Atlanta 51, Athens 35

We also believe that Atlanta spent less than one-third as much as some of our competitors in our bid process. Since few people—even in Atlanta—thought we could win, there was no incentive to spend more.

As we all discuss ways to make the Olympic bid process more transparent and accountable, I hope that wise ideas will be presented. The IOC should be applauded for taking its reform efforts. But perhaps even bolder and wiser ideas should be considered. For example, one way to eliminate excesses in Olympic bid activities is to eliminate the bid process—by selecting two cities on each continent to be permanent sites for the Games. One city for the Summer Games and one city for the Winter Games. Cities wishing to be considered could apply to the International Olympic Committee through a streamlined and well-supervised process. The Games would rotate to each city, giving each city the host responsibilities once every 20 years. This is not unlike the way football's Super Bowl goes to small selection of cities each January.

But whatever reforms are enacted, it is incumbent upon this body—and all other oversight groups—to let the Games be about the athletes. It should not be easy to overlook the athletes. Some will say that the Olympic Games are now just a big business, like all other professional sports and many amateur sports organizations. However, for the athletes—especially the Olympic athletes—it is all about the business of athletic competition and human achievement. And through their competition and achievement, we as the citizens of the planet are touched and inspired to do great deeds ourselves.

I believe Atlanta has a magical sense of destiny that motivates us to excel. Billy Payne's sincerity and my own spiritual faith led us to believe deeply in the power of sport to make a change in the world.

Billy and I shared a dream about the Olympics that went beyond any economic gains for the city. We firmly believed that the Olympics could help young people to dream, hope and believe in more than the common everyday life, which sometimes isn't that fulfilling to them. When you look into the heart of the Olympics, you will see a spiritual ideology. I believe that, other than the American Civil Rights Movement, which counts Atlanta as its birthplace, the campaign for the Olympics was the greatest single spiritual experience in Atlanta's history. Sports can promote human development, as a means of breaking barriers, racial, ethnic, and economic. Sports help nurture and sustain community values.

In times of greatness in human history, men and women have been able to find a way to bring their lives and the lives of their generation in tune with the Spirit of God, in harmony. When civilizations have made sense, they have somehow found a way to live in harmony with a spiritual basis of life.

What the Olympic Games have contributed to this spiritual basis of life is hard to measure, but I know that it has been a great contribution. Thank you very much.

Mr. UPTON. Thank you.

Mr. Hybl.

TESTIMONY OF WILLIAM J. HYBL

Mr. HYBL. Mr. Chairman, I'm Bill Hybl, president of the U.S. Olympic Committee. I certainly appreciate the opportunity to address the committee today.

At the outset, let me say that the U.S. Olympic Committee is one of 200 National Olympic Committees around the world, and in that capacity this particular National Olympic Committee has a mission, and our primary mission is to support assistance of U.S. athletes who compete in the Olympic Games, summer and winter, the Pan American Games, and certainly the para-Olympic Games.

Under the rules the International Olympic Committee has currently, an NOC, National Olympic Committee, like the United States may put forward one candidate seeking to host the games. It's the responsibility of the U.S., just as it did with Atlanta, to select one city and then to oversee that particular city in terms of what is done after the bid goes on.

By 1997, it was apparent that the U.S. Olympic Committee was going to select a bid city for the 2012 games and also a bid city to compete for the 2007 Pan American Games. What we've done for the Pan American Games will be obvious this month as the U.S. Olympic Committee will select that city on October 23. Mr. Chairman, we will provide as we receive today the report, some hundred or so pages, of the bid evaluation committee under the new procedures that we are using. In fact, we go back to February 1997, 33 cities from throughout the United States decided that they would like in some form or another to participate in what the U.S. Olympic Committee was doing as far as a bid city goes. Now, we established a bid city office at that time, and that has gone forward.

We were interrupted, of course, by the bid city scandal from Salt Lake City, which occurred in November and December 1998. The U.S. Olympic Committee reacted on two fronts. Before the end of that month, the USOC established the Mitchell Commission, which has been alluded to earlier, and great membership, individuals who really cared about the Olympic movement and making a difference.

At the same time, USOC also initiated an independent and really thorough investigation to review what role the USOC may have had in Salt Lake City. In March 1999, the Mitchell Commission's recommendations were tendered on the first day of the month. The executive committee convened on the second day of March 1999 in Washington and adopted all of the recommendations by the Mitchell Commission. We felt it was important to move quickly and decisively, particularly because we had such good guidance from the Mitchell Commission.

With the issuance of the King & Spalding report on September 16, we now have new information revealing that some of the excesses of Salt Lake City also occurred in Atlanta. USOC has not conducted its own independent investigation, but as you can tell from the reading of your report, the issues remain the same.

What we have done in terms of reform within the U.S. Olympic Committee is, No. 1, future American bid cities will be prohibited from creating or maintaining any sort of international assistance program.

No. 2, the USOC will strictly apply its criteria for grants awarded by the International Assistance Fund, and this will be mon-

itored by the in-place Office of Compliance of the U.S. Olympic Committee.

The USOC has created this Office of Compliance, and it's not only responsible for ensuring compliance with the rules applicable to the bid process, but also with a comprehensive set of revised conflict of interest proposals.

Four, the USOC has strengthened its rules and contracts that govern that domestic selection process. We've addressed all 15 recommendations in this area by the Mitchell Commission.

The USOC also has strengthened its direct oversight policies and its contract with the city so that, in fact, the USOC will be a partner ever present for bid cities in the future.

Meetings of the USOC Board of Directors are now open. That includes the executive committee, and we're making all of our documents, our minutes, public after they're adopted. We think this really projects an image of openness and also gives everyone an opportunity to see what the USOC is doing.

We've required a series of other things as set out in the testimony which has been submitted.

We think the USOC has acted decisively in this regard in implementing all of the Mitchell Commission reform recommendations, but the USOC could have done more. The USOC in its effort to oversee Atlanta and Salt Lake City fell short. If we had done what we have in place today, we probably wouldn't be here before the committee.

I want to assure the members of the committee, Mr. Chairman, that the U.S. Olympic Committee stands ready to assist in whatever way possible to ensure that this situation does not occur again and, more importantly, we create the sort of atmosphere that athletes from the United States and around the world can continue to be proud to be an Olympian and participate in the game.

[The prepared statement of William J. Hybl follows:]

PREPARED STATEMENT OF BILL HYBL, PRESIDENT, UNITED STATES OLYMPIC COMMITTEE

Good morning, I am Bill Hybl, President of the United States Olympic Committee. I appreciate the opportunity to address you today.

I. BID CITY SELECTION PROCESS BACKGROUND

Under the rules of the International Olympic Committee, a nation's National Olympic Committee may put forward one candidate city seeking to host the Olympic Games. It is the responsibility of the USOC to first select the U.S. bid city, if any, that will be put forward to the IOC and to then oversee that city's candidacy during the selection process governed by the IOC.

By 1997, it was apparent that the United States Olympic Committee was going to select a city to bid for the 2012 Olympic Games and the 2007 Pan American Games. Before those site selection processes commenced, and well in advance of any knowledge of the Salt Lake City bid scandal, the USOC recognized the need to guide and oversee the process for U.S. bid cities for the 2012 Olympic Games and the 2007 Pan American Games so that difficulties would not arise. This resulted in a February 1997 orientation, in Philadelphia, for 33 potential bid cities, the subsequent establishment of a bid cities office within the USOC and the creation of a series of undertakings and agreements, copies of which, as they existed prior to the eruption of the Salt Lake City bid scandal, have been made available to your staff.

When news of the Salt Lake City bid city scandal broke in December 1998, the USOC reacted on two fronts. Before the end of the month, the USOC established the Special Bid Oversight Commission (the Mitchell Commission), chaired by Senator George Mitchell, with vice chairs Ken Duberstein and Don Fehr, and members Roberta Cooper Ramo and Jeff Benz, to review the circumstances surrounding Salt

Lake City's bid to host the Olympic Winter Games with a view to improving the policies and procedures related to bid processes. At the same time, the USOC also initiated an independent and thorough investigation and review of its role in the Salt Lake City scandal. In March 1999, the USOC's Executive Committee accepted all the recommendations of the Mitchell Commission and began the process of reform implementation based upon both the Mitchell Report and its own investigative findings.

II. REPORT ON ATLANTA

With the issuance of the King & Spalding report of September 16, 1999, we now have new information revealing that some of the excesses of Salt Lake City also occurred in Atlanta. The USOC has not conducted an investigation of the Atlanta bid and therefore cannot comment on the accuracy or completeness of the King & Spalding report. There is nothing in the report, however, that would cause us to change our response to the bid scandal. If anything, the King & Spalding report supports the view of the Mitchell Commission that gifts and excesses have increased over time. The lesson of Atlanta is the same as the lesson of Salt Lake City, and it is a lesson that we have taken to heart.

III. STATUS OF USOC REFORM EFFORTS

Let me briefly review with you what we have accomplished, to date.

1. Future American bid cities will be prohibited from creating or maintaining international assistance programs. (Authorizing resolution approved by the USOC's Executive Committee on March 2, 1999.)

2. The USOC will strictly apply its criteria for grants awarded by the International Assistance Fund, with adherence monitored by an office of compliance. (Authorizing resolution approved by the Executive Committee on March 2, 1999.)

3. The USOC has created an office of compliance that is responsible for ensuring compliance not only with rules applicable to the bid process, but also with a comprehensive set of revised conflict of interest policies. (These revised policies will be voted on at the USOC's October 23rd Board of Directors Meeting.)

4. The USOC has strengthened the rules and contracts that govern the domestic selection process. These revisions address all 15 of the recommendations proposed by the Mitchell Commission. (Authorizing resolution approved by the Executive Committee on March 2, 1999.)

5. The USOC will strengthen its direct oversight policies and its contract with the city chosen as the United States' candidate in the international selection process. These revisions will also address all of the recommendations proposed by the Mitchell Commission. (Authorizing resolution approved by the Executive Committee on March 2, 1999.)

6. Meetings of the USOC's Board of Directors and Executive Committee are now open to the public. Minutes of these meetings are now available to the public upon adoption. (Authorizing resolution approved by the Executive Committee on March 2, 1999.)

7. All members of the USOC's Board of Directors and Executive Committee will be required to attend 75% of the meetings either in person or by telephone, subject to exceptions approved by the President or Secretary General. (Resolution approved by the Executive Committee on March 2, 1999, with further authorizing action pending.)

8. The USOC will seek to enhance the participation of athletes in its governance at the officer level. (Approved by the Executive Committee and currently being reviewed by the USOC's Constitutional Review Task Force.)

9. An independent management study tasked to recommend ways to enhance the USOC's governance, including a specific view to encourage the participation of athletes, minorities, disabled, and women at the Executive Committee level, is now complete. (The recommendations of the study have been approved by the Executive Committee, in principle, and will be presented for review at the October 23rd Board of Directors Meeting and for approval early in 2000.)

10. The Executive Committee requested the President of the United States to issue an Executive Order naming the IOC as a "public international organization" within the meaning of the Foreign Corrupt Practices Act in a March 3, 1999 letter.

The USOC has acted decisively in an effort to ensure that in the future no U.S. city engages in the conduct that has been reported from Atlanta and Salt Lake City. The impact of our reforms, however, will be reduced if there is not concurrent and meaningful change within the IOC. I know that Dr. Kissinger and Mr. Duberstein intend to address that subject, Dr. Kissinger in his capacity as a member of the IOC

2000 Reform Commission and Mr. Duberstein as Vice Chair of the Mitchell Commission.

IV. ASSESSMENT OF REFORM EFFORTS

In reviewing the events and actions that have transpired over the past 10 months, I would like to make the following observations:

1. The USOC could have done more to oversee the Atlanta and Salt Lake City bid processes. If we had done so, we would probably not be here today.

2. The establishment of a USOC bid cities office and the restructuring of U.S. bid process, both of which occurred well before the eruption of the scandal, and the adoption of the Mitchell Commission's recommendations, in March 1999, represent a forceful response to abuses that took place in the past and a significant deterrent to any such activity in the future.

3. United States efforts within the IOC reform process have been productive and, while the results of the December Special IOC Session will be the measure of merit, good progress has been made by the IOC to date.

4. In less than a year, the USOC has aggressively implemented its own major reforms and will present to its Board of Directors, on October 23rd, a design for an independent United States drug-testing agency. In early 2000, a complete reorganization of the USOC's basic management structure will be presented to the Board of Directors for its approval. During this same time period, the USOC has also provided significant impetus to the pace and direction of the IOC's reform efforts, as reflected in the IOC's positive responses, to date, to the Mitchell Commission recommendations.

5. Overall, significant progress has been made in a short period of time and I am confident that we are on the road to constructive reform within not only the USOC, but also the entire Olympic Movement.

Mr. UPTON. Thank you very much.

Mr. Helmick.

TESTIMONY OF ROBERT H. HELMICK

Mr. HELMICK. Thank you. I appreciate the opportunity to be here and provide you with information. It is sad that we must be here, but we must be here, and I really applaud your efforts and the endeavors which are bringing public attention to this situation that must be corrected. It's through efforts like this of bringing public attention that we can support and expedite the parties that need to make the reforms that we need.

You asked my comments concerning the relationship between the U.S. Olympic Committee and Atlanta Bid Committee and also of the Atlanta Bid Committee's relationship with USA delegates to the IOC. I was the president of the U.S. Olympic Committee and IOC member from 1985 through 1991 during this bid process, and I've been involved in the organization and administration of every Olympics since Munich in 1972, when I was chef de mission of our water polo team, which brought home a bronze medal. I wish it were gold. A bronze medal to the United States.

First as President Hybl has mentioned, the U.S. Olympic Committee is charged with the responsibility of selecting one, and only one, city that may present itself as a nominee for receiving the Olympic Games. Once the U.S. Olympic Committee selects that city, that city puts together a bidding committee, which at this time was comprised of leading citizens from the city itself. At that point it was the bid committee and not the USOC that was responsible for this lobbying effort, but I quickly say that—Atlanta called upon our knowledge and experience and help to—with their lobbying effort—had to put together the technical bid. Atlanta quickly became familiar with this process, and pretty much from there on out the lobbying effort was theirs and not ours.

We did support them in some of these areas which you have noted. For instance, in the area of training athletes, in 1985, the U.S. Olympic Committee adopted an aggressive international relations program for what we call the friendship fund, and we would have athletes from foreign countries come to the United States to train. We felt it was in the hands of the national governing bodies; any such exchange had to be approved by the national governing body as furthering those sports programs. Those triggered in some cases IOC members would ask Atlanta to help them train their athletes, and they would come to the USOC. We assisted, but I want to tell you with Atlanta's concurrence the final decision and those training camps supported by the U.S. Olympic Committee went through our national governing bodies to be sure there was a valid reason for doing that.

A great deal has been said about the excessive gifts, the lavish travel arrangements. I'd like to make a very important point, because this has been contested internationally. Excessive gifts and extravagant visits were not conceived or begun by any American city. This culture developed over a long period of time. I personally witnessed it. What happened is we had disaster after disaster from Mexico City, the student riots in Montreal, the massacre in Munich, the horrible death, and finally the awful situation, the political award of the games to Moscow in 1980 and the boycott. The games were a shamble. Nobody wanted them when Los Angeles bid for them, and nobody else would take them.

Finally Los Angeles came, and we showed that the games could be run in a businesslike manner and make a profit, and suddenly everybody wanted a piece of the action. Let the games begin, because at that point, starting with Barcelona and Paris in 1986, the gifts became lavish, and they increased from that point until Nagano was awarded the games in 1991 amidst cries that the games were bought.

Atlanta started—came into the scene just at this point, before Nagano. The excessiveness had not—the gift creep had not increased, as mentioned in the Mitchell report, at that time, but what happened, it grew over the years. Atlanta was sort of caught in the middle. There were certain rules, certain reactions by the IOC like this $200 rule. Please, that was not a rule, because it was adopted and yet never enforced. There was never any attempt to enforce, and indeed, as one of the vice presidents of the IOC said, it was a guideline. So Atlanta should not be hung out on whether something cost $300 rather than $200. They came in, as they have testified, and said they came into this culture, and what they did, frankly, I have to say, and not to excuse it at all, it was commonplace, and, in fact, they did modestly compared to other cities at that time.

You asked my comments on the relationship between Atlanta and the IOC members. It's customary for bid cities to ask the IOC members from a country to assist in the bids to arrange meetings, and indeed sometimes to participate in the lobbying effort. It is a matter of personal preference to what extent the IOC member will actually become involved in the boosterism. The IOC member from that country wants to and should help support that bid.

I have to say I think this is something that you will be interested in. We, IOC members and leaders, we spend a lot of time with a bid committee. Of course we were aware of what was going on. You can't spend that amount of time not being aware. Of course, this excessiveness was known to everyone in the IOC. I'm not here to say we would necessarily know about each transaction that occurred or whether a dog was offered that was worth $700 or $50, but certainly this whole culture was well known at that time, well reported. I think some of the attitudes of members, my own, were reported in the press at that particular time.

I'd also like to make a final comment concerning Atlanta. Please keep in mind that they did a wonderful thing for this country in the bidding process whether they won the games or not. The prior Olympics represented entertainment and business. This bid committee represented how the United States citizens could bridge differences in culture, racial backgrounds and come together and do a remarkable thing. I applaud them.

Likewise, I applaud Bill Hybl, President Hybl's efforts. The USOC has a history of reacting appropriately and decisively to these types of crises, and they've done a great job.

Bill, I don't know how you could have done a better job.

They're to be applauded. That's not to say there's more that should be done.

I would like to end up by saying the true reform will only come if we demand a commitment by all the parties, the IOC, the Olympic committees, international federations aided by the athletes that—that we'll have—that will bring about checks and balances. It's only through a true commitment from all these parties to reform. It's not making commissions and making rules. It's through a true commitment of all parties. I thank you very much for your interest.

[The prepared statement of Robert H. Helmick follows:]

PREPARED STATEMENT OF ROBERT H. HELMICK, PAST PRESIDENT OF THE USOC & FORMER IOC MEMBER

INTRODUCTION

My name is Robert H. Helmick. I am an attorney in the City of Des Moines, and a senior partner in the international law firm of Dorsey & Whitney LLP. You have requested my testimony regarding the relationship of the United States Olympic Committee, the International Olympic Committee and its delegates, and the Atlanta Bid Committee with respect to Atlanta's bid during the period of time that I was president of the United States Olympic Committee and a member of the International Olympic Committee.

ATLANTA'S AND USOC'S PROCEDURE TO OBTAIN THE GAMES

The IOC Charter and the Ted Stevens Olympic and Amateur Sports Act set out the USOC's responsibility for the selection of a United States city to hold the Olympic Games:

1. Interested cities go through a bidding process before the USOC to prove their capacity and abilities to seek the award of the Olympic Games from the IOC.
2. The USOC then selects one city to be its candidate to the IOC for the Olympic Games.
3. If successful, that city forms a bidding committee comprised of individuals from the city which actively bids for the Games.
4. If the IOC awards the Games to that city, it must form an organizing committee comprised of individuals from the city, representatives of the USOC and the country's IOC members as required by the Olympic and Amateur Sports Act and the IOC.

RELATION OF THE USOC TO THE BID COMMITTEE

Once selected by the USOC, the Atlanta Bid Committee was in charge of the preparation of the complex bid document and the lobbying effort. The USOC rules required no representation on the Bid Committee. However, the USOC, its officers, sports federation and the IOC members played a significant role in Atlanta's bidding procedure.

THE LOBBYING EFFORT

Although the USOC and its sport federations (the "National Governing Bodies" or "NGBs") are highly involved in the technical aspects of the preparation of the bid, it was the Bid Committee, and not the USOC, that was responsible for the lobbying effort. Because of the knowledge and experience of members of the USOC and the NGBs, they were called upon by the Bid Committee for assistance. However, the Bid Committee very quickly learned what must be done to promote its bid, and became familiar with the IOC members who would make the decision.

In asking the USOC and NGBs for their assistance, the Bid Committee was primarily interested in obtaining votes and winning the Games. The USOC and NGBs, although keenly supportive of that effort, were focused on the long-term effects the assistance would provide for their sport and development of our athletes.

As an example, when an IOC member requested the USOC (through Atlanta) to arrange a joint training program with athletes from the IOC member's country, our NGBs approved or rejected the program based upon whether the program was in the best interest of our athletes, or furthered its sports program, while still being supportive of the efforts of the Bid Committee.

In short, the focus of the USOC and the National Governing Bodies was primarily on United States athletes, developing a pool of international qualified athletes, sports programs and facilities, and on the technical aspects of the bid; not on the strategies and techniques of Atlanta's lobbying efforts with the IOC members.

THE OLYMPIC ENVIRONMENT OF 1985-1991

To better understand the relationship between the USOC and the Atlanta Bid Committee it is important to consider the status of Olympic sport at that time.

The Atlanta bid followed a decade of Olympic disasters until the success of Los Angeles in 1984.

Only Los Angeles was interested in holding the 1984 Olympic Games (Tehran entered a bid but then withdrew). The reason was clear: disaster after disaster had beset the Games. In 1968 Mexico City was marred by student riots and demonstrations. Four years later the Munich Games were nearly ended because of the massacre of the Israel athletes. Then in 1976 Montreal left a devastating financial burden and debt on its citizens. The 1980 Moscow Games, clearly a political maneuver reminiscent of the Berlin 1936 Olympics, were wrecked by boycotts.

When in 1984 Los Angeles proved to the world that the Games could be run by applying sound business principles and could yield a substantial profit, the rest of the world sought a piece of the action. Whereas there was only one bidder a few years earlier, as Atlanta started its bid process in 1987, dozens of cities started lining up, anxious to garner the votes of the IOC members necessary to bring the Olympics, with their glamour and profits, to their own country. I personally witnessed this development having been involved in the organization and administration of each Olympics since Mexico City.

Except for the required formalities, there was no need for Los Angeles to lobby IOC members: the IOC had no choice. Excessive gifts and extravagant visits were not conceived or begun by American cities. They started to become common place in 1986 as the battle for the 1992 Games between Paris and Barcelona began. This excess grew over the next several years prompting a major United States television news magazine to characterize Nagano as having "bought" the Games at the IOC meeting in 1991 by gifts, perks and multi-million dollar donations to the Olympic Museum, a pet project of the IOC's President. This was a glaring example of a selection that put athletes last, considering Nagano's facilities and the weather. It was at this time the culture of excess was getting clearly out of hand.

But Atlanta entered the international Olympic bidding process in the spring of 1988 and was selected in September of 1989 before the "gift creep," as Senator Mitchell put it, grew to the extremes recently reported in the 1992-1995 campaign by Salt Lake City.

Simply stated, Atlanta was not under the pressure that subsequent cities, such as Salt Lake City felt, following its 1991 loss to Nagano, to match and raise the

gifts and incentives to win the votes. Therefore, Atlanta needed and sought much less assistance from the USOC.

ROLE OF THE USA IOC DELEGATES IN THE BIDDING PROCESS

The IOC members from a bid city's country are expected to, and do, support the efforts of the Bid Committee. We United States members, as part of the USOC, participated in the USOC's selection of Atlanta and became familiar with its merits.

It is customary for the Bid Committee to request the USA IOC members to intervene with arranging meetings and even participate in some discussions with their IOC colleagues and the Bid Committee. It is a matter of personal preference as to the extent an individual IOC member becomes involved in the true "boosterism" aspect of the lobbying effort.

Although the American members of the IOC may not have been aware of the details, they certainly were aware of the discussions, or at least rumors, of the propensity of some of their fellow IOC members and other Bid Committees to engage in inappropriate conduct.

On a personal basis, although I am not surprised that there may have been certain technical violations of the IOC rules as written (but not followed by the IOC) I was favorably impressed with the efforts of Atlanta to abide by the rules even in face of rumors or known instances of outrageous abuses by other bid cities. As an example, in one conversation with a Bid Committee executive we discussed their effort to find a gift that would show a personal concern for the interests of an IOC member. The $200 rule was discussed and several suggestions eliminated because their cost would have exceeded the rule. In my experience, Atlanta seemed to be doing the best they could in this climate with respect to the written rules.

THE ATLANTA BID

I would like to take this opportunity to make a comment concerning the Atlanta bid and the attention now being given to it.

Throughout the bid process all of us, as members of the USA Olympic family, were proud of Atlanta, what it stood for and the impact it had on our colleagues around the world. The Bid Committee came in contact not only with international sports leaders but business and political leaders around the world. They represented Atlanta and the United States. They did it well.

While the Los Angeles Olympics was known for its entertainment and business prowess, Atlanta became known as a community demonstrating the American capability of obtaining the unimaginable by the cooperation and efforts of a diverse people working without regard to racial, cultural or social background.

Whether they had won the Games or not, we all had reason to be proud of the Atlanta bid efforts.

RESPONSE OF THE USOC TO THE SCANDAL

I have carefully reviewed the suggestions from the Mitchell report and the actions and the response and actions taken by the USOC under Bill Hybl's able leadership. Based on my experiences, I wholeheartedly agree with the observations and conclusions of the Report. The USOC is on the right track and I applaud it and President Hybl's prompt response. Consideration might also be given to whether the Olympic and Amateur Sports Act should specifically require oversight by the USOC of bid city activities and the USOC's participation and representation within any bid committee.

I would only add an observation based upon my 30 years of experience that it will only be through a change of attitude and culture within the IOC and the international Olympic movement that there will truly be a change. The USOC can be a leading force to bring that about. Merely adopting rules and appointing commissions won't do the trick. We must demand a commitment by all parties, the IOC, the Olympic Committees, the International Federations, and the athletes to true reform.

Thank you for this opportunity to appear.

Mr. UPTON. Thank you all. I would like to note for the other members of this subcommittee that we're probably going to have at least two rounds of questions. We'll each have 5 minutes. We'll use that same light. I'll be a little quicker with the gavel for us.

I would note that as part of the committee's investigation, we have assembled a group of documents that illustrate the process

Atlanta followed and the culture in which it competed. I'm going to ask unanimous consent that this group of documents be entered into the record, and I would note that we will work with the Atlanta organizer's law firm to redact any sensitive or personal information before the documents are printed in the record.

Mr. KLINK. Without objection.

Mr. UPTON. That is so ordered.

[The information referred to follows:]

MEMORANDUM

TO: FILE

FROM: Horace Sibley (HS)

DATE: June 30, 1988

RE: Marc Hodler

Billy Payne, Charlie Battle and I met today, June 25, 1988, with Marc Hodler at his offices in Bern, Switzerland.

BACKGROUND: The office of Hodler's law firm is located at Embassy Row in Bern. At one time the building was owned by the Belgian Embassy, later purchased by Hodler's father, a lawyer, and now owned by Hodler and a firm in which he and his two sons practice. Hodler is an avid sportsman. His main sport is skiing and he is President of the International Skiing Federation. He and his wife own a house in Nurin where Alpine skiing began. He loves to ski, play golf and tennis; he also plays handball. Tennis was his second sport. We met in the conference room in his office and he was most cordial.

After our meeting which lasted an hour and 15 minutes, Mr. Hodler drove us to the rail station in his Volvo.

INFORMATION: He gave the following information:

The Eastern Bloc countries vote as a block and are controlled by the Russians. Gramechov, the sports leader, controlls the IOC delegates. Since Andrianov's death, Smirnov is now in power, although a new member will be elected in Seoul. [check with Wussler on Smirnov].

The African countries have voted as a block in the past and have joined the Spanish-speaking countries. Keba Mbaye who is on the Executive Committee is probably currently the most powerful African.

There are about 15 avid golfers on the IOC. They would die to play on the Augusta national course. It was obvious that a visit by those golfers to Augusta would greatly benefit our effort. [Hodler said he had tapes of all of the Masters Tournaments]. Kevan O'Flanagan of Ireland is one of the golfers. [On the train ride from Bern, we identified 17 golfers from the IOC biographies.]

First class hotel space and first class air travel are of major importance. A number of the voters are interested in their own accommodations above all else.

Gillette from Nashville who owns Vail where Hodler loves to ski, has offered to take him from New York on Gillette's plane to play Augusta. We should include Gillette in a visit to Augusta.

Hodler indicated that it was important to have the backing of the state and city government and showed some irritation with the negotiations that had taken place with the Los Angeles committee, although he conceded that the Games had been successful.

He thought having golf for a demonstration sport would be a good idea and said that it would qualify by virtue of the number of nations participating.

He said that Athens would be a strong contender but the rumors were that Athens had decided it would not enter.

He said to avoid references to the 1980 Boycott and President Carter. There is nothing that can be done to rectify what's been done.

/jes
cc: Executive Committee

ATLANTA ORGANIZING COMMITTEE
400 PERIMETER CENTER TERRACE, N.E.
SUITE 98[illegible]
ATLANTA, GEORGIA 30346
(404) 394-7016

Candidate City for
the 1996 Olympic Games

November 11, 1988

FAX Number
(404) 698-04[illegible]

Maitre Marc Hodler
Elfenstrasse 19
3006 Berne, Switzerland
FAX: 011: 41: 31: 441185

Dear Mr. Hodler:

We are now involved in a major way in planning the Spring visit to Atlanta and Augusta by those members of the IOC that you suggested might enjoy golf at our famous Augusta National Golf Club.

I have enclosed a tentative programme for your review and call your attention to the fact that we are encouraging IOC members to bring their wives as we will develop some wonderful activities for them in Atlanta while the gentlemen are in Augusta playing golf. I hope you agree that the wives would like to attend as well.

Also, I have attached the list of the names you mentioned in Seoul as those members of the IOC who would hopefully like to be included in this event. If we omitted some names you suggested, please let me know.

Finally, invitations are expected to be formally issued before December 15 and I would very much appreciate any comments you might have about the suggested programme, the inclusion of the wives or the list of suggested invitees.

Looking forward to hearing from you soon, I am

Sincerely,

ATLANTA ORGANIZING COMMITTEE

Billy

WILLIAM PORTER PAYNE
Chairman

WPP/sbc
Enclosures

TELECOPY

August 29, 1990

Maitre Marc Hodler
Comité International Olympique
Postfach 246
3000 Bern 16
Switzerland

Dear Marc:

Although I'm sorry we were unable to receive you in Atlanta on a formal visit, I am glad that you were able to visit the city briefly during the last two years. I hope from those visits you received a clear impression of the tremendous dedication and excitement of the citizenry of Atlanta to hosting the 1996 Summer Olympics. From the President of the United States to the Governor of the State of Georgia to all the city and local government officials to all of the citizens of Atlanta, we are committed to making the 1996 Summer Olympics an unparalleled sports and cultural celebration for the beginning of the second century of the Modern Olympic Games.

We have followed the advice that you gave to Billy Payne, Charlie Battle and me when we first met in your beautiful law office over two years ago. We have listened intently to the desires of the Members of the IOC, and we have tried to respond fully. And we have worked hard to get the members to visit Atlanta. Over 70 have done so. We also followed your suggestion of having the golfers on the IOC play at the Masters course in Augusta. That was very successful although we missed having you there, and look forward to the time when you can play there, too.

Marc, thank you for your friendship during these past two years and for your good advice.

I look forward to seeing you again in Tokyo. With personal regards,

Sincerely,

Horace H. Sibley
Chairman International Affairs Committee
Atlanta Organizing Committee

ATLANTA ORGANIZING COMMITTEE
Suite 3450, One Atlantic Center/1201 West Peachtree Street/Atlanta, GA 30309 U.S.A./Phone—404-874-1996/Fax—404-874-90

Lobbying

M E M O R A N D U M

May 1, 1990

TO: File

FROM: Billy Payne

SUBJECT: Conversation with Mary Glen-Haig on April 19, 1990

Mary continues to be very straight forward and pushes very hard for Manchester. I think she has an unreasonable expectation of how well they are doing and I guess that is to be expected.

She does not like Un Yong Kim. Is cool to Bob Helmick saying he is "quite strange".

She continues to be totally against this entire bidding process, as cities spend too much money and bring out the worst in some of her dishonest colleagues.

In the end, she said she thought Melbourne and Atlanta were winning, with Toronto and Manchester just behind and Athens bringing up the rear.

She really did not tell us very much and she continues to like Ginger and Ginger should work on her hard.

cc: Ginger Watkins
Charlie Battle
Horace Sibley
Linda Stephenson
Bobby Rearden
Nancy Newton

M E M O R A N D U M

February 5, 1990

TO: File

FROM: Billy Payne

SUBJECT: Annie Inchauspè Remarks WP

RE: Information we gathered from Annie and Anne Beddow about Samaranch

Linda met with Annie and Anne Beddow in anticipation of Mrs. Samaranch's visit and learned the following information after we had heard President Samaranch question whether or not she really planned to come to Atlanta in April.

1. On the President's recent trip to Melbourne, Mrs. Samaranch cancelled only three days before and obviously that was the basis of his comments to us.

2. Mrs. Samaranch does not like to get up early and likes late nights.

3. Mrs. Samaranch does not like adhering to his very tight schedule and prefers to shop (line up a Saks and Lord & Taylor visit with the store managers and when she selects something, make them insist that it's on the house because she is such an important person, etc. Make it convincing by prior arrangement with the respective stores.)

4. Linda suggests that we ask Mrs. Goizueta, who is a good friend, to write Mrs. Samaranch and indicate she understands she is planning to come and that she looks forward to seeing her and perhaps even suggest a private dinner, etc., that we were talking about. Annie will follow-up with Mrs. Samaranch next week when Mrs. Samaranch is in Lausanne and will get back to Linda regarding her schedule.

5. Remember that Leopoldo Rodes mentioned in Tokyo that he may come himself with Mrs. Samaranch, as he has been planning a visit as our guest in Atlanta.

cc: Ginger Watkins
Linda Stephenson
Nancy Newton

M E M O R A N D U M

February 8, 1990

TO: Ginger Watkins
Linda Stephenson

FROM: Billy Payne

SUBJECT: Visit of Mrs. Samaranch

I think we need to include Ann Cox Chambers as a part of Mrs. Samaranch's itinerary and please talk with me regarding how to include her. Mr. and Mrs. Acosta emphasized that she loves the high society and artsy stuff and despises any of the venue plans. We ought to go over her entire program and find out if she will at least attend the race.

* ACTIVITY REPORT * 08/20/90 10:11 404 874 9024 A.O.C./Atlanta

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Atlanta
1996

August 20, 1990

F A X

Mr. Ivan Dibos
International Olympic Committee
Casilla 5424
Avenida de la Marina 3333
Lima 32
PERU

Dear Ivan:

Just a note to say thanks to you and Marisa for the wonderful evening in your home last week. Marisa is such a wonderful hostess and certainly has a way of making one feel like a member of your family and not a stranger.

I am certainly grateful for that and especially grateful for the friendship we have developed over the last several years. The bus that Ricardo brought to the house was a special treat and meant so very much to Ginger and I as you made us feel a part of doing something good in Lima. I am personally committed to working with you in the coming months to ensure that additional buses and opportunities are made available to the children of Lima. You have my commitment on that.

We look forward to seeing you soon in Tokyo and please hold some time on your schedule for you and Marisa to join us for one of the small dinners or lunches we will be hosting at our "Atlanta House".

Once again, thank you for your hospitality and for your friendship.

With best personal regards, I am

Your friend,

Billy

Atlanta Organizing Committee
Suite 5450 One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone-404-874-1996
Fax-404-874-9024

Atlanta
1996

F A X

September 25, 1990

The Honorable Ricardo Belmont Cassinelli
Alcalde de Lima
Municiaplidad de Lima
Plaza de Armas
Lima
PERU

Dear Ricardo,

We did it! Thanks for all of your help and I cannot wait to see you. Please check with Ivan regarding other bus information that we delivered to him in Tokyo.

With best personal regards, I am

Sincerely,

Bill

William Porter Payne
President

Atlanta Organizing Committee
Suite 3450, One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone—404-874-1996
Fax—404-874-9024

25 OCT '90 17:48 I. DIBOS P.1

CITIUS - ALTIUS - FORTIUS

IVAN DIBOS
MIEMBRO DEL COMITE OLIMPICO INTERNACIONAL AL PERU
Av. De la Marina 3333 Lima 32, Perú Tel. 511988
Casilla 5424 Lima - Telex 25220PE Champeos

C-305-COI
October 15, 1990

Mr. William Porter Payne
President, Atlanta Organizing
Committee
Fax 404 574-9024
U.S.A.

Dear Billy:

Thank you very much for your kind letter dated September 19, thanking me and therefore I.O.C. Members for granting the city of Atlanta, the honor to host the 1996 Olympic Games.

It is us who have to thank you, because now there is no doubt that you will host the most memorable Olympic Games ever coinciding with the centennial celebration of the Modern Olympic Games.

Your knew since the beginning that it was tough competition, and as a good sportsman and gentlemen, respected your competitors, but never eased your pace in this endurance race which lasted several years.

Your were capable of choosing a good team of colaborators which obediently followed your guidance, however there is no such good team without a "leader" and you have proven to be an exceptional one.

I am proud that our friendship was a strong one no matter what the outcome in Tokyo had been. Marisa, Lucy, Ricardo N.O.C, Board Members, join me in wholeheartedly congratulating for this deserved "Olympic Gold Medal" you have won.

I take this opportunity to fax to you copy of letter mailed to Mr. Gregor MARTA'S General Manager, accepting generous offer of 50 buses and your assistance in expediting same will be greatly appreciated by the city of Lima, its population and specially Ricardo Belmont and myself.

Wishing you all the best, I remain

Cordially yours,

IVAN DIBOS N.
I.O.C. Member to Perú

IDN/amm

M E M O R A N D U M

CONFIDENTIAL

TO: FILE

FROM: Horace Sibley

DATE: September 26, 1988

RE: Conversation with Leopoldo Rodes Castan E, VP Banco de Progreso, Barcelona

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This reports on the meeting of September 15 that Charlie Battle and I had with Mr. Rodes.

Background: When Charlie, Billy and I met with President Samaranch in Lausanne, Switzerland, he advised us to meet with Mr. Rodes and Mr. Ferrer to learn from them how to win the IOC designation. When I arrived in Seoul, I called Mr. Rodes to fix an appointment. He was unable to do so that day but said that he would call me back. On the 15th he called my room to say that he had left several messages but found that they had not reached me. I offered to meet in my room at the hotel.

This turned out to be the most helpful meeting that I have had to date on how to conduct a successful effort to win the games.

Rodes advice: This relates what Mr. Rodes told us. Nineteen months before the vote on the Barcelona bid, Samaranch told Rodes to take over the project as it was faltering. Rodes first contacted Andres Merce, a Barcelona journalist who had followed all of the Olympic games since 1948. He knew every member of the IOC personally and prepared a brief summary of them prior to introducing Rodes. Rodes chose 4 of his closest friends, including Merce as the core group of his effort. Their effort stayed completely separate from the efforts of 80 full time organization staff people who were also working for the games but not on the IOC vote. They raised $8 million from 90 companies and kept a separate budget for the IOC effort.

At the outset of our conversation, Mr. Rodes said that Mr. Samaranch had asked him to help Atlanta's effort. He said that he understood that we were connected with the Coca-Cola Company. Mr. Goizueta was a personal friend of his and of Mr. Samaranch and Mr. Samaranch had asked him to help us and help Coke.

Rodes and Merce had a first encounter with the IOC members at a meeting in East Berlin. He determined that many of them had a bad impression of Barcelona and committed to having all of them visit Barcelona. During the effort 72 of the members actually visited Barcelona as compared to something like 30 who visited Paris. He and his group tried to meet as many times as possible in the 18 months. On average, they met every member of the IOC 6 times during that period. They went to every event - sporting or conference - where there were as many as 3 or more IOC members. For instance, on one occasion he flew from Barcelona to Mexico for one day and returned. It was absolutely essential, he felt, to keep his team small and to keep the same team. The most important thing in the effort, he said, was to have them remember you. Whenever he went to visit a convention he always called them either in advance or immediately upon arrival to ask them to have dinner. He set out to become a friend of each of them. He took meticulous care of the women and he believes that the wives in many instances control the votes of their husbands who are on the IOC. The journalist on his team was not well organized but was well liked and knowledgeable. His private secretary whom he had had for many, many years was very well organized and took care of the details of the effort. He made a small list of friends whom he educated before each IOC member came to Barcelona (8 or 10 couples) and they participated in the small parties and hosting. Most of the parties and dinners were in private homes, not in restaurants. These people are tired of restaurants and venues. He prepared 10 points to sell Barcelona and never strayed from those points, repeating them over and over. No one read the official reports prepared by the bid cities so he had brief summaries prepared that he sent them. He also sent 15 minute video tapes on Barcelona. He always took them to different places when they visited. He picked them up at the door of the plane and had customs taken care of prior to their arrival. He would ask each of them what they wanted to do rather than plan a set itinerary for them. He gave each of them individualized gifts, depending on their taste. 80% of them hate opera and restaurants. Many of them like to golf.

Most of them, he said, vote for sentimental reasons. They are not interested in visiting sites. He would fly them over the sites in helicopters and ask if they wanted to land and only on rare occasions did they want to land and actually look at a site. During the whole effort he gave a uniform gift only on one occasion and that was the day of the vote. He got bumper stickers for all the citizens of Barcelona and had them on the cars prior to the time that many of the IOC members visited Barcelona. This impressed them. He had a survey done that showed that over 80% support of the citizens. He made a special itinerary and briefed drivers so that they were driven only through the nicer parts of town and never through the unattractive parts of town. All of the members of his team worked full time. They sent gifts and letters on birthdays, kept in constant contact, and always met at meetings.

He made a big point that Barcelona needed the games more than the competition (the main competition being Paris). He said that's how Mexico beat Detroit because Mexico showed need for the games and how it would benefit their country to have them.

Against Paris on the first vote, Barcelona had 27 votes and Paris had 29 votes and it took 3 ballots.

He believes that we can compete with Athens although a year ago he would have chosen Athens. He believes that political and economic problems may take Athens out.

He believes that the real competition may narrow to Atlanta and Athens.

He acknowledges an effort from Toronto but believes that Paul Henderson is not as effective as we may think.

He will send us some materials that he used initially and will be happy to meet with us either in New York where he visits 3 or 4 times a year or in Barcelona.

It would behoove us to visit Barcelona and get into the real details of this effort. He said that he would be happy to go over everyone of the IOC members with us. He kept detailed notes on each of them.

He said the effort should be kept simple but requires long consistent effort.

Mr. Rodes' address is Paseo de Gracia, 29-08007 Barcelona, telephone 317 7470, telex 51847 BAPB E.

/jes
cc: William Porter Payne
Charles H. Battle, Jr.
Ginger Watkins

MEMORANDUM

TO: File

FROM: Horace H. Sibley

DATE: May 31, ~~1989~~

RE: ~~Leopoldo Rodes~~

On Wednesday, May 17, I spent an hour and-a-half at Mr. Rodes' office.

I learned the following:

He said that he could help us in three primary areas:

1. General strategy discussion

2. Detailed discussion of each IOC member and his/her spouse

3. Lobbying on our behalf.

He said that he has some influence with a number of members of the IOC. In particular, he is very close to ten or more members including Zerguini, Kumar, Munoz (whose son is now working as an optometrist in Barcelona), Benjelloun (whose son spent a period of time working as a hotel operator in Barcelona), De Mexicans, De Merode, Ericcson and others.

Rodes believes that the IOC members are primarily independent individual operators and, except for the Communists and royalty, do not operate in groups. He said that royalty do communicate as a group and we need to have an inside person in royalty to deal with the others. He said that Prince Albert can do this for us. I asked him specifically about Jean of Luxemborg and he said that he was one of the people who did not visit any of the bid cities but he was able to communicate with him easily after introductions from the King of Spain and the King of Sweden.

He believes that Athens is fading and confirmed that Samaranch has concluded the same in a conversation that Rodes had with Samaranch after the meeting in Barcelona. Samaranch's health is now fine and he has been back to Barcelona since being sick. (Rodes spent the evening at the hospital the night Sommeranch went to the hospital in Barcelona).

He was the one who recommended Pal Schmitt to Samaranch for membership on the IOC so he has some influence with Pal Schmitt.

His assessment of the IOC members made after the meeting in Barcelona is that Melbourne is too far away, Manchester will not have chance, Athens is fading, Toronto is very strong, people will not want to go to Belgrade, and Atlanta is making a very positive impression on people. In particular, he believes that the IOC members are not that impressed by the group that Paul Henderson has working for him. He particularly noted one of the women they have hired as a personal relations person. All the IOC members have noticed this and the impression has not been positive. The Atlanta people seem to be more genuine and friendly and appear to be volunteers. He stressed the importance of having volunteers who are committed to serving their community in the lead roles.

Samaranch is very close to Ramirez, De Merode and Kumar and can influence them when the time comes.

Even though he described Helmick as somewhat of an enigma, he did say that it is important to have Helmick lobbying on behalf of Atlanta and making agreements on Atlanta's behalf to get a vote from the Canadians on the ballot after Toronto goes out.

He mentioned again that Samaranch had, in effect, instructed him to help Atlanta's effort.

De Stefani is the one man whose sole interest is tennis and we should surround him with former Davis Cup tennis players when he visits Atlanta.

Kumar is very close to Samaranch and Samaranch can influence his vote.

General De Castro is retiring and Samaranch does not know who will replace him, but believes it will be the President of the Portuguese NOC.

After the first vote, the communist vote can go in many different directions. Many of the members are very much out of sorts with their own governments and would not vote by direction.

Zerguini is the religious leader of the Moslem group and can be influential with them.

Anchorage could hurt us in that the IOC members could decide to vote for Toronto under an agreement to vote for Anchorage when it came up. This is how Albertville helped Barcelona. He told the story of Mr. Hay, who had studied in France and had a desire to vote for Paris, which was solved by agreeing to vote for Barcelona with a view to voting for Albertville.

Memorandum to Fil
Page 3
May 31, 1989

Puerto Rico could hurt us in that Rieckehoff would really not like to see the Olympics go to Atlanta for fear that would hurt his chances down the road.

He said that Samaranch did not know who would replace Beitz.

He believes that de Beaumont will be retiring in the near future.

Since he was on his way to Madrid, we did not have an opportunity to spend the time that he would like to spend going down each of the members one by one and discussing them and their spouses, but he said that he would discuss this with Charlie Battle as Charlie had said that he might return to Barcelona. ~~We definitely need to have an all-afternoon session as~~ Rodes knows more than anybody that I have met in the Movement.

Rodes has five sons between the ages of 23 and 28. At the end of the meeting, he insisted that his chauffeur drive me back to the hotel and drive me to the airport the next morning.

He said that Havelange can hurt you. In Barcelona's case, Havelange wrote ~~the other IOC~~ members soliciting their vote for Barcelona and many of them reacted negatively to Rodes, causing him to make a special trip to Brazil to ask Havelange not to politic over half of Barcelona.

Rodes continued to emphasize that it is not the objective things but the subjective and personal things that cause the IOC members to favor a particular city.

He thinks it will be good for us to tie in somehow with Disney World, boating and fishing in Florida and Savannah, and golf and tennis activities for the members. I wonder whether we couldn't get temporary memberships during the Olympics for the IOC members at Peachtree Golf Club and Cherokee Country Club for tennis; have some kind of arrangement for them and their families ~~to fly to~~ Disney World, etc. - all as part of our promotion package.

Horace H. Sibley

HHS/ks

M E M O R A N D U M

February 5, 1990

TO: File

FROM: Billy Payne

SUBJECT: Raymond Gafner

Linda and I had lunch with Mr. and Mrs. Gafner Thursday, February 1, 1990. He picked us up at the hotel and took us to his home for a glass of wine and we presented him with his photo album and other gifts (scarf and jewelry case). They looked briefly through the photo album and seemed to enjoy and indicated they would study it later. They were very hospitable and continued to reminisce about their visit to Atlanta. They then took us to lunch at a hotel on the lake and insisted on paying. We talked very little about the bid during lunch, but on the way to the restaurant I asked Mr. Gafner about his impressions of Melbourne and after saying it was good, he once again said that as I've told you before, facilities are basically the same--it is the people who count and specifically the people we are "sitting across the table from us".

As he had been very complimentary of the Melbourne people, I took this to mean that he was including the Melbourne folks as comparable with the Atlanta folks. Earlier in the morning he had talked about Athens presentation in submitting their bid and made a statement that Mitakis said that no choice existed in 1996 because it was Athens' turn and that all these other good candidate cities should wait for a later date. The way Gafner said this, it struck me he was somewhat offended that Matakis was putting that mandate on the IOC.

Gafner also inquired about the status of the translation of his book and indicated he was going to proceed to do it himself if we were having difficulty. I must call Bob Stickland immediately and check on that.

Mrs. Gafner will be in Tokyo and indicated to Linda that Akiko was planning a good ladies program for them while there. It is mandatory that we continue to follow-up on a very regular basis with Mrs. Gafner, as Linda and I believe she will affect his vote as much as will any spouse.

Mr. Gafner will be retiring at the end of the year and this will be his last session.

The general assessment is we are definitely in the running with him and right now I would say probably first. Athens is diminishing in his eyes and Melbourne is coming on. I do not believe he is the type of person that would ever be enamored by the Paul Henderson approach and I essentially think we could write Toronto off for Gafner.

cc: Ginger Watkins
Charlie Battle
Horace Sibley
Linda Stephenson
Nancy Newton

dlp

Athens

MEMORANDUM

TO: File

FROM: Horace H. Sibley

DATE: March 15, 1990

RE: Kevin O'Flanagan

Charlie Battle and I had breakfast with O'Flanagan today at the Ritz-Carlton. Patrick Hickey, the Irish NOC President, was there also. Pat and Charlie left early. After they left, Kevin and I talked some about Atlanta's situation. Kevin is impressed with our infrastructure and says that we should emphasize our easy transportation, convention facilities, the Braves stadium and hotels. This would be a good offset against Barcelona, which is having trouble in many of these areas. He thinks it is important to dedicate a road between Georgia Tech and Stone Mountain and thinks we should emphasize this in our presentation.

He does not think Princess Anne can carry any votes and believes that Manchester will not get more than 5 votes on the first ballot.

Melbourne is another story. Melbourne has the infrastructure and a great cricket and tennis facility. The cricket facility will be used for opening ceremonies and football. The word is out that Samaranch made a statement that maybe it is time to return the Games to the "South," meaning Australia. I can tell that, in O'Flanagan's mind, Melbourne is a factor.

He is not impressed by Athens, but has not visited Athens recently. They are writing him constantly and calling to urge him to visit. They are telling him that things have changed completely since he was there a year ago.

He said that the one thing that he does hear over and over when he promotes Atlanta is that it is too close in time and location to Los Angeles. He makes arguments about distance and different cultural heritage, etc. Nonetheless, that seems to be a major factor that we continue to have to face.

He says that Havelange does carry a number of votes and he believes Havelange bargains for them. He says Hamzah is definitely with Havelange, as well as some of the African representatives.

For the third time, on three different occasions, he has raised the issue of Delta giving some break to the Irish Olympic members when they travel. He raised this again with Ivan Allen, who dropped by to say hello at breakfast. He asked Ivan to see what he could do. He remembered vividly his request of Ron Allen on this issue.

Kevin spoke again about his interest in the Special Olympics, the Medical Commission and boxing. He told me several stories about playing professional soccer and rugby in his early 20's. He suffered a major knee injury, which he was able to overcome.

Of course, his main passion is golf and he looks forward to playing the Atlanta Country Club and Peachtree and, of course, participating in the Savannah St. Patrick's Day Parade.

Kevin said he had never seen the Georgia ~~team~~ Tech facilities and needed refreshing on most of our facilities. Our Tokyo film will need to bring IOC members back into clear focus on our facilities.

HHS

Horace H. Sibley

HHS/ks

cc: Mr. William P. Payne
Mr. Charles H. Battle, Jr.
Mr. Charles M. Shaffer, Jr.
Mrs. Ginger Watkins
Mrs. Linda Stephenson
Mr. Bobby Rearden
Ms. Nancy Newton

My suggestion is to get balls ASAP. Charge to nonlandline ACCT?

MEMO

To: File

From: EMClement

Date: March 5, 1990

Re: Telecon - Ganga

A.M. I spoke with Minister Ganga and with his assistant, Robert Steph Malonga. They were at his home about to call here. His first announcement was that Toronto has sent two reps who had just arrived, a woman and an under minister of sport. Both black, what Ganga calls the "noirs de service" (the black help). "The competition is great," he said. I agreed.

I was able to get his impressions of the AY cancellation. Ganga says not to worry, he understands completely that it is more important that he stay here and win. He is very glad that Mayor Jackson will be coming.

Ganga has a big problem: he is without balls for his games. He needs men's and women's handballs, volleyballs, basketballs, and soccer balls. Without them, he is cooked. He can make do with fifty of each....I told him we would look into it but promised nothing. He wants to hear right away.

He is looking for latest info on:

- When the clothing will arrive; be sure to say exatly what is coming (no sweats)
- Who should they talk to at Coke Brazza? Name and phone???
- Details of the itinerary, in and out; who's coming?

P.M. Ganga called back to get details of our travel in and out of Brazzaville. He was a bit alarmed to know that we would not be going to Yaoundé. He said if AY or MHJ doesn't, no one should go. AY must make the trip before September whether he wins or loses. He must.

Ganga reiterated the desperate need for balls. I told him we were looking around but warned him that team handballs are very difficult to find and could not be hopeful. He wants to hear right away so he can look elsewhere, if necessary.

He will fax the schedule for us in Brazzaville very soon.

Special Space – [illegible]
GTW
C43

MEMORANDUM

TO: Andy Young and Billy Payne

CC: Elizabeth Clement

FM: Doug Gatlin DG

DT: December 10, 1990

RE: NOTES FROM GANGA VISIT - December 1 - December 3, 1990

Minister Ganga was picked up from the airport Saturday evening, December 1, and taken to the hotel where he joined his son Jean Jacques. We stayed and discussed Tokyo and Atlanta's great victory and the balloting, etc. for about an hour (we being Elizabeth and myself) and then left Minister Ganga and Jean Jacques to relax for the evening.

On Sunday they accompanied Elizabeth and her family to church where they joined Andy and his family. Minister Ganga and Jean Jacques went home from church with Andy and Jean and spent the afternoon there. Elizabeth and her family and I joined them all about 3:00 for Sunday dinner. 5:30 or 6:00 all left except me. I stayed and discussed with Andy, the negotiations with Maynard, thinking that there would be a meeting with Maynard on Monday. It later developed that Maynard did not return to the City on Monday so Ganga did not have a meeting with him. However, the discussion with Andy regarding the negotiations etc. was useful. Later that evening Andy picked up Minister Ganga and they went to a fraternity annual meeting banquet where Andy spoke.

On Monday morning Elizabeth and I picked up the Minister without Jean Jacques for the trip to the Carter Center and a meeting with Lionel Johnson, a fellow at the National Democratic Institute in Washington. Minister Ganga wanted to meet with Mr. Johnson in order to explore ways that the NDI could help in the coming democratization in the Congo and the upcoming elections. Those elections will be the first in 27 years. (The Congo has been a Marxist state since the revolution 27 years ago and during that time the party has always elected the president rather than a free vote of the people. It is interesting to note that Minister Ganga is the only cabinet member that is not a member of the Communist party [he says]).

ATLANTA ENGINE OLYMPICS yes
Partners with the world

ATLANTA ORGANIZING COMMITTEE
Suite 3450, One Atlantic Center/1201 West Peachtree Street/Atlanta, GA 30309 U.S.A./Phone—404-874-1996/Fax—404-874-9024

Some notes about Minister Ganga:

from 1966 to 1980 he was General Secretary of the Supreme Council of Sports in Africa
in 1982 he went to China as the Ambassador from the People's Republic of the Congo to China
on return to China he became Minister of Sports and Tourism

During that tenure of his ministry he also resisted "great pressure" to join the party. Just prior to the visit to Tokyo he resigned his post as Minister of Sports because of pressure from the party and from the president to do certain things which he felt like he could not do and maintain his independence. He was convinced to accept the post of Minister of Telecommunications because had he refused that post he would have had to leave the country. Since his return from Tokyo he has been asked by the President to accept the position of interim Prime Minister. On January 1, it will be legal to form parties in the Congo. The president will appoint an interim prime minister on January 1 to run the government while the president supposedly becomes a titular figurehead. A conference of all those parties will be held in May or June and a new constitution written and elections called. Minister Ganga has refused the offer of the president to be interim Prime Minister because he feels it is a trap. The president is from a very small tribe in the northern part of the country. In a presidential election he would lose. Ganga serving as his Prime Minister would (1) either bring votes from the majority tribe of which Ganga is a member or (2) would so taint Ganga that he would then not be a viable opponent in the future. Therefore Ganga has declined to join with the president in his last ditch effort to retain his position. This is a very dangerous position for Ganga to be in and the real motivation for his trip to the U.S. He feels he needs contact and friends in important positions in the U. S. and France in order to ensure his safety back in the Congo. Therefore the photographs that he is taking back to the Congo with him, of himself, former U.N. Ambassador Andrew Young and former President of the United States, Jimmy Carter will be sort of a life insurance policy. Ganga has 4 or 5 friends forming parties in the Congo which after the first election will form a coalition behind him. He is waiting to exercise the option to either run for Prime Minister or hold until after that election and run for President.

After more discussion with Lionel Johnson, we were taken to President Carter's office where there was a brief meeting with the former President. Carter suggested the Organization of African Unity to become involved in asking for NDI to come down and monitor those election.

They would have to have at least the request of the President and the other parties but the OAU has been using them in Senegal and one other country and it would be helpful to convince the president to request the visit by NDI. Andy also suggested that Carter's food program might be useful in the Congo.

Last but not least, the impact on the AOC of democracy coming to the Congo is that Minister Ganga could use and has requested some equipment that is needed by the National Olympic Committee there in the Congo and also needed by him to effectively perform as president of ANOCA, the Association of the National Olympic Committees of Africa. He needs a couple of typewriters, of course those could be small computers, and a printer. He needs paper and a paper cutter and folder and also a photocopier. The sort of things that will be necessary to produce a small newspaper. A communication vehicle along the lines of a tabloid type newspaper. If it is possible that we could help the NOC and ACNOA with that, he would possibly be back in the United States in January and could take them back to Brazzaville with him. Absent his trip to the United States he would need to receive them in January or as close to January as possible.

special fraun opportunities - dang

IOC PROFILE

Full Name Pal Schmitt
Name Called - Pal

Protocol # 59
Birthday - May 13, 1942
Home Country/Residence - Hungary / Budapest

Spouse Name - Katalin

Children Names - Aleksa, Petra, Greta

Language for AOC correspondence - English

Dates visited Atlanta - 5/90

Dates AOC visited in home country - 10/89-CB; 6/90-CB; 7/90-BR

AOC personal contacts
- Charlie Battle is closest in AOC
- Nancy Reuter has good relationship -
- Andy Joro is personal friend from Hungary?

Personal Information

Call - Teaches Sport History @ University
- [illegible]
- wife has children's clothing store
He is involved in financing projects like golf courses and hotels in Hungary.
- Pal is a most interesting guy who loves to tell stories. He is always anxious to find work or opportunities for his daughters in the U.S.
- 2 of them are professional tennis players and attend tennis camp in Florida.
He was a gold medalist in fencing.

62 **Pal Schmitt** (Katalin)

Hungary **May 17-20, 1990**

Holder --

Schmitt

On Study and Evaluation Committee. Wants his daughter, Petra, to come to US to college. She is an excellent tennis player. Wife was a medalist in gymnastics. Two daughters are up and coming pro tennis players. Nice & fun to be with. Will listen and provide good critical advice on bid. Family is very important. Very concerned about athletes and how they will be treated. Interested in Hotel business.

M E M O R A N D U M

March 21, 1990

TO: File

FROM: Billy Payne

SUBJECT: Visit with Vitaly Smirnov, March 16 and 17

Vitaly went to great lengths to make our stay enjoyable. He picked us up at the airport, spent some time with us in his office where he reviewed our Bid and he commented on the superior quality of the Melbourne Bid. On Saturday morning he met us for a two-hour car tour of Moscow and then delivered us to his assistant, Marina, where he then departed.

During the driving tour of Moscow he commented about how the Prime Minister of Canada had just visited and had invited him to a reception. He expressed great delight in saying that his superior in the ministry had inquired of him as to why he was invited by so important a person. Vitaly just laughed and told him that it is because they want my vote for the Olympic Games.

Don't forget to send Marina's husband, Victor, some printed basketball memorabilia as he is a basketball freak.

Do not mail gifts to the Soviet Union. They are impounded by the government. The people can hand carry goods into the country.

Vitaly Smirnov raises Irish Setters and is quite a hunting enthusiast. We are taking him a "glow in the dark" dog collar.

The Smirnov's live now in a country house but are planning to move soon into an apartment in Moscow. Decorations for their new home would be appreciated.

Mrs. Smirnov is now beginning to travel with her husband--until 1-1/2 years ago wives were forbidden from travelling abroad. When they do travel, they are not allowed to take much "hard currency", so their shopping abroad is limited. Whenever anyone goes to a meeting where either are in attendance, something special should be taken to them.

The Smirnov's have three sons--His, who is 28; hers who is 19 and is now in mandatory government service and a pro-skier; and theirs, Alexia, who is 22 months. They had been married 14 years when Alexia was born.

Vitaly Smirnov's first experience with the U.S. was as a student in a YMCA tour about 30 years ago. He stayed in an old "Y" on 34th Street in New York, then to North Carolina and finally to a home in Philadelphia. Overall, he thinks of it as a terrific experience--especially the Philadelphia portion. ~~He would like very much for his two older sons to have the same type~~ of experience for 2 or 3 months in the U.S., where they could learn better English and also the American Strong work ethic.

Vitaly is an avid tennis player. He won the doubles championship for his age group two years ago. He did not compete last year because it conflicted with a Rachmaninoff piano competition which is his favored interest.

cc: Ginger Watkins
Charlie Battle
Horace Sibley
Bobby Rearden
Linda Stephenson
Nancy Newton

IOC ϕ
13 - 222

MEMORANDUM

November 12, 1991

TO: File

FROM: Ginger T. Watkins

SUBJECT: Andrew Pettelin – Irina Smirnov's Son

Early '91

Conversations occurred about possibility of Andrew spending time in the United States to study English. There was always the possibility that he could go to Salt Lake City but Vitaly Smirnov did not want that because of potential situation with bidding city. Plus, there is a strong friendship between Paynes, Watkins, Stephensons and Smirnovs.

April, 1991

While Billy, Linda and Ginger were in route to the Barcelona IOC Executive Board meeting, they learned that Andrew was in route to Atlanta. Arrangements were made for Andrew to be met at the airport and taken to the home of Doug Bowles. Andrew was entered into Georgia Tech's English as a Second Language course immediately. This particular class is a full-time intensive 10 week program which Andrew completed successfully.

July, 1991

A work permit was issued by Immigration Services allowing Andrew to take a job and move into his own quarters. He has shared an apartment and living expenses with roommates since that time.

The assistance given to Andrew and his family by providing a language education and living place outside of the Soviet Union during its time of turmoil was truly a humanitarian effort. The Smirnov family will reimburse all expenses incurred. However, as Andrew is working hard and earning a salary, the expenses are minimal.

GTW/ng

MEMORANDUM

TO: William Porter Payne

FROM: Charles H. Battle, Jr.

RE: Trip to Colorado Springs, May 17, 1988

DATE: May 22, 1988

==========

My trip to Colorado Springs was very interesting and informative. I may have spread myself somewhat too thin in trying to see too many people but feel it was beneficial to have met and established a better relationship with most of them as well as cementing old relationships with some of the Executive Directors of the National Governing Bodies. The following is a summary of my discussions.

I first met with Alfredo LaMont, Director of International Relations and Protocol. I wish I could have met with Alfredo for much longer for I believe we barely scratched the surface of his knowledge of the IOC. I was glad to establish contact with him and am confident that I can maintain regular contact with him as our effort moves forward. He was very polite and helpful although I sometimes felt like he was a little reticent to come forward with the "nitty gritty" details until he got to know me a little better.

He initially reaffirmed the importance of getting to know the people on the staff of the IOC. The Chief Administrator of the IOC is a gentleman named Raymond Gafner. This is really a volunteer job Gafner has held for the past three years. He is a Swiss member of the IOC and Alfredo recommends that we deal with him as little as possible. He is old, stuffy, autocratic, imperious and rather difficult to deal with. It appears that he would need to be approached as a member of the IOC rather than as a staff person but we should be careful and delicate in our dealings with him. Alfredo recommended that we work as closely as possible with Mme. Francoise Zweifel who is the Secretary General of the IOC. She is apparently very nice, very efficient and very helpful. He also mentioned some key people "behind the scenes." The most important of these appears to be a lady named Annie Luchauspe (?). She is President Samaranch's personal assistant and handles all of his affairs and travels with him everywhere. Alfredo indicates that talking with her is like talking to Samaranch. Hopefully, she will be with him when we go to Seoul and we can meet her at that time. He also mentioned a gentlemen named Jose Sotelo who handles public relations for President

Samaranch and who Alfredo says can be helpful. All of this is important because of the extreme influence which President Samaranch has over the IOC. The President and the members of the Executive Board are, without question, the most important members to contact and lobby in connection with our effort.

We then reviewed briefly the list of the members of the IOC which I had. Our list is already somewhat outdated as several people have died or resigned. As an example, the representative from Turkey (Atakol), recently died and the representatives from Taiwan (Hsu) and Argentina (Peper) recently resigned. Also Lord Luke from Great Britain has resigned and been replaced by Princess Anne. There are a couple of new members who have been elected but have not yet been officially made members of the Committee. They will be officially installed in Seoul. I am sure we can find out more about this when we meet with the IOC staff.

We specifically discussed German Rieckehoff from Puerto Rico and Alfredo gave me a copy of the attached article concerning Puerto Rico's bid for the 2004 Games. He mentioned that Rieckehoff is a fairly outspoken and somewhat influential member of the Committee and that he could present a problem for us because of Puerto Rico's interest in hosting the Games in 2004. There is really not much we can do about him and Alfredo indicated that he has a tendency to be somewhat of an "unguided" missle who may irritate many of the members in his efforts for Puerto Rico. I believe we simply need to be aware of Rieckehoff's agenda a wary in our dealings with him.

Alfredo reemphasized the importance of the members of the Executive Committee. Even thought Toronto is bidding, he felt we should talk with Dick Pound. Apparently Pound's influence and standing on the IOC will be impacted by how well he does in the upcoming television negotiations for which he is responsible. He agreed with our assessment that Pound may have to choose between being the next President and having the Olympics in Toronto. In any event, he felt that Pound would be happy to talk with us and could possibly provide us with helpful information even though he might not support us.

In discussing generally our lobbying effort, he made the point that "each person has his price." In saying this, he meant that we need to find out what is important to each individual member so that we can approach him or her with an emphasis in that area. Some of the members, especially the older ones, are still caught up in the romanticism and high ideals of the Olympic Movement. They want to know what we are doing to promote Olympism. Other members are very interested in the athletes and what we are doing for the athletes. These people will be interested in the technical aspects of our facilities as well as our promotion of sports and concern for the athletes. There is, of course, another group which is specifically interested in being treated well. They not only are interested in gifts but are specifically concerned about how well they may enjoy the Olympic

Games if they are in Atlanta. Our overall approach to all of them should be that we are the novices and they are the experts and that we are seeking their advice and help in trying to put on the greatest Olympic Games ever. Apparently, there are some established do's and don'ts concerning our efforts which we will need to obtain from the staff of the IOC as soon as possible.

We specifically talked about the Anchorage effort. Alfredo indicated that Anchorage has tried to create their own rules and was not interested in "playing the game" as Alfredo thinks it should be played. He seemed reluctant at times to discuss what he meant by this and kept suggesting that I call Rick Nerland. He feels that Rick understood what needed to be done but that people like Rick Mystrom and Dave Baumeister had their own agenda. As an example of this, he mentioned the President of the International Boxing Federation, Professor Anwar Chowdhry. He apparently can deliver from 15-20 votes if handled properly. In pursuing what this meant, Alfredo indicated that it would be necessary to pay Chowdhry's expenses in traveling to see these people and solicit their support. Alfredo felt that this was certainly money well spent since Chowdhry could be more effective than we could be if we went to see them. Alfredo confirmed that it would be expensive as Chowdhry liked to do everything first class and you in effect had to give him a blank check. Alfredo was not clear as to how we could establish whether Professor Chowdhry would be undertaking to do this for everyone and who his real candidate would be. In any event, the Anchorage group was insistent on relying on their person-to-person lobbying with each of the members and was not willing to discuss any behind the scenes contacts which might need to be made. Alfredo continually recommended that we discuss this with Rick Nerland who could give us advice as to what they had done that was effective and what they had done that was not effective. He also indicated that there was a bit of cynicism attached to the Anchorage Bid at this time. This revolves around the oft mentioned fact that Anchorage has not built any facilities or conducted any events but has spent all of their time and efforts in seeking the Bid. In effect, they are not doing anything for the Olympic Movement.

Alfredo emphasized that the lobbying effort will require a great deal of time, a good number of people and a large amount of money. We should begin fund raising as soon as possible. In preparing our Bid Document, he emphasized that the technical aspects are very important. In this regard, we discussed the importance of the International Federations and National Governing Bodies. He felt that we must deal very closely with the International Federations in getting technical input about the needs of their particular sport. While he felt that they may not be a great help to us, they could certainly hurt us by being critical of whatever our plans are for their sport. While he felt that the NGB people could be helpful, he recommended that we be careful in dealing with them because we needed to understand that each one of them had their own agenda which might not necessarily be in our best interest. He also confirmed that we need to attend

meetings of the various National Olympic Committees and associations of National Olympic Committees. Again, this is more a question of not what they can do for you in helping your effort but what they might do to hurt your effort. He felt that in dealing with these people, we want to convince them that Atlanta would be a great place to go for the Olympics and that they would have a great Olympic experience here.

In mentioning other behind the scenes people, we specifically discussed the influence of Horst Dassler while he was living and the continuing influence of Mr. Hamouda of Champion d'Afrique and Mario Vazquez-Rana. While Alfredo acknowledged that he was close to Vasquez-Rana he seemed more interested in discussing Mr. Hamouda. In discussing Dassler, he emphasized that the Adias empire still has a strong influence on international sports.

He emphasized the importance of getting a good press person working with us who has good international contacts. We need to make sure that anything we are doing in promoting the Olympic Effort gets good press, especially on the international scene. We need to be aware of sending press releases to various international sports publications like Champion d'Afrique.

We then discussed our presence in Seoul during the Olympics. He indicated that at a recent meeting of the USOC Executive Committee, they discussed coordinating with us and Anchorage concerning entertainment in Seoul. While I did not realize it at the time, this was a harbinger of Helmick's machinations concerning the USOC wanting to have some control over what we are doing. He felt that it was important for us to talk with Anchorage about what they were doing as we should not conflict with any of their efforts and not try to "one up" them.

We then discussed the role of Bob Helmick and Anita deFrantz. He seemed reluctant to talk much about Helmick but felt that Anita could be very helpful to us, especially with the African delegates. He did indicate that she was somewhat of a compromise candidate to be our most recent addition to the IOC. Apparently, Samaranch wanted Ueberroth but he was too controversial and Samaranch is very political and diplomatic and understood this.

We completed the meeting by quickly going over the list of members and Alfredo checked the ones which he felt he knew well personally. There are about 37 of these on the Committee. He reemphasized his willingness to discuss these members and our lobbying efforts with him at any time.

I then met with Larry McCollum, Director of the Olympic Training Center. Larry was his usual caustic self and had a few unkind words to say about most everyone, especially Bob Helmick, Baaron Pittinger and the Site Selection Committee. We discussed the site selection process and the controversy concerning the Olympia Training Center at the Washington meeting. He indicated that it was hard to deal with the officers and staff of the USOC

at this time since it is an election year and everyone is walking on egg shells. Apparently, there is a good bit of jockeying for Baaron Pittinger's job which may be somewhat in jeopardy, especially if Helmick is not reelected. In Larry's opinion, if Helmick is not re-elected he will do nothing to help us. Larry also feels that Helmick would like to move to Colorado Springs and run everything himself. We discussed the problems of getting the letter of formal notification concerning our designation to the IOC. He was extremely frustrated about what Helmick's agenda is and refusing to send this letter until he can establish "ground rules" for our bid. Larry is of the view that Helmick is reluctant to do much if anything for fear of whatever political repercussions there may be during this election year. For all of his cynicism, I will say that Larry continues to be devoted to the Olympic Movement and, contrary to what I have heard, will probably stay with them for a while longer anyway.

I met briefly with Ray Essick. His hand is now out of a cast and is doing much better although his golf game is still not up to par. He is on his way to Glasgow, Scotland. He specifically told me to tell you that he expected to have detailed plans for our new swimming facility on his desk when he returned during the first week of June.

I stopped in the media relations office and talked briefly with Mike Moran and Gayle Plant. While I did not mention it, I think we need to coordinate with them in making sure we receive pertinent publications, newsletters, etc. which they prepare as well as take advantage of their press contacts in getting the word out about our efforts.

I had lunch with Baaron Pittinger. He was very interested in what we are doing and seemed pleased with our approach. We spent a lot of time discussing the Helmick notification letter. He advised me that Helmick did not want to officially notify the IOC of our designation until Helmick, Pittinger and possible Anita deFrantz had a chance to meet with us and discuss our efforts. He indicated that he was going to try to schedule a meeting in Atlanta for some time during the week of June 13. I indicated to him that we were planning to go to Malta on June 21 and come back through Lausanne to meet with the IOC and that it was very important that we establish contact with them concerning this trip. He indicated that he saw no problem with us trying to make arrangements to do this as the proposed meeting with Helmick was really more of a formality. He again mentioned the topic of international mini-festivals which we discussed with him in Calgary. Apparently, the USOC wants to get more involved in promoting these events as they are now coordinated through the individual NGBs.

After lunch I met briefly with Kenneth (K.C.) Clark who is the new Assistant Executive Director for Administration. He is a nice fellow who has been involved with sports medicine and health through most of his sports career. He now apparently is primarily

a paper pusher for the Executive Director. We talked briefly about the importance of sports medicine and he indicated that Dr. Fred Allman, who is from Atlanta, is very well respected in this area and also spoke highly of the Huston Clinic in Columbus.

I then met with Ron Rowan, General Counsel of the USOC. He was somewhat distracted during our meeting and we were interrupted from time to time as he apparently had to be present in Baaron's office for meetings with people who were being terminated. I learned from this meeting that there was a general house cleaning going on at the USOC and a lot of employees, some of whom had been there for some time, were being terminated. This whole effort was apparently initiated during Harvey Shiller's brief tenure there as there appear to be a lot of people who no one wanted to fire who are still there doing basically nothing. In any event, we did discuss the legal considerations concerning our use of the five rings and also our relationship with sponsors. As you might imagine, the rules concerning the use of the five rings are very vague. While it has always been understood that a bid city could not use the five rings, this rule has definitely been violated in the past with apparently no sanctions. The IOC finally decided that they would leave it up to the NOCs to determine what use should be made of the five rings in their country. This is, of course, very unfortunate for us as the USOC is very strict concerning the use of the five rings. Since the commercial and marketing potential of the five rings is tremendous in the United States but minimal in many other countries, we are probably at a disadvantage in this area. I did get the clear impression that we may be able to use the five rings on some occasions but must be very careful in clearing this with the USOC. As long as we are not impinging on any of their commercial and sponsor relationships, we may be able to use it in some of our material if it is tastefully done and appropriate to what we are doing. Ron also discussed their general concern about us not doing anything to jeopardize any of their contractual relationships with sponsors. In other words, we should be careful about having some promotional event for us sponsored by Burger King since McDonald's is an official sponsor for the USOC. This led to a discussion of there being two groups functioning in Atlanta, one to promote amateur sports events and one to solicit the Olympic Bid. It is certainly alright for us to have someone who is in competition with one of their sponsors promote some type of amateur sports event if they are willing to underwrite the costs. What they are very sensitive to is any involvement by competitors of their sponsors in anything which is directly related to the Olympics such as our bid effort.

I then met with John Krinsky, Deputy Secretary General/ Development. He is the most impressive person on the staff which I met. He indicated that he would be glad to help us in getting support from their sponsors as well as possibly getting other sponsors. He indicated that he would be happy to come to Atlanta and meet with us when we begin to organize and implement our fund raising effort. He provided me with a list of their corporate

sponsors for this quadrennium. Of course, there will probably be a new listing for the next quadrennium which begins in 1989. He seemed very interested in working with us and helping us, as he says "sort out the wheat from the chaff." He also mentioned the possibility of separate organizations for promoting amateur sports events and for promoting our bid so as to prevent any conflict between sponsors.

I then had a nice conversation with Bill Wall. We talked mainly about the memorabilia in his office and the basketball trials. He did indicate that the Secretary General of the International Basketball Federation, Borislav Stankovic, had indicated to him that he thought we might have a fairly good chance for 1996. This seems to be based on a feeling that Athens is beginning to fade somewhat as a contender.

I then met briefly with Jerry Lace (Mike Plant was out of town). Unfortunately, he was on the phone during most of our meeting. He mentioned that a fellow named Louis Puch (?) from Poland might be helpful to us and that he was coming to the U.S. soon. Jerry indicated that he might try to get him to Atlanta if he could. He also mentioned the importance of getting to know a Dr. Kim from Korea who is head of G.A.I.S.F. and a good friend of Eric Dennis.

I also had a brief visit with Jim Fox. He reemphasized the fact that Professor Choudhry could be helpful to us.

I then met with Greg Harney, Director for International Games Preparation. I was also impressed with him and feel that he could be helpful to us. Not only does he have a lot of experience in dealing with international games but he also worked for two years on the Los Angeles Organizing Committee and then was the Director of the Olympic Festival when it was held in Houston in 1985. He also spent some time in the preliminary stages of developing a potential bid by Houston for the 1996 Games. During that time, he prepared a venue seating comparison for all of the Olympic Games since 1972 and compared these to what was available in Houston. He provided me with a copy of this which I have attached and which I thought might be of interest to us. He also emphasized the need for us to have a protocol coordinator. He indicated that we might want to contact Margaret Richmond who is apparently the protocol coordinator in Anchorage and who would be very helpful to us in this regard. He indicated that it is very important that we have our business cards printed in Korean before we go to Korea. In fact, he has business cards in Korean, Japanese, French and Spanish. While the official languages of the Olympic Movement are English and French, I think this reflects the growing influence of the Asian countries as well as Spanish speaking people.

We discussed the importance of conducting international sports events in Atlanta and he indicated that any information concerning the World University Games could be obtained from FISU, the International Federation of University Sports. The President

of this organization is Primo Nebiolo. He also indicated that information concerning the Pan American Games could be obtained from P.A.S.O. Although he acknowledged that the World University Games have historically been more of a European event, he seemed much more enthusiastic about them than the Pan American Games. He indicated that there is a lot of sentiment in the USOC to withdraw from the Pan American Games since we are damned if we do and damned if we don't. If we win too many medals, all of the smaller countries are mad at us. If we don't win enough medals, everybody in the United States is mad at us. Concerning our international bid effort, he feels that the primary sphere of influence in the IOC is among the Europeans and Asians and that our efforts should be concentrated upon them. Apparently, the Anchorage movement has been hampered by the fact that it has not been able to make very good inroads into the European membership. He emphasized the fact that most of the contact needs to be social and that, unlike in America, very little gets done in meetings with these people. He also discussed the importance of giving mementos and gifts. This does not need to be anything elaborate, but we always need to be aware of this and that most people prefer something with their name on it. He indicated that for some members, something as simple as a bottle of Scotch that is not available in their country or some American cigarettes is all that is necessary. Of course, he also indicated that providing other favors of a more personal nature is also sometimes in order.

I then had drinks and dinner with Georgia McDonald, Administrative Assistant to the Secretary General. Alfredo was suppose to join us for dinner but unfortunately could not make it at the last minute so I did not get a chance to pursue talking with him further. Georgia and I discussed mostly USOC politics which is certainly a hot topic at this time.

In summation, I believe Alfredo LaMont, John Krimsky and Greg Harney can be very helpful to us in our effort. I am not sure what Helmick's agenda is as far as establishing ground rules for our effort. While I think it is important that we make effective use of him and Anita deFrantz as members of the IOC and that we try to be more cooperative with the USOC than Anchorage was, I am concerned about how much input they think they need to have in what we are doing. We will just have to play this by ear and see what happens when we meet with Helmick.

C.H.B.jr.

jbh

Atlanta
1996

September 13, 1989

His Excellency
President Juan Antonio Samaranch
International Olympic Committee
Chateau de Vidy
1007 Lausanne
Switzerland

Dear President Samaranch:

Thank you for taking the time from your busy schedule to meet briefly with me in San Juan. Congratulations once again on your re-election for another term as President and all of us in the Olympic Family look forward with great anticipation to your continued leadership.

Thank you as well for your suggestion about Alfredo Lamont. I hope you will be pleased to know that we plan to enlist Alfredo's help for our candidature over the coming year. We have not used him with much frequency to date as we knew he was involved with Bob Helmick's campaign for the Executive Board and we did not want the members he was discussing that issue with to become confused as to his purposes. Now that that matter is successfully concluded, we plan to ask Alfredo to provide significant assistance to our candidature and he has indicated a willingness to do so.

We have now had approximately 38 IOC members to visit Atlanta. Twenty-eight of them came before and after the Session in San Juan after you suggested to us approximately 15 months ago that such a large visit would be a good idea. We hope the visit was a smashing success and I truly believe the members felt the excitement of our entire community for our candidature and generally left with good feelings about the capability of our city and the quality of our people. I know I certainly hope so.

In fact, the entire community and Organizing Committee were so excited about having so many important visitors to our city, that we have decided to organize another major visit the first week in April which we will call Spring Time in Atlanta. We hope this second major event will give as many as 20 additional members the opportunity to inspect and measure our city and its people in absolutely glorious spring time conditions.

Please extend our greetings and best wishes to Mrs. Samaranch and we look forward to seeing you at the Executive Board Meeting in Lausanne, if not sooner.

With kindest personal regards, I am

Sincerely,

Billy

William Porter Payne
President

Atlanta Organizing Committee
Suite 3450, One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone: 404-874-1996
Fax: 404-874-9024

WPP/df

PERSONAL & CONFIDENTIAL

July 2, 1990

Federal Express

Mr. Alfredo La Mont
Director
International Relations and Protocol
United States Olympic Committee
1750 East Boulder Street
Colorado Springs, CO 80909-5760

Dear Alfredo:

Thank you for your willingness to help us at the World Softball Championships and later from August 12 - 20 in Latin America.

As we have discussed many times, we must do well with the South American vote and I think we have a renewed opportunity as a result of some difficulties Toronto has had.

For your information, I have just been advised by Mr. Kumar that Vallarino was treated poorly in Athens recently while attending the Academy and several other of the Latins, Rieckehoff, etc., were upset about that. Mr. Kumar further indicated to me that timing was right for us to solidify our support in Latin America.

Accordingly, in anticipation of the upcoming Softball Championships and visits, please give some serious thought to strategy as it relates to each Member.

Perhaps the foregoing information would be helpful to you:

1) Ramirez Vazquez - We have made significant headway since his brief visit to Atlanta and he appears very impressed with our continual stream of communication. While we expect him to support Athens initially, I honestly think we have an opportunity to gain his support in later rounds.

2) Dr. Hay - A truly wonderful man and we were well positioned with him after his visit to Atlanta. However, I personally have dropped the ball some since then and we need to make a comeback.

3) de Leon - I have visited him in Panama recently and have tried, so far unsuccessfully, to get him to Atlanta. He really likes Andy Young and I even had Andy renew the invitation to him directly recently. We certainly need additional help with him.

Atlanta Organizing Committee
Suite 4450, One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone [illegible]
FAX [illegible]

PERSONAL & CONFIDENTIAL

He for one does not blame the U.S. for the recent invasion and said it was something that had to be done to rid them of corruption.

4) Kaltschmitt - Willi has been a friend of ours for a long time but recently has been very impressed with Melbourne. When Linda and Bobby go back to see him in August we really need to bring him back to the fold. We have a great and sincere relationship with his wife, Carol, and Bobby has a great friendship with Carlos Luna.

5) Dibos - As we previously discussed, my previous visit to Lima advanced our cause considerably with Dibos. We became good friends with his good friend Mayor Ricardo Belmont and even hosted him when he and his wife came to Atlanta. I have written Ivan recently requesting a dinner on the night of the 14th for you, Ginger and me. I hope to have this at the U. S. Embassy, hosted by the Ambassador and with the Mayor and his wife present as well. I know you have been extraordinarily helpful to the Peruvian NOC and perhaps that can help us some with Ivan. You need some good ideas here.

6) Fidel Mendoza - When Fidel originally visited, I honestly think we did a good job and had him leaning towards us. However, we understand he became very upset over the Panama situation and the Pan American Games situation. Frankly, we have done a poor job following up with him and it is absolutely critical that you and Bobby do good with him while at the Softball Championships. As you know, we have requested a dinner with him in Bogota on the night of August 17 for you, Bobby and me.

7) Flor Isava - Flor continues to be most impressed by the city she last visits. She takes great joy in telling us how wonderful the competition is. However, it is very true that we have a special and sincere relationship with her and she is particularly fond of Horace. We will be visiting her in Caracas for a very special (we hope Ambassador function) the night of August 15th. The next day she would return to Atlanta with Horace and Ginger and will go to Savanna to spend a few days inspecting our yachting venue, etc.

8) Agustin Arroyo - Notwithstanding what you have speculated about Arroyo, his very special relationship with Ginger in my opinion assures us that he will support our candidacy.

PERSONAL & CONFIDENTIAL

9) Havelange - Havelange has previously indicated his support for Toronto. He has even tried to persuade certain other "football IOC Members" to go along with him. Apparently, he thinks the Olympic Games in the United States in 1996 would detract from the attention and coverage of the World Cup '94. We are trying to convince him that the Olympic Games here would only serve to confirm that the '94 World Cup really puts soccer on the map in the States. We have a very definitive plan to try to win him over and I will discuss it with you privately.

10) Padilha - Horace is planning to visit with Padilha in August and we truthfully have had very, very little contact with him.

11) Vallarino - Pepe seems unpredictable to us and who knows. He is planning a return visit to Atlanta before Tokyo.

12) Rieckehoff - Rieckehoff tells us he wants to support us and I simply don't have a good handle on it. Horace and Charlie will see him at the Goodwill Games and we will visit him again in Puerto Rico before the vote.

13) Guerra - I sincerely believe Manuel wants to support us notwithstanding the Pan American Games problems. In fact, he even wrote me a letter to that effect. Truthfully, however, I really don't know where we stand with him but Horace and Charlie will see him at the Goodwill Games. It does not now look like we will be able to stop by to see him after Columbia because of transportation difficulties.

Alfredo, I know this is a lot to digest but I am obviously bringing you into our total confidence and would respectfully request that you share this information with no one. I will be out of town until July 21 and please call me the very next day upon my return in order to give me the benefit of strategy you have developed in the interim.

With best regards, I am

Sincerely,

William Porter Payne
President

MEMORANDUM

TO: File

FROM: Horace H. Sibley

DATE: April 4, 1989

RE: Anton Geesink

Anton Geesink was accompanied by a representative from Philips, who was their expert on Olympics lighting. It would appear that Geesink can be influenced by Philips and that Philips will have to be accomodated in some way with respect to lighting for the Olympics.

HHS/ks

WILLI LUJAN KALTSCHMITT

Spouse: Carol

Hostess: Ginny Ford

Driver: Tito Sanjunjo

Personal:

*Wife is important
*2nd marriage - 1 daughter and 2 daughters by previous marriage
*1 daughter attended Bauder College in Atlanta
*Filmed entire trip with video camera
*Video camera
*He is in charge of the "Games" in Guatemala and needs a gymnastic coach-discussed with Harvey Schiller

Comments about Atlanta or Bid:

*Concerned about Pan Am Games and Cuba situation
*Most impressed with road race
*Very surprised by Atlanta, as he expected it to be much less cosmopolitan
*Very positive impression

Follow-up:

*Tennis raquet - his was lost on return from San Juan
*Loves chocolate
*Harvey Schiller follow-up on discussion about gymnastic coach
*Likes gadgets - cordless telephone
*Wants hard suit cases
*Dockers (shorts), send AOC sweatshirt
*Likes to fish
*Information on Stone Mountain

Carol:

*Loved to shop at Lord & Taylor's
*Bought clothes for family at Marshall's
*She and Willi are very close and we should maintain regular contacts with her as well
*Loved Atlanta

Follow-up:

*4 year old daughter - send gift
*Favorite colors - strong yellow, black, magneta - wears mostly dresses
*Wore hare pulled back often - suggestion accessories for hair/earrings

FIDEL MENDOZA CARRASQUILLA

Spouse: Olga

Daughter: Viviania (spelled Vivian)

Hostess: Gina Materiale
352-9920 (home
873-4482 (work)

Personal:

*Understands 70-80% English, but does not speak much English - doesn't want to be embarassed
*Has 5 children - 2 in Columbia, 2 in Miami, 1 in Germany
*Lives on a ranch outside of Bogota
*Retired doctor of internal medicine
*Braves - all baseball
*Strong willed and liked having Gina sitting with them at all events
*Liked having hostess at dinner
*Frustrated with the full schedule in Atlanta
*Likes what US is trying to impose as War on Drugs

Comments about Atlanta or Bid:

By the Hostess:
*"Atlanta has my vote - you could do it here in 1992 instead of Barcelona"
*Likes proximity to South America
*Liked attitude of people - especially volunteers and participants
*Very sincere about Atlanta

Follow-up:

*Liked the notepaper we gave him
*Anything having to do with baseball - Baseball book
*Likes cotton shirts and lightweight jackets
*Jim Gray follow up
*Wanted to go to the Zoo and should be on schedule for next visit

Olga:

*Speaks very little English
*Told Nancy Newton that Atlanta was very sensitive to all the details and other IOC members had noticed how well we handled the details - very important
*Loved Stone Mountain
*Liked Art Museum
*Loves flowers

✓ Gondeno of GA. book - 10/30/89

Page Two
Fidel Mendoza Carrasquilla

Follow-up:

garden book
*Flower seeds
[redacted]
*Art work - should visit Calloway next trip

Vivian:

*Owns children's clothing store in Miami
*Sister in Miami is fashion designer
*Talked with Mayor Young about contact to sell designs by her & sister
*Liked "Miss Kitty's" in Underground
- sweatshirt - 10/30

Follow-up:

*Mayor on contact to sell designs
*Charlie Schaffer son
*Gina is contacting when she goes to Miami in November

CONFIDENTIAL

3/1/90

NOTES ON IOC MEMBERS FROM A.V.

BASHIR M. ATTARABULSI - will accept gifts. Also for son. Educated in Africa rather than Europe or Soviet Union, therefore has African mentality.

COMTE JEAN DE BEAUMONT - Will probably not vote. Is a banker and we should stress the financial advantage of an Atlanta games to him. Likes pretty women. A gift for him should be personal in nature rather than necessarily expensive. Likes to be called Jean. Likes to talk about Nigeria and going on safari.

MOHAMMED BENJELLOUN - Mr. Benjelloun's son is in the hotel business. Training at the Atlanta Marriott or with the Marriott Corporation would be a good avenue to pursue. The son is perhaps 22 or 23 years old. Mr. Benjelloun also will accept gifts.

ROY ANTHONY BRIDGE - It might be useful to ask Mr. Bridge for advice on how to handle the publishing of books and brochures for an Atlanta Games to ask if he could help us with that. Mr. Bridge is pretty Americanized according to A. V.

MATTS CARLGREN - According to A.V. he is not an optimistic man. Could be a health problem, could be a family problem, A.V. says he seldom laughs. Generally follows Ericsson. (Horace, my notes say gift - careful. I'm not sure what that means. Do you remember?)

GUNNAR ERICSSON - Mr. Ericsson is a football lover. He leads Scandinavia. The Ericsson Electronics Firm was part of his family according to A.V. (I question that, DG). While Ericsson leads Scandinavia, Peter Tallberg is trying to overcome him in influence.

SINDECO FRANCO CARRARO - Forget about Carraro visiting Atlanta. He seldom visits. He is a socialist. (Perhaps AY could influence). He pays the third highest taxes in Milan. It's an unusual event for a prominent citizen of Milan to become mayor of Rome. Money is in textiles. His mother is a young woman, perhaps 16 or 17 years older than Mr. Carraro. Very interested in water skiing. Dick Pope at Cypress Gardens is a friend of his. He has been to Cypress Gardens. Bought an Agnelli palace in Rome. He was president of the Milan football club. We should use the same argument with him as with Ericsson and Havelange. (That is that the World Cup in America 1994 followed by an American/Atlanta Olympics in 1996 would assure the explosive growth of soccer in the United States.) Perhaps we could send a tape of the Callaway Waterskiing event. He has a son that is 11 or 12 years old that skis and plays soccer. Perhaps we should invite the son to Callaway and/or Orlando.

IVAN DIBOS - Does accept gifts. His wife is influential with him. Gift for his wife may be useful. An invitation to the Dibos and his children to Walt Disney World and Orlando should be in order. We can send gifts of Walt Disney merchandise to the children.

FRANCISCO ELIZALDE - Football. Good friend of Havelange. Has a nice wife who is a serious woman, engages in thoughtful conversation, rather than small talk.

CARLOS FERRER - Golf, golf, golf. We should invite back for April. He is a banker. Owner of big pharmaceutical firm. Loves classical music. Has a distinguished art collection including a Greco, a Renoir, a Utrillo, and a Dali. Not particularly sports minded but put on IOC because JAS wanted a Spaniard. Is somewhat enamored of Athens as he studies the Olympic movement and we should pitch that an Atlanta Games would be for the future of the Games rather than the past. AV advises that we work hard on Ferrer.

NIKOS FILARETOS - He is a banker (which means he works in a bank not that he owns one). The fact that Nikolau got the Presidency of the Greek NOC is a cause of jealousy between Filaretos and Nikolau. A.V. thinks it's possible for Atlanta to make the case of a new tradition beginning in Atlanta and to get Greece's vote if Athens out on a round before the voting is over.

RÉNE ESSOMBA - He is an adversary of Jean Claude Ganga. He is a pharmacist and appropriate gifts might be antique apothecary jars.

RAYMOND GAFNER - Fan of ice hockey. Perhaps we could get a stick signed by Wayne Gretsky. A.V. suggested a hockey puck which we would say is from some famous game (whether that is true or not).

JEAN CLAUDE GANGA - A gift to the wife might be useful. Should be a very feminine gift. (I have to add here that in the telephone conversation with Ganga's wife only today she stated that he was out of the country and she didn't know where he was and reportedly sounded like she didn't care.) An invitation to the Ganga girls who are in Toronto to visit Orlando and Disney World in the spring might be well advised.

LOUIS GUIRANDOU-N'DIAYE - Gifts are OK. Gift of female OK.

DATUK SERI HAMZAH BIN HAJI ABU SAMAH - Field hockey.

JOÃO HAVELANGE - Very pragmatic man. Needs a detail report on status of football in U.S. Should include what will happen to football in US after 1994 World Cup. Then what will happen to football in U.S. after 1996 Olympics. We should suggest the sponsorship potential of football in the U.S. And he is very interested in the development of indoor soccer in the world perhaps particularly in the U.S. A.V. says it is an obsession with him.

CHIHARU IGAYA - Akiko

DR. UN YOUNG KIM - of North Korea a sphinx. A.V. says he may not even speak Korean.

MARC HODLER - Lawyer and a banker. Interested in financial aspects.

VIRGILIO DE LEON - Sells meat/beef. Has very fixed ideas. Knows the IOC well because of his tenure. Is somewhat bitter because of not being re-elected to the executive committee.

ANANI MATTHIA - has a heart problem? Should we invite to see a specialist in Atlanta?

WLODZIMIERZ RECZEK - A boxer. Against the Jaruselski Government in Poland. We should use French with him. Should we use Evander Holyfield with him? Should we invite him to Evander's heavyweight title fight? Will accept gifts.

GÜNTHER HEINZE - Was aligned with the Communist government in East Germany but seems to have survived the turnover.

JAN STAUBO - His economic circumstances are in a decline. However, he has a house in Ibiza. He has had three divorces. Is interested in boat building, that is, commercial boat building. Has a hip problem.

RAJA BHALENDRA SINGH - Lives in a palace. Did accept two ladies from Barcelona.

ASHWINI KUMAR - Sport is field hockey. Solicit his advice regarding security.

FILE NOTES FROM DR. ARROYA

•More Communication with Press
Most press think of Atlanta as the third choice

•Press should be focused on how great Atlanta is doing as far as public support and facilities - not focused on how well we are doing in vote count.

•Canadian IOC Resignation - IOC says that Samaranch is now undecided about who should delegate from Canada.

•Un Yong Kim - is Asia they feel that it is time to have an Asian as President of the IOC.

•Dr. Kim's opinion of Atlanta - does say we have good possibilities. Dr. Arroya feels like he can speak to him. Make him feel he is totally the center of attention.

•Igaya - Aiko has never said anything against us. He says there have been too many games in this part of the world.

•Japan - Tsuomi (owner of Prince Hotel) - new IOC member. Samaranch may be leaning toward second businessman who is tied to Nagano. Igaya may not want Nagano to win because of power it will give to this businessmen.

•Attarbulsi - Real war hero. Very well respected - not much influence in IOC.

•WPP quote Smirnov as saying "don't count Athens out" - yet IOC members verbally are not supporting Athens.

•Arroya says that really Athens does not convince anybody.

•Melbourne is doing something smart - "Air cost is relative - will be the same as if games are in Manchester.

•Nagano is organizing a meeting before Tokyo so it will take members from Melbourne. They will pay tickets for member and spouse.

•St. Lawrence Muir is the person who has been contacting Dr. Arroya.

•Ulan Bator means "brave soldier".

•Atlanta and Toronto are constant in mailings. This is great. Melbourne and Athens mail occasionally.

•Need Ambassador in Eastern Bloc countries. They would be very effective.

•World Congress Center is very impressive. Make a point about division and everything within walking distance.

•Melbourne has an organized group opposing the games - sent WPP a book on the game.

FINAL PRESENTATION

•Don't let anyone speak too long. Four presenters so far.

•Film - not more than 10 minutes.
2 minutes of Pres. Bush - he says important several people commented that government was not present at functions.

•Quayle - 1 minute, last minute of presentation "We want to open our selves to the world"

•King Constantin not allowed in Greece because he will not sign agreement recognizing the republic. Arroya said Constantin would be allowed to come in during games as an IOC member.

ANTHONIUS JOHANNES GEESINK

Spouse: Johanna

Hostess: Tina Maddox
355-2717

Driver: Susan Moss
264-6353

Personal:

*Wife is important
*Daughter is flight attendant for KLM and flies into Atlanta frequently
*Dislikes art museums
*Uncomfortable at receptions or cocktail parties - does not like to stand any length of time
*Loves American hotdogs and hamburgers - visited the Varsity during Atlanta trip
*Loved car phone
*Likes golf, cycling and swimming

Comments about Atlanta or Bid:

By Hostess:
*Very interested in facilities and wanted wife to see
*Wanted to see Atlantan in everyday environment
*Discussed bid with Billy Payne on riverboat
*Very impressed with Atlanta

Follow-up:

*Updated venue information
*Amateur sports information
*Big man clothes and shoes if we have sizes again (Big Man Shop at Lenox) ask Tina Maddox - catalogue

Johanna follow-up:

*Book on southern homes or subscription to Southern Living or Southern Accents
*Loves porcelain - particularly at Governor's Mansion

ATLANTA '96
IOC FILE

NAME: Benjelloun

COUNTRY: Morocco

TITLE:	N/A
ADDRESS AS:	Mr.
BIOGRAPHICAL:	Ex politican, strong believer in sport in his country.
CHARACTERISTICS: (W)	Wife very important, she speaks in Arabic, he only French or Arabic. Will visit but have two good translators. A one vote member with little or no influence in IOC. Very orientated to French and Europe, even over Arab concerns. Anti communist.
'96 VOTE:	Present - Non committed Leaning - Athens
STRATEGY:	* Mayor Young * Government * Trading of sporting events
ANCHORAGE '94:	Committed to vote Anchorage Voted Lillehammer after possible 2 rounds for Anchorage

M E M O R A N D U M

February 8, 1990

TO: Ginger Watkins
Linda Stephenson

FROM: Billy Payne

SUBJECT: Visit of Mrs. Samaranch

I think we need to include Ann Cox Chambers as a part of Mrs. Samaranch's itinerary and please talk with me regarding how to include her. Mr. and Mrs. Acosta emphasized that she loves the high society and artsy stuff and despises any of the venue plans. We ought to go over her entire program and find out if she will at least attend the race.

M E M O R A N D U M

August 9, 1990

TO: File

FROM: Billy Payne

SUBJECT: Taiwan/Seoul Trip

MORE TO FOLLOW, but for now

1. Kim emphasized how important it is to have a high government official in Tokyo to offset other countries that he mentioned, specifically our Senators.

2. Don't forget to privately advise the IOC Members that we will match or better Australia's offer to fly one IOC Guest to Atlanta for Olympics.

3. **Very Important** - Revise spouse programme to include additional hotel rooms for family members of IOC (add transportation supplement here).

4. Get Elliott Galloway and Galloway Schools folks to follow-up with C. K. immediately.

5. Kim said to work real hard on Staubo and Holst-Sorensen, his friends, and he thinks we have a chance with them. Ask him to talk with them in Tokyo.

6. Handle Dr. Kim's stuff for his daughter immediately. Get Nancy Newton on it and Sam Nunn's office on it.

7. Call Horace immediately regarding getting President Bush letter and Nunn, Fowler, or a Federal official to Seoul (Dr. Kim advice).

ATLANTA '96
IOC FILE

NAME: Wallwork

COUNTRY: Western Samoa

TITLE: Seiuli (Chief)

ADDRESS AS: Paul

BIOGRAPHICAL: 47 years old, married three children who attend school in N.Z. Very family orientated. Good sense of humor. Serious about his role in IOC. Weightlifting and rugby were his sports. Teacher.

CHARACTERISTICS: (W) Wife is extremely important. Likes English speaking cities. W. Samoa needs help in purchasing sports equipment and development of venues. Open fun and willing to listen. Listens to Coles and Gosper.

'96 VOTE: Present - Melbourne
Leaning - Melbourne/Toronto/Atlanta

STRATEGY: Visits - important
* Greg Louganis - raise $ to build pool
* Sports opportunities/exchanges.

ANCHORAGE '94: Anchorage then Lillehammer

RTA's OBVERSATIONS: A real shot at getting his vote after Melbourne. Work him hard. Use sportsmen to be contact.

ATLANTA '96

IOC FILE

NAME: **BEAUMONT**

COUNTRY: **FRANCE**

TITLE: **COUNT**

ADDRESS AS: **COUNT de BEAUMONT**

BIOGRAPHICAL: Ran for president of IOC against Killanin and was defeated when Eastern Bloc voted against him. Strong influence in financial area, financial "angel" for Samaranch in Spain business development.

CHARACTERISTICS: Losing influence within IOC due to age. Has
(S) attempted to retire but Samaranch will not allow him to appoint his own successor (Samaranch wants Killy). Traditionalist, very European, loves royalty and relates to all royal families in Europe. Easy to approach and will always meet with you, but not give you a lot of time. Does not like American glitz.

'96 VOTE: Present - Non committed
Leaning - Athens

STRATEGY: * Constant contact
* Government/business approach

ANCHORAGE '94: Not present for vote; wo
hammer or Sweden

R.T.A.'s OBSERVATION: Tough nut to crac
Being a traditionalist prob
Doubt if he will be around

ATLANTA '96
IOC FILE

NAME: Sibandze

COUNTRY: Swaziland

TITLE: N/A

ADDRESS AS: David

BIOGRAPHICAL: Nothing to add

CHARACTERISTICS: (W) Greedy and self serving. Will sell his vote and will do so openly. Will ask for favors and trips and will try to have Atlanta set him up in business.

'96 VOTE: Present - Non committed
Leaning - To highest bidder

STRATEGY: * Andy Young

ANCHORAGE '94: Lillehammer

RTA's OBVERSATIONS: Do not waste your time on him. To cave in to his wishes will get Atlanta in to trouble. Let Andy Young work on him.

ATLANTA '96
IOC FILE

NAME: Siperco

COUNTRY: Romania

TITLE: N/A

ADDRESS AS: Mr. or Alexandru

BIOGRAPHICAL: Nothing to add

CHARACTERISTICS: (M) Very sensible individual. Supports Bloc but not dogmatically for East. Has been very influential in the IOC and acts as a strong mediating force between West and East. Strong supporter of Samaranch. Wife is important.

'96 VOTE: Present - Non committed
Leaning - Belgrade on 1st round

STRATEGY: * Gov't to Gov't

ANCHORAGE '94: Sofia then Lillehammer

RTA's OBVERSATIONS: Key player in working with Bloc vote.

MEMORANDUM

TO: FILE

FROM: BILLY PAYNE

RE: ATLANTA ORGANIZING COMMITTEE/SEOUL DINNER PARTIES

****

The following people and/or contacts will be utilized to set up dinner parties while in Seoul.

1. Sead Dizdarevic - Sead has indicated he will take two nights and invite IOC members and will notify us of those nights and those persons soon.

2. Bob Helmick - Bob has generally said he would help host some of the parties and I will write him a letter next week to request specific dates. I am not sure we can count on Bob to be very helpful.

3. Mark Hodler and Mme. Flor Isava-Fonseca - WPP has already written both of them and requested a response asking if they could join us and bring other IOC member friends.

4. Pal Schmitt - Charlie has written Pal and has requested his presence and hopes to hear from him.

5. Dick Pound - We will meet Dick Pound next week and request his assistance.

6. Walter Troger - Charlie will communicate with Walter to ask his help.

7. Mme. Zweifel - She has indicated she would help and we will work on her before and during Seoul.

8. Vasquez Rana - We will meet with him during the summer before Seoul and will ask his help.

9. Mayor Young - The Mayor will write those IOC members he has already met (Japan and Sweden) and will specifically write S.E. M. Mbaye to ask his help.

10. Dick Angel - Depending on what happens to Anchorage early in September with their bid, we will ask Dick Angel to assist us in bringing some of his friends as well.

It seems to me that we could have all kinds of difficulty if people respond for the same date and if we go to Seoul without many dates being specified. Please review the enclosed list and add to it so that we can all be working off the same list and go as far as possible in setting up specific times, dates and people.

Augustine
11. Aranoyo
12. Unclear
13. Antonio Samaranch
14. Coles
15. Slavkov
16. Korean Delegation

ATLANTA ORGANIZING COMMITTEE
400 PERIMETER CENTER TERRACE, N.E.
SUITE 980
ATLANTA, GEORGIA 30346
(404) 394-7016

October 21, 1988

Candidate City for
the 1996 Olympic Games

FAX Number
(404) 698-9410

Charles H. Battle, Jr., Esq.
KING & SPALDING
2500 Trust Company Tower
Atlanta, Georgia 30303

Dear Charlie:

Bob Helmick called me in response to your letter and offered to help. He immediately called Lou Nigli who advised Bob that the luncheons being held by Toronto and Athens had raised some eyebrows at the IOC but they decided to let them to do because it was too late to stop them and also disruptive. Lou then suggested to Bob that we could host the final buffet luncheon after the close of the Session if we wanted to. He also indicated he may get us a hospitality suite at the Beau Rivage. Perhaps we want to do both.

If we do the luncheon, Bob said he would attend and co-host with you and he would give us the names early next week of all the other Americans who will be there so we can insure that they are there introducing us as well.

Mr. Nigli is awaiting your call on Monday for a decision. His number is 011: 33: 93: 507413. When I called him to tell him I thought we would take the luncheon pending your approval, he said simply to be advised that the IOC originally had some trouble with it but ultimately caved in.

I think the hospitality suite at the Beau Rivage and the luncheon at the Convention Center would be the best way to go and you could get some of the American people to bring by other people to meet you in the suite.

Looking forward to discussing this.

Sincerely,

ATLANTA ORGANIZING COMMITTEE

Billy

WILLIAM PORTER PAYNE
Chairman

WPP/sbc

Disregard the Spelling!

Note to Bobby

Sunday, January 21st, Los Angeles, California, Charlie Battle had dinner with Anita DeFrantz and her brother James at a Chinese restaurant. Anita is one of the two IOC members from the United States.

Anita was very supportive of the Atlanta bid, she said she was trying to let other IOC members know how supportive and she wanted to know what she could do for us.

Charlie and I invited her to Atlanta, of course and encouraged her to come in April and encouraged her to go on the trip to Africa with Andy Young.

Anita requested that she get a list of the IOC members who had been to Atlanta and when they came and the IOC members that are planning to come to Atlanta. She wants to be able to reinforce their visit.

She made several suggestions regarding lobbying the IOC members which I thought were very helpful. - We are probably doing all of this.

1. She suggested that we not forget the staff of the International Olympic Committee in Lazone, Switzerland. These people can be very helpful and need to be catered to.

2. Anita said don't forget the spouses of the IOC members. Many of them are very important in terms of influence.

3. Anita was adamant that we ask the members for their vote. Let them know we want them to vote for us and ask them for the vote. In other words close the sale. She said this needs to be done prior to Tokyo in September.

4. Anita also said that if you get a commitmont from an IOC member to vote for you be sure that the vote is not only on the first ballot but throughout the voting, or if there is a member that you know can't vote for you on the first ballot because of a previous commitment get them to commit to you on the second or third ballot.

5. She also suggested that IOC members be taught how to spell Atlanta and that this be made into a fun exercise.

In summary Anita was very supportive of Atlanta, very friendly and openly wants to help for our bid. One of the main things that we discussed that some how she be kept in touch with our bid process so that she knows what's going on in Atlanta on an ongoing basis like a weekly communication. I was very impressed with her enthusiastic support and I think this can be very important have the U.S. member that supportive.

February 13, 1990

Ms. Anita DeFrantz
International Olympic Committee
2141 West Adams Boulevard
Los Angeles, CA 90018
U.S.A

Dear Anita:

It was great seeing you in Phoenix and you certainly looked terrific. I have advised Horace to get in touch with the lady from the State Department to begin preparation of a serious response to the Unhindered Entry Question which Francois Carrard is now requesting. Hopefully we will be able to work that out in light of the conversations you had with Francois in Phoenix.

We were really appreciative of your agreement to visit Atlanta during April, as I am positive your presence will send a strong message of your support to your many colleagues who will also be attending. We continue to be very proud of the tremendous amount of friendship and respect they have for you and your meaningful assistance to our effort will certainly pay great dividends for us.

As we approach the closing months of this campaign, I know we must do a better job of incorporating your support into our effort in an organized way. I thought that the way to begin that process would be to write you this letter and to simply list thoughts, ideas and strategies we are implementing over the next several months. Perhaps by receiving your input on these issues they can be made better, be added to, or, in certain cases, eliminated all together.

Atlanta Organizing Committee
Suite 3450, One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone–404-874-1996
Fax–404-874-9024

These matters are as follows:

(1) *Visits To Atlanta*

In addition to the upcoming April visits to Atlanta, we expect to have an additional 12-15 members visit Atlanta in the final summer months. In total, this result will mean that approximately 72-75 members will have visited Atlanta--that is the good news. The bad news is that the great majority of them will have visited one year or more before the vote and therefore we could predict that the other cities will have more visitors in the final months and days before Tokyo.

We think we do a good job on these visits to Atlanta and believe the significant number we have already had (48) is a reason our candidacy took on a very serious and creditable stature some time early this fall. In this connection, would you recommend that we slow down our invitations to Atlanta by the members who have not visited and try to group them at the end on the way to Tokyo? Any other ideas you have about this Atlanta visitation matter would be greatly appreciated.

(2) *Visits by Atlanta to IOC Members*

As you know, Atlanta's primary Ambassadors on the road are myself, Charlie Battle, Andy Young, Horace Sibley, Ginger Watkins, Linda Stephenson and now Bobby Rearden. Our strategy has been and remains that these relatively few individuals attend all of the organized meetings and also visit the home countries of as many members as possible. In this latter connection, Charlie and I have assumed the greatest responsibility for these one-on-one visits and predict that before September we will have visited virtually all of the IOC Members at least once in their home countries. My best guess would be that we will have visited approximately 40 members of the Committee at least twice in their home countries during this period of time. The visits by Charlie and I are, of course, supplemented by the other people, including, specifically, the 4-6 member visit Andy intends to make in Africa during March. Other than this final one-on-one visit by Andy, I imagine his time will be restricted to attending the big meetings in Belgrade and Barcelona. We need your opinion on our strategy and your

ideas about how we can better maximize Andy's obvious talents and reputation in this process. Of course, his time is limited by the rigors of the gubernatorial campaign. Nevertheless, his heart remains in the Olympic Movement and I am certain he will do that which is absolutely required or suggested by you.

(3) Andy Young's Gubernatorial Campaign

As I am certain you know, Andy is a co-favorite to win the Democratic Nomination for Governor of the State of Georgia. To date, all candidates for that position have been very supportive of the Olympic Movement and, consequently, the AOC is taking no role whatsoever in the campaign, choosing rather to ensure that all candidates and therefore all possible victors are supportive of our Olympic Bid. Unfortunately, the Democratic Primary and the likely run-off will take place prior to the vote in Tokyo. It is therefore possible because the race is so close that Andy will be a just defeated candidate and will arrive in Tokyo as the loser of the Democratic primary. I have personally worried that this might tarnish his reputation in the eyes of your colleagues and they might read this as a negative influence on our bid, as it may be interpreted as a rejection of him personally. If you agree, it seems to me that we need to develop a strategy which makes Andy the champion of our Olympic Movement without regard to how the election turns out. In this connection, it seems to me that he should set the stage with your colleagues that it is a very close election and that all candidates are supportive of the Olympic Movement and that whoever wins it will be of benefit to our candidacy. Perhaps he can do this by emphasizing that his commitment to the Olympic Movement is equal to or greater than his commitment to being Governor of Georgia and that his involvement and stature within our bid will stay intact, etc. I am struggling here a little bit but don't you think we need a strategy which would keep his possible defeat from being a negative for our bid? Your thoughts would be greatly appreciated on this issue.

(4) Periodic Communications to IOC

I enclose herewith a schedule of the periodic communication with your colleagues that we have implemented for the final seven months of the campaign. It is very extensive and hopefully contains the right combination of communicating serious materials and personal thoughts and ideas to your colleagues. Do you agree? Please review the list with scrutiny and let us know if you think any of the materials are unwarranted or others are needed.

(5) *Possible Use of Your Time*

We are very much aware and appreciative of your extremely busy schedule as you combine the responsibilities of your Foundation and IOC duties. However, we also know that our candidacy is immeasurably benefited anytime it is graced by your association. Accordingly, we would like to respectfully request a commitment by you to travel with us on certain occasions as we seek to present our candidacy to your colleagues over the coming months. Inasmuch as Charlie and I are almost constantly on the road, any of the times you would be available to travel would probably coincide with visits we have planned to your colleagues and you would be most welcome to go with us. I realize this is a request of immense proportion and significance for you but we truly need your help and anything you can do will be greatly appreciated.

At this moment, we have a major presence planned for both Belgrade in April and Barcelona in June and would like you on our team for those occasions. If you could possibly give us notice of other times you would have available over the summer months, we would be delighted to respond with a program designed to maximize your assistance to our effort.

(6) *General Observations*

Of all the communications we have had with the members, nothing has touched them so significantly as the postcards we sent from the school children of Atlanta describing what the Olympics would mean to them in their hometown. In fact, we have received specific responses from approximately 20 of your colleagues expressing their delight of the involvement of the children of our community. As that particular idea really inspired these kids, we intend to develop a plan to continually encourage them to express their feelings and excitement about the Olympic Games to your colleagues. Any thoughts or ideas in this respect would also be greatly appreciated.

(7) *Our Current Assessment*

For your confidential use, I also attach a list of your colleagues and our current thoughts about how they are leaning. I am sure it discloses our naivete about this process, but we thought it extremely important that you be aware of our analysis in order that you can better help us.

Anita, I know the foregoing is a lot to digest, but I really wanted to attempt to bring you up to date on our effort. We are proud of the progress we have made, we believe we can win and we know we need your help.

Looking forward to your response and with kindest personal regards, I am

Sincerely,

Bill

William Porter Payne
President

Enclosures

PERSONAL AND CONFIDENTIAL

April 18, 1990

Ms. Anita DeFrantz
International Olympic Committee
2141 West Adams Boulevard
Los Angeles, CA 90018

Dear Anita:

Dick Pound has been in town recently and says that President Samaranch is now making an all out effort in support of Athens. He says President Samaranch has been asked by the King of Spain (brother-in-law of King Constantine) to work for Athens in the hopes that their victory would somehow permit King Constantine to come back into Greece on some official basis.

Dick is of the opinion that President Samaranch is so totally immersed in his friendship with the King of Spain that he will do anything he asks him to do.

Dick recommends that everybody else should take up the banner, "Anybody but Athens". I personally am mulling this new information over in my mind and trying to formulate a strategy. I would appreciate your help and assistance in deciding what, if anything, we should do.

Looking forward to your comments and with kindest personal regards, I am

Sincerely,

William Porter Payne
President

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Mr. UPTON. I will now start my time. I've learned to use this clock a little bit. I am going to try to ask all my questions shortly and let each of you respond to the questions.

First of all, I very much appreciate Judge Bell's report. We thoroughly went through this report, found that it is chock full of lots of different things and did a very good job. I appreciate that and also certainly the willingness of both Mr. Payne and Mr. Young to agree that this was the proper thing.

In that report it makes the point, Mr. Helmick, that you just mentioned here, and I quote, more significantly within the IOC culture, the rules were widely disregarded. There was a competition governed by the IOC. The IOC had the responsible—had the responsibility to both write and enforce the rules. No city or IOC member was disqualified or sanctioned for exceeding the written gift or travel rules.

What I'd like to hear from you, and based on some of the other testimony, too, particularly as you relate back to other cities—Mr. Young, in particular, you referenced going to Seoul and how other cities were giving lavish gifts as well. I'd like to know if you can remember specifics that other cities may have presented or offered to any of you. I would like to know what your sense is of the reforms that are before the reform committee, whether they will, in fact, address the situation as detailed in both the Bell report as well as the Mitchell-Duberstein report, and particularly for you, Mr. Hybl, as you are a member of that reform committee and will be voting on it later this month in preparation for the recommendations of the full IOC, what your sense is of where the votes are. Will that reform package be passed both by the subcommittee—by the committee, and if so, what standing will that have before the full IOC when they vote in December.

As you know, Mr. Samaranch sent his top deputy here, Mr. François Carrard, who is here and will testify on the later panel. It was Mr. Samaranch's view that he wanted to spend his time making sure that the votes were there. He wants to cooperate with this committee and will appear once that vote is taken, hopefully an affirmative vote. And will that correct the abuses that were detailed both in the Mitchell-Duberstein report as well as in the Bell report, too?

Mr. Payne, would you like to start?

Mr. PAYNE. Yes, sir. Thank you. With respect to the first portion, Mr. Chairman, about what we know specifically about the history of generous gift-giving, lavish entertaining as it existed within the Olympic movement, I think Mr. Helmick characterized at least the beginning of our knowledge shortly following the success of the Los Angeles Games, the Olympic Games, for the first time, and perhaps a decade and a half once again became an asset of great value to many countries and cities around the world. And bidding accelerated to the point where the bidding for the 1992 games, which were ultimately awarded to Barcelona, came down to a competition principally between Paris and Barcelona, and I believe at that time there were no rules which governed this.

The consequence of the nonexistence of any rules apparently—and I say apparently because I was not involved in the Olympic movement—gave rise to a very straightforward competition among

those two cities, lavish gifts, incredibly expensive receptions, of the things that Mr. Helmick has referred to, and I'm sure perhaps he can answer better as he was on the IOC at that time.

During the time of our competition, which followed that, we did not pay close attention ourselves to what our competition was doing, but we, of course, and as you have seen detailed in many of the documents, were told by many people that in the process and in being entertained by other cities who were candidates, they had received rather excessive gifts.

Mr. UPTON. Will you detail any of those gifts?

Mr. PAYNE. I can only detail, sir, that which is part of the record that we have submitted to you, which once again is what was told to us by third parties. I cannot—in the same spirit, I guess, sir, of redacting names, do you want me——

Mr. UPTON. I don't need to know necessarily the countries or the cities, but I'd like to know of some of the values of the gifts. As we look through this report, Judge Bell prepared for us, it is just full of things, whether it be golf clubs, trips, it is detailed, but if you were aware of competitions with, say, Athens or somebody else that provided a similar type thing. Where were you in the ballgame? I've heard that Atlanta spent lots of money on some of these gifts, but some of these other cities that failed spent considerably more.

Mr. YOUNG. Mr. Chairman, we spent $6.5 million putting our bid together. Toronto spent close to $20 million; Melbourne, $25 million; Athens, reportedly $35 million.

Mr. UPTON. I've heard those same numbers.

Mr. YOUNG. So we didn't—we knew we couldn't be in this game——

Mr. UPTON. But what were they doing that was more than you? That's sort of my question.

Mr. YOUNG. I'm not sure, but the thing I'd like to point out is that we looked at it, and I'm trying to separate the corruption of people maybe, and I'm trying to defend the process, because, see, Congressman Waxman or somebody said that nobody can outspend Paris, but Barcelona won, even though Paris was doing the spending and had much more to offer. Seoul beat Nagoya and the rich—there was a pattern of the rich cities lavishing the gifts, but losing.

Mr. UPTON. What were some of the specifics that you must have seen? I'm trying to be fair with my own red light. I'm going first. I'll turn it off.

Mr. YOUNG. I think, Congressman, if you'll forgive me, I think that's the wrong question. I shouldn't do that, but what I see happening here is a resentment of democracy on the part of the IOC. What you had was for the first time all of these decisions were influenced mostly by the poor nations, and it meant that poor nations had a say, and the little European blue-blooded elite couldn't dominate the system anymore. And so while the system was corrupt, it was, in fact, democratic, and that the five secret ballots where nobody knows is one of the ways that you can have a free and fair election.

Mr. UPTON. When you say it was democratic, was it democratic because everyone was taking the gifts, and therefore it didn't really influence the votes because everyone was getting about the same thing?

Mr. YOUNG. I think it was democratic because the money did not make any difference and——

Mr. UPTON. When you talk about Athens, $35 million——

Mr. YOUNG. We've been in politics, and we know about people eating your barbecue and voting for your—it happens all the time. That's what's happening in the IOC. What I'm most concerned about is that what I think is beginning to evolve into a very democratic system, where the checks and balances between the rich nations and the poor nations is gradually working itself out, that under the pressure from the U.S. Congress, we play into the hands of the old European elite and do away with some of the democratization that has come with the present Olympic movement.

Mr. UPTON. Mr. Hybl, since my time is close to expiring, if you could just answer the question as to whether you think the reforms presently before the reform committee will, in fact, end the abuse and the culture of corruption, and whether or not you think the votes are there not only to pass it in both bodies, the committee and the full IOC. If you could just comment briefly, and I will yield to my friend Mr. Klink.

Mr. HYBL. The current reforms before the IOC which were adopted by the executive committee of the reform commission will be taken to the full 80-person commission on October 30 and 31. The fact is that they do provide what you indicated earlier, transparency, accountability. They do provide a whole series of democratic processes for representatives from the athletes, from the National Olympic Committee, and from the International Federations. They have age limits. They have terms that have to be renewed. The fact is they've come—the IOC has done a lot, particularly because of their leadership in going forward.

The fact is, sitting in on those hearings and those meetings, there is diverse opinion among the members of the IOC. These will be great for the IOC and the Olympic movement if they're adopted. I think that the IOC members could probably address the question whether they will be, but December 11 and 12 is the critical time for this and the U.S. Olympic committee and our representatives—you'll hear, of course, from Dr. Kissinger this afternoon—continue to support the reforms, and it's up to the IOC whether they're adopted or not.

Mr. UPTON. Is it your sense that they'll pass if you were a betting man?

Mr. HYBL. Actually, I am a betting man, Mr. Chairman.

Mr. UPTON. I know Mr. Hefley is not, so I didn't want to cast judgment.

Mr. HYBL. I would give the chance for adoption of the reforms as they are currently proposed at something a little better than 50 percent.

Mr. UPTON. Thank you.

Mr. Klink.

Mr. KLINK. I thank the chairman for his insight, and I would request a little leniency with the red light, if you can, because there's a lot to cover here from the chairman's questioning.

Let me start with Mr. Young because I'm a little troubled by where we have headed here. What I've heard from the comments was this: In deference to Judge Bell, I think you've really done a

great job in your report. You've helped us a great deal. Senator Mitchell has helped us a great deal as well. What I'm left to believe here is what we are now being told is, look, we took a whole heck of a lot more from a lot of other people, and then we stiffed them. We didn't give them what they thought they were going to get. So my question is this: Were the members of the IOC really taking people in some of these—$35 million in investment from the Greeks, and how much from the people in Paris, and how much from the Canadians, and Toronto didn't get the games as well. That's what really remains to be told is, A, what were all of those gifts, and were these people being taken as rubes, set up to have their barbecue eaten and then vote for the opponent? That is just as troublesome as anything that might have happened to Salt Lake City, might have happened to Atlanta. I would ask that Mr. Payne and Mr. Young would respond.

Mr. YOUNG. Thank you very much, Congressman. I think what we're dealing with also is a general gift-giving culture around the world; that people are used to receiving gifts wherever they go, and those are not considered bribes. So I think that while they were generous gifts, I think the members of the IOC received those gifts, but did not take it as bribes. They also, Mr. Chairman, almost everywhere I went, and we tried to visit every IOC member in their home, everywhere I went people presented us with some kinds of gifts.

Mr. KLINK. Let me ask Mr. Payne, in terms of ethical conduct, what difference do you see in what occurred in the Atlanta Bid Committee and their operation and what happened in Salt Lake City? Specifically what do you think Salt Lake City did that you didn't do? Help me draw the line there.

Mr. PAYNE. Yes, sir. I'm obviously reluctant to do that because I don't have personal knowledge, sir, of what Salt Lake did.

Mr. KLINK. I'm asking you to go from public information. Things have been published. I'm sure you've read about it.

Mr. PAYNE. Yes, sir. I think what we did, sir, is evidenced in quite extensive detail in the report that Judge Bell prepared and submitted, and notwithstanding the fact that there were excesses, I believe the scale and scope of those excesses, sir, would pale in comparison to what's been reported not only at Salt Lake, but perhaps other Olympic cities as well. So I think I would be required to say in first response, sir, there was quite a significant quantitative difference, which does not excuse us getting over $200 at all, but yet——

Mr. KLINK. In other words, we had—I'm sorry to cut you off. We're on kind of a timeframe here. What you're saying, Mr. Helmick talked about, was gift creep. If anything happened between Atlanta and Salt Lake City, it was that the extent of the gifts got much larger and much more numerous.

Mr. PAYNE. From what has been publicly reported, yes, sir.

Mr. KLINK. The end of your written statement, your remark, you believe reform is needed in the bidding process, particularly in the areas of gift and travel. When did you start to reach that conclusion?

Mr. PAYNE. I guess within the last year, sir, when our actions, which we had always been so very proud of, came under scrutiny

and had been criticized. While we had believed that we had subjected them somewhat to a sense of reasonableness, all of a sudden they were found in great disfavor, and so I guess I began concluding that the way to eliminate that problem is to eliminate gifts and travel expense reimbursement altogether so that no future cities would have to deal with this 10 years after the fact like we're doing here today.

Mr. KLINK. What I'm left with is kind of, Mr. Chairman, the old saying—and my kids have done it as well, still continue to do it because they're young enough—they say, Mommy and Daddy, everybody is doing it. The old saying is, well, if they jumped off a bridge, would you do that, too? That's really what we're left to. No one really wanted to blow the whistle.

I want to walk you through some of the travel and accommodations that you provided to just one IOC member and in the end have you explain the logic behind the spending. Page 21, exhibit K, travel section of the King & Spalding report, this is for an IOC official named O'Flanagan. I was going to walk through this. Between April 30 and May 5, 1989, checks number 540 and 725 went for nearly $5,371 for airfare. For the same period, there's a $4,150 hotel charge paid by Atlanta; then on May 4, 1989, several more checks cut for an Augusta trip totaling $5,291. In March 1990, you then pay $5,420 trip for Mr. O'Flanagan that includes the itinerary of Dublin; Atlanta; West Palm Beach, Florida; Atlanta; and back to Dublin. Then on March 21, 1990, you paid $2,092 for airfare for Mr. O'Flanagan that included the itinerary of Atlanta, Zurich, Geneva; on March 14, 1990, another hotel charge for Mr. O'Flanagan and for a Mr. Hickey for $1,480; and then on March 16, 1990, you paid $1,100 in Savannah for Mr. O'Flanagan to stay in a hotel in Savannah. On March 18, 1990, there's another charge for Mr. O'Flanagan, and now Mr. Hickey at Sea Island for another $1,790. For the same period there's a hospitality charge for Mr. O'Flanagan and a guest and Mr. Hickey for $1,655. Then back in May 1989, there appears to be an offer made to visit Atlanta and play golf at Peach Tree Country Club. It's not clear whether the offer was accepted.

You spent thousands of dollars on this IOC member, and there are many others like this. The question is were you trying to buy his vote?

Mr. PAYNE. No, sir, we were not. I hope there are not too many like this one. It is very extensive. It's evident that he was one of the IOC members that came to Atlanta more than once.

Mr. KLINK. Unfortunately there are—let me just run through this very quickly, Mr. Chairman. According to the King & Spalding report, Atlanta officials paid $11,989 for the IOC official from Libya to travel from Tripoli, to Zurich, to Geneva, back to Zurich, to Atlanta, then to Chicago, back to Atlanta, then to Zurich, then to Malta and back to Tripoli. The question is why did Atlanta have to pay for travel to Malta, Chicago, Zurich and Geneva? Then you paid a cash reimbursement of $12,204 to the IOC official from Morocco to fly from Casablanca, Paris, Atlanta, New York, Paris, Casablanca. Why did Atlanta have to pay to send this official to New York and Paris?

You also paid $2,649 for the Australian IOC official to stay at the Grand Cypress Resort. Other IOC members also apparently went to that resort. That's in Florida, not Atlanta.

What about $1,878 for an IOC official to stay in a hotel in Coral Gables? You paid $1,745 on tab K, page 15 to provide limousine service in Washington, DC, for an IOC official from France. There was another trip for an IOC official from Finland. It involved travel from Chicago, to Bloomington, to Peoria, to Boston, to Bangor, to Newark and Toronto. Atlanta paid for at least part of that trip, yet Atlanta wasn't even on the trip. And the question is did this trip also involve the use of a vacation home owned by the GAAF member in Maine? We need to know why Bangor, Maine, was on that trip.

I threw a lot at you. These are some questions in the limited amount of time I've got to have the answers to them. We're going to submit these questions to you. We want you to pursue these for us and try to find out why this was done. It's puzzling.

Mr. UPTON. A quick response.

Mr. PAYNE. The quick response is I believe we have provided explanations as best we could to your staff, sir, and I think most of them do have explanations. I'm unable, however, with the rate at which you enumerated those excesses to come back to you with them on a seriatim basis.

Mr. KLINK. Unfortunately, Mr. Payne, we have more excesses. It is unfortunate that, our time and your time, that we don't have time to get into the details of this. I know that unfairly I rushed those by you, but we need to get more of this nailed down in writing. We need to find out what has happened.

I think beyond that we also need to take a look, chairman, at what has happened in some of the other cities that did lose that were not looked as closely at in some of these reports that we have in front of us.

Mr. UPTON. It sounded like you used to work for Federal Express with that ad.

Mr. KLINK. I could go faster.

Mr. UPTON. Mr. Burr.

Mr. BURR. Thank you, Mr. Chairman.

Mr. Payne, let me ask you, based upon what Mr. Hybl said about reforms at the USOC, had the USOC reformed prior to the Atlanta bid or to the Salt Lake City bid, and you adhered to those changes, would any U.S. city—would either of those U.S. cities have won their bid based upon the culture at the IOC today?

Mr. PAYNE. That's a difficult question, sir. I really don't know how to answer it. I think——

Mr. BURR. I would suggest to you that the answer is probably we wouldn't, because that's the assumption I think that Atlanta made, and even in the first response by Mr. Bell, there were four instances to questions where the answer was we're not aware of any IOC guideline and provisions for health services, athletic training, covered provisions of athletic sporting equipment to disadvantaged people guidelines, and provisions of scholarship. I think that somebody perused it pretty well, and certainly your follow-up has suggested that the culture there—and I'm not faulting Atlanta, I'm a businessman, this is just a temporary position—you do it to win,

you do it to be successful, and I think that Atlanta should not be faulted for that.

I guess I would ask you how many times did the IOC or the USOC tell you you were in violation and warn you that you shouldn't lobby as aggressively?

Mr. PAYNE. I don't believe we were ever specifically advised of anything we had done, sir. I have been made aware of routine letters that were sent to all bid cities or IOC members with respect to adherence to the rules, the very same rules, sir, that we did exceed in the times we've enumerate.

Mr. BURR. Let me read for you and Ambassador Young a September statement by an IOC spokesperson who was quoted as saying, "Atlanta pushed those favors and gifts on to IOC members under the pretext of friendship, and the delegates were not used to this systematic approach to lobbying."

Would either of you care to comment on whether that statement is accurate based upon——

Mr. YOUNG. I'll say that we were probably both very guilty in that, that we didn't have to push anything on them, but as Congressman Klink has said, we were also in a position that when somebody wanted—when we asked somebody to visit us, and we offered to reimburse them for the travel, if they had reason to go to some other places, there are explanations for a lot of these, and some of them make sense. Some of them are excessive. Libya, because of the boycott, you couldn't go directly here, so he had to go a roundabout way. He also—we were trying to get him to accept softball, an American sport, so there was a softball federation or something meeting in Chicago.

Mr. PAYNE. We won the gold medal when we got in.

Mr. YOUNG. But I'm saying when we wanted people to come to visit us, and we extended the invitation, and we knew these were people who were not on salaries—and that's one of the reforms I would recommend to the IOC, that they put everybody on a salary and let them give it back if they don't want it. But when people come and they then submit you an excessive bill, you really can't reject it.

Mr. BURR. In the follow-up response from the committee to the committee's questions, let me just read on page 3 just out of your report, subjective votes of IOC members and a system known to welcome generous gifts and travel allowances. It doesn't give me the impression as you've gone back that anybody's recollection was that it was forced.

Page 4, same report. In the marketplace Atlanta competed according to its understanding of the IOC's expectations. That certainly does not give an impression on further review that there was any pretext on your part that you had pushed or had done something that was not expected of the IOC. No reference to the IOC's guidelines or rules.

Mr. Helmick, you were head of the USOC at the time.

Mr. HELMICK. Yes.

Mr. BURR. Did you ever counsel Atlanta that there were potential violations that were occurring or notified the IOC of concerns that you had as the head of USOC?

Mr. HELMICK. I notified the IOC NBG inside the executive committee of concerns, as did others, of the excessiveness, particularly after Paris and Barcelona. As to Atlanta, please keep in mind that personally we spent a great deal of time together all over the world. I do remember one occasion I believe it was Ginger Watkins and I were going through a list of personal gifts to be given. I became very aware that this Atlanta bid person was very careful about the so-called $200 gift rule, frankly excluded a couple of gifts that I had suggested, personalized gifts, because of it.

And so, yes, indeed, they were counseled about it and felt that these gifts were appropriate.

Mr. BURR. Do you know how IOC members are chosen?

Mr. HELMICK. IOC members are basically—they're on the surface elected by the IOC. They're—basically a great deal of it is hand-picked by the president.

Mr. BURR. And they serve until death or at 80, whichever comes first?

Mr. HELMICK. Whichever comes first.

Mr. GANSKE [presiding]. The gentleman's time has expired. Let's have one last answer.

Mr. BURR. I think he answered that question. My point, Mr. Chairman, is twofold. One, I question in an atmosphere like that whether the culture can change voluntarily, and I would also say to the Ambassador that though there is a democratic vote, I question whether true democracy can work in a system that its membership is elected without what seems to be accountability, that goes along with it, and with that I yield back to the chairman.

Mr. GANSKE. Mr. Waxman.

Mr. WAXMAN. Thank you very much, Mr. Chairman. I've listened with a great deal of distress to your presentations and this whole—this whole view, this whole business is a pretty tawdry business. What I think has to happen is the IOC has got to change its ways. It's got to reform itself, and we've had recommendations by the panel that Senator Mitchell chaired to do exactly that.

Now the IOC, which basically sounds like a bunch of hand-picked people by President Samaranch, is going to meet in December, and we've been told that we ought to let them meet, we ought not to interfere in any way, let them reform themselves. Now, we've been told that already for quite a bit of time. But if they come back, Mr. Hybl, in December having failed on what you think is basically a 50/50 proposition, I proposed legislation, and my legislation would say we would prohibit American corporations, including the TV networks, from providing any financial support to the IOC until the IOC adopts the Mitchell Commission reforms.

Do you think that legislation would drive the point home to them that—their failure to adopt reforms is not going to be acceptable in this country, and do you—would you support our doing that if they don't reform themselves?

Mr. HYBL. Congressman, as I indicated earlier, the fact is that I'm probably not the best person, not being an IOC member, to judge what they're going to do and how they're going to react.

Mr. WAXMAN. Whatever they do they're going to do. If they succeed, fine. We'll hope that things will be better for the future. But if they fail, do any of you think we should just let it go and say

that this is a system that will continue on as stinking as it is, or do you think we ought to take action in the United States if other countries don't want to do it, at least in the United States to make the IOC pay the penalty of not getting support from our American corporations?

Mr. HYBL. I would suggest that from the comments that are made to me by IOC members, they are listening to what is being said, and not only the Congress, but—well, in the House and the Senate. Our job is trying to make sure that we can garner the support for the U.S. athletes as—it's all private support. We don't receive government funding. And I hope that the reforms will be adopted. We're doing everything we can to encourage that because we see the danger to the athletes and to the movement in the United States if this does not happen, and I believe you've made them certainly aware of that, and I believe they're going to respond at the IOC level.

Mr. WAXMAN. I sure hope so.

Mayor Young, if they don't respond, don't you think the Congress has to act, and at least in the United States we ought to say, if you're not going to reform yourself, we're going to put sanctions on the IOC, not on the American Olympic Committee, but on the International Olympic Committee, that they can't come here and get our American corporations and networks to give them money?

Mr. YOUNG. I agree with Mr. Hybl that I think reform is in process, and I think you have another panel this afternoon that will probably go into that in much more detail.

Mr. WAXMAN. Yes. But if they don't adopt reforms, what do you suggest we do?

Mr. YOUNG. Then I think we have to help them adopt reforms with some congressional action.

Mr. WAXMAN. How about you, Mr. Payne?

Mr. PAYNE. I personally am confident, sir, that this inquiry, others that have been similar, the Mitchell report, the efforts ongoing in USOC will cause reform successfully within the IOC, within the time period that's acceptable to you.

Mr. WAXMAN. And if not, you feel that we in this country should take action?

Mr. PAYNE. I would defer to your leadership, sir, and that of the Congress, but I think it would be important to ensure that the integrity would permit future American cities to have the same honor that we did in hosting the games.

Mr. WAXMAN. Mr. Helmick?

Mr. HELMICK. I don't share the confidence, but I certainly share the hope that the reform will come. Certainly election of IOC members is absolutely essential to change the environment. If nothing happens, I think you had an excellent model in 1978, and you need to have congressional action to urge further reform. In 1978, I heard of many people say, well, the international community will not accept reforms that we had in the Stevens Olympics Sports Act, and indeed within a year or 2, they accepted those reforms, and our representatives' international federations were changed. I think the same thing can happen here.

Mr. WAXMAN. Thank you very much.

Thank you, Mr. Chairman.

Mr. GANSKE. The Chair will exercise his prerogative, since I was next anyway, to ask a question. I want to follow up along Mr. Waxman's line. One of my neighbors is vice president for Pioneer Hybrid, which—and he travels around the world seeking business for a major international firm. Now, he has to follow a United States law called the Foreign Corrupt Practices Act. This basically make it is illegal for U.S. corporations to get involved with bribes overseas in order to get business. One of the great advantages of doing business in our country is that this has not been a common practice that in order to get a contract, you have to provide a bribe.

Now, yes, there is a, "gift-giving culture" around the world, but I think everyone here is also—also realizes that there are countries where it exceeds a simple gift of goodwill and gets deeply into corruption practices, and that has significant potential in terms of doing business.

Now, last year Congress enacted a law to enable the President to designate by Executive Order the IOC or other organizations to be subject to the Foreign Corrupt Practices Act. I want to ask each of you, the President today has not yet acted on that authority. Should the President apply that by Executive Order to the IOC? Mr. Payne?

Mr. PAYNE. To be very truthful, sir, I have not thought about nor studied that issue, and I would just have to defer to the wisdom of Congress. I really don't have an opinion on that issue, sir.

Mr. GANSKE. Mr. Young?

Mr. YOUNG. It's a difficult issue, and the Foreign Corrupt Practices Act is difficult. Attorney General Griffin Bell at the time of that act reminded us that there was in the legislative language an understanding that grease payments might be acceptable. Most of what you talk about here would not be—most of what we're talking about would not be covered under the Foreign Corrupt Practices Act, and it's very difficult for American businessmen, even in relationship to their own laws, trying very desperately to uphold those laws, to deal with questions like travel reimbursement and things like that.

I don't know that the IOC can be reformed from outside by force. I think the kind of pressure that you're bringing on this hearing and the kind of public testimony that's being made is what is needed to get them to reform themselves.

Mr. GANSKE. I need to get down the roll a little bit because I'm going to have to go for a vote here pretty soon.

Mr. Hybl, I think on March 3, 1999, you took a different position. I think you stated the U.S. Olympic Committee fully supports the recommendation and respectfully request—this was, I believe, a letter to the President—request that you issue such an order. Is that correct, and is that still your position?

Mr. HYBL. That's still our position. It's based on the fact, Mr. Chairman, that what you have is 22 different nations hosted the Olympic Games. Twenty of those are signatories to the OECD, and we think only Russia and Bosnia that hosted the games would be outside that. We believe this is one vehicle that would help level the playing field, not place the American cities or athletes at any disadvantage, and we did send that letter on the March 3—in fact, I sent it, and we stand by that position. To their credit, the IOC

has requested of the OECD based in Paris that they be included on some basis, which I think they probably will define this afternoon, so that is going forward.

Mr. GANSKE. Mr. Helmick, do you have a position on that?

Mr. HELMICK. Yes, I fully support that.

Mr. GANSKE. My time—I'm going to have to run for a vote pretty soon. I just want to ask one last question.

Mr. Helmick, if you were Mr. Samaranch, how would you—what would be the recommendations that you would make to clean up this process?

Mr. HELMICK. I think, first of all, it has to be something that's reasonable. The end process must be having the IOC members responsible for their constituents back home. We know that here in Congress. So elections, I would predict existing IOC members would probably be reelected. That's not going to happen overnight. Phase in some programs, but ultimately you have to have the IOC so that, just like all of you, that you're subject to being responsive and responsible to a constituency, and there's nothing like the loyal opposition and other people nipping at your heels to get your job that keeps these things clean and open.

Mr. GANSKE. Should the IOC salary members who evaluate the sites; should they pay for their travel and should they have a strict gift limit similar to what we have in Congress?

Mr. HELMICK. Absolutely. It was at one point—and this is why there's some frustration being inside the IOC—I believe, and perhaps Mr. Carrard can correct me, for a brief period of time when I was on the executive committee, we actually required that all ticketing go through the IOC travel agent, which was a good way to control this. My suggestion would be just no gifts whatsoever, and enforce it, and have a culture so that it is okay to turn down a request for a gift because nothing was forced.

It was very, very difficult for Atlanta to refuse that type of trip that was itemized, but the culture has to be that you can report this type of activity, and sanctions and threats will be made against you.

I would say absolutely no gifts. I think the visits are primarily silly. They don't really help the IOC member, nor do they help the bid city. I think the IOC has recognized this and has made some attempts to limit it, but I would continue on that way.

Mr. GANSKE. I thank the panel. We're going to go into recess. We'll try to get back here just as soon as we can. And so the committee is in recess.

[Brief recess.]

Mr. BURR [presiding]. The Chair would ask the witnesses to return to the table.

The Chair has been informed that Ambassador Young will be here shortly. I've asked Mr. Stupak, who is the next in turn, if he would prefer to wait. He said, no, he could go ahead. So at this time the Chair would recognize the gentleman from Michigan for 5 minutes.

Mr. STUPAK. Thank you, Mr. Chairman.

I'm looking at the report here from King & Spalding. I've read it with great interest, as I'm sure everybody on this panel has. And throughout this report, I see on page 11 it says, Atlanta's bid was

submitted as a joint application with the USOC. So USOC, while we focus on Atlanta, if you're jointly involved in this whole operation, they are one and the same, the way I look at it.

The part that bothers me throughout this report, and going anyplace where you want under any subsection, we continue to see GAAF, that's the Georgia Atlanta, whatever it was, but the Atlanta folks indicate they did not incur any expenditures in connection with this donation, or GAAF volunteers assisted or offered or attempted to steer financial assistance for relatives or friends. There's always a third party or volunteers who did the things on behalf of GAAF or the USOC.

It seems like in this report what we acknowledge wrong, we can't account for anything because we don't know because of volunteers or third parties did it. So when you gave us the figure of $6.5 million that Atlanta spent, now, was that just what Atlanta spent, or does that include what the volunteers and relatives and friends gave, too?

Mr. PAYNE. Yes, sir. Thank you. I think volunteers throughout that report, sir, is used generically to describe not only the community in general as they helped us, but the actual people working full time, because they were, in fact, for that 3-year period all volunteers even though we work full time. So that is—that's not to—that's not to defer responsibility, but to attribute it to the leadership group as well.

Mr. STUPAK. My question is the $6.5 million you speak of, does that include——

Mr. PAYNE. I believe, sir, it was actually—I don't want to disagree with the Ambassador, but I believe it was actually $7.8 million including cash and value in kind, and I believe to the fullest extent possible that includes other unidentified third parties or other—the people about which you are inquiring, what they may have contributed in support as well.

Mr. YOUNG. I used $6 million because the million dollars extra was the bill they gave us for the party after we won. But to win, we were around $6, $6.5 million.

Mr. STUPAK. The report goes on, and it's on page 4, I think it says same thing in the summary on the last panel. Many of Atlanta's expenditures would have been improper. That's water over the dam, but the part that continues to bother me is this: Instead, GAAF volunteers believed during the bid process and continue to believe today that their expenditures were within the bounds of acceptability under the circumstances and were the minimum required to remain competitive in a bid with other cities. Basically—and when they summarize, they say, well, we realize that some people may look at it as being wrong. We believe, and we continue to believe today, that what they did was within the bounds of that culture. In fact, I'm reading from page 19. Those involved believe and still believe today that they conducted their bid within the bidding culture of the time, and their conduct was within the bounds of culture.

In hindsight their effort can be reviewed as excess by some respects, but they still don't believe they've done anything wrong.

Mr. STUPAK. I guess I'm trying to get at this culture. Even if you do new rules come December 12 or 13, it's really not going to change anything, is it, if the culture is the same?

Mr. PAYNE. I think with the rules, sir, must also be included sanctions and procedures to ensure their observance and enforcement, and so I think there will be a difference, yes, sir.

Mr. STUPAK. Who's going to do the enforcement?

Mr. PAYNE. I think the choice now is the IOC itself, acceptable to the participants around the world or other governments, as you are suggesting, that would choose to have some part in the enforcement for the protection of the Olympic athletes and the movement in their own respective countries.

Mr. STUPAK. Well, to take—for example, it's listed at page 15—other accommodations. In one case two volunteers transport money into the United States the IOC member from Jamaica could not have brought in himself without addressing certain reporting requirements.

Mr. PAYNE. Address that?

Mr. STUPAK. That's not even within the culture. That's in violation of U.S. law. Do we go so far that we violate the United States currency laws?

Mr. PAYNE. I'm not sure, sir, that that is an absolute assessment that violates the law. I know it was done innocently, although mistakenly.

Mr. STUPAK. Explain to me if a Jamaican person is coming into this country, why would he need two volunteers to bring money into this country and somehow that's a mistake? Why wouldn't the Jamaican bring in the money?

Mr. PAYNE. He was not coming within time that he needed to pay a legitimate bill and asked them to do it for him, sir.

Mr. STUPAK. These volunteers, are they considered—were they paid people?

Mr. PAYNE. No, sir, they were not paid people. They were full-time volunteers.

Mr. STUPAK. Well, but they were obviously directed by the Atlanta committee and all that, right?

Mr. PAYNE. With respect to that transaction? No, sir.

Mr. STUPAK. They weren't?

Mr. PAYNE. No, sir. They made an honest, innocent mistake.

Mr. STUPAK. How would the person from Jamaica contact two volunteers to do this if they're not at some direction from somebody with the Atlanta committee?

Mr. PAYNE. The question asked were they under our direction with respect to that specific transaction, which would mean to me did we know about it. The answer is no, sir. The response was that they were there visiting him and were requested to do that, and they made an honest mistake when they agreed to do it.

Mr. STUPAK. Well, Mr. Payne, do you know a Ginger Watkins?

Mr. PAYNE. Yes, sir.

Mr. STUPAK. Shannon Chandler?

Mr. PAYNE. Yes, sir.

Mr. STUPAK. Were they volunteers?

Mr. PAYNE. Yes, sir.

Mr. STUPAK. Reviewing some of the files, I see memos from you to these so-called volunteers. You certainly had control over these volunteers.

Mr. PAYNE. Absolutely sir. I'm not disputing that, nor discounting any responsibility even for the mistakes of others.

Mr. YOUNG. There's some question about whether he had control of them, though. These are women in our community who gave their own money, their own time, and I would say they controlled us more than we controlled them, and what they did, they did with the utmost sense of integrity and discretion, I think.

Mr. STUPAK. I just really have trouble, the culture, the so-called volunteers; it seems like there's a shift when things look bad, well, it must have been a volunteer. We don't know the amount of money because that was a volunteer.

Mr. YOUNG. You know, we did what we said we did. And we're not trying to——

Mr. STUPAK. Where are the limits? Let's go back to this Jamaica situation.

Mr. YOUNG. We exceeded reasonable limits of this committee.

Mr. STUPAK. You also exceeded U.S. law. The Jamaican person was one who brought in $15,000, so what you had to have is two volunteers because you had to break up the $15,000 because the most you can bring into this country is $10,000 that you have to declare when you come in back and forth to this country.

Mr. PAYNE. Sir, we've already said that Andy and I had nothing to do with that transaction. We believe it was an honest mistake by two very fine gentlemen.

Mr. STUPAK. I guess my time is up. Seeing that this culture is going to change when we—that may be the culture within the IOC or whoever it may be, but we even violate U.S. law to in hopes to get a vote on the IOC for Olympic Games.

Mr. YOUNG. He didn't even vote for us. He never——

Mr. STUPAK. It makes it look even more foolish.

Mr. WHITFIELD. Thank you, Mr. Chairman. I am sorry that I missed the statements of the panel members, although I have read some of them in advance, and I know Mr. Payne's statement, one thing that came through perfectly clear is that there is a culture that has developed in the efforts to win the votes of these members to determine where these games will be located. As I said in my opening statement, which was quite brief, we are just trying to get some background information to have a better understanding of the way some of this took place.

But in some of the documents that were provided to us, and I know I am sure this is not unusual and other cities have done it as well, but there was a document that Mrs. Samaranch, how do I pronounce the same Samaranch, Samaranch, okay, Mrs. Samaranch was in Atlanta and Charleston, S.C., and I guess our committee, the Atlanta committee maybe paid more than $12,000 for her and a friend to visit, and first of all I don't know that that is true, but that is in here somewhere.

Mr. YOUNG. Yes, sir, that is true.

Mr. WHITFIELD. Was that trip in and of itself a violation of any of the IOC travel rules?

Mr. PAYNE. I don't believe so, sir, but I guess you will have the opportunity later today to find out. We did not believe it was.

Mr. UPTON. Was Mr. Samaranch an IOC member herself?

Mr. PAYNE. No, she is not. She is the wife of the president.

Mr. WHITFIELD. Did president Samaranch know about that particular trip, or do you know?

Mr. PAYNE. Yes, I would assume he knew she was coming to Atlanta, yes, sir.

Mr. WHITFIELD. How did that trip actually come about? You may not have been personally involved in it, but I assume that since he is the president, there must have been a feeling that if we accommodated her and helped her visit Atlanta and helped in any way we could, that that would be a good influence.

Mr. YOUNG. Yes, sir. I will not discount that at all. I think—it was important for us to impress her as well.

Mr. WHITFIELD. That probably was the basis of that whole trip and decision to do that.

Mr. YOUNG. Yes, sir.

Mr. WHITFIELD. And then I am assuming that is why Atlanta did pay for that trip then.

Mr. PAYNE. We were actually billed for the trip by the IOC. They sent us a bill for reimbursement.

Mr. WHITFIELD. They paid for her to come and sent you a bill for the trip and you all reimbursed her?

Mr. PAYNE. I believe that is so, sir.

Mr. WHITFIELD. Now, in your testimony, I know you had talked a lot about the—it is like you are out to win votes and you want to influence these people and give them a good impression of your community. So I am assuming that you all probably gathered quite a bit of information and intelligence on individual IOC members. Would that be accurate or not?

Mr. PAYNE. Various members of our early bid team, sir, met extensively with people, some of which volunteered information, others which we sought out, I think as Andy has described earlier, to find out all we could so that we could later formulate our own strategy.

Mr. WHITFIELD. Right. Do you all know, does anyone on the panel know how the IOC members themselves are selected to serve?

Mr. PAYNE. I believe Mr. Helmick knows, sir.

Mr. HELMICK. Yes, sir, they are elected by the IOC membership, but it is really most of them are hand picked by the president or the executive committee members.

Mr. WHITFIELD. By the president——

Mr. HELMICK. Of the IOC.

Mr. WHITFIELD. So the president, he has the authority and the power?

Mr. HELMICK. He does not have the authority and power, but his influence is very great. My experience has been in most every case it is a hand selection, he makes the final decision, and I have never known him to put forth a name that did not pass, including some very controversial names.

Mr. WHITFIELD. Right. And how long has he served as president of the IOC, Mr. Samaranch?

Mr. HELMICK. My recollection, since 1980. Mr. Carrard could correct me.

Mr. WHITFIELD. The red light went on. Maybe I will get another round.

Mr. UPTON. You will. Ms. DeGette.

Ms. DEGETTE. Thank you, Mr. Chairman. Mr. Young, you testified today that there were five rounds of balloting and you did not believe that there would be any way you could unduly influence the election of which city was selected because of the process, correct?

Mr. YOUNG. Correct.

Ms. DEGETTE. Now, I guess I would like you to answer this then: If this cannot be influenced, why then did Atlanta and Salt Lake and all these other cities participate in this gift giving and scholarship offering and all of this, if it has no influence on the balloting?

Mr. YOUNG. It has influence, but there is no quid pro quo attached to it.

Ms. DEGETTE. No direct quid pro quo. But I assume that the IOC just as the U.S. Congress and many other bodies recognizes that lavish gift giving and international travel and so on can be—can give an undue influence because they have all enacted rules against it. For example, all of us are prohibited from taking gifts over $50. I assume that is because there is some inference that it could exert an undue influence, isn't that correct?

Mr. YOUNG. That is the assumption. But that didn't happen here until 1974.

Ms. DEGETTE. I think we all agree it is increasing.

Let me ask you this. You mentioned in response to Congressman Stupak's question that these volunteers, I believe you said "these women," but some of course were men, in your community, controlled you more than you controlled them. Did you explain the rules that at least were on the books of the IOC to these volunteers?

Mr. YOUNG. No, they explained them to me.

Ms. DEGETTE. The volunteers explained them to you. Did they seem to be aware, for example, that the IOC had at least on the books a rule that said there was only one trip allowed, and only to the city itself? Did they explain that to you?

Mr. YOUNG. Yes.

Ms. DEGETTE. And did these volunteers explain to you that the 1996 and 1998 rules as well as the 1988 rules stated explicitly that gifts of a value exceeding U.S. $200 are not permitted? Did the volunteers explain that to you?

Mr. YOUNG. They explained that that was honored only in the breach and we tried to stay——

Ms. DEGETTE. So the volunteers were aware, according to your testimony—excuse me, sir, let me finish my question. The volunteers were aware that these rules were on the books, and they explained that to you?

Mr. YOUNG. Yes.

Ms. DEGETTE. So everybody knew that at least this was supposed to be what was happening, although everybody agreed that it happened only in the breach, according to your sworn testimony.

Mr. YOUNG. We were volunteers too.

Ms. DEGETTE. I understand. And, you know, I am not inferring anything illegal was done here, but the point is everybody knew these rules, and yet they were doing what they had to do.

Mr. YOUNG. And we admitted we knew the rules, we knew everybody else was breaking them. We weren't going to do anything that violated our consciences. But we were going to win.

Ms. DEGETTE. I get you. Thank you, sir. Mr. Helmick, let me speak with you for a moment. You are a former member of the IOC. Would you agree with the perception I have and many others have that this gift giving and this lavish travel and so on has been increasing worldwide over the last 20, 25 years? Or has this always gone on in the Olympic movement?

Mr. HELMICK. An exponential curve. Giving gifts has always been a part of international competition. When I was playing water polo, you don't speak the language, so you have small gifts that you give. So the idea of gift exchange, they became excessively exponential following Los Angeles and particularly as we got into 1986 with the Barcelona.

Ms. DEGETTE. Was that about the time that the IOC at least on paper adopted the $200 gift rule and the traveling only one time and only to the potential host city and all of the other rules?

Mr. HELMICK. Yes. My recollection is starting in 1985, perhaps in 1986, there were a series of memos from Mr. Gap, from Mr. Carrard, Mr. Zwiffel, and even the president to the members that talk about that. The word "rule" has been stated. One of the most influential IOC vice presidents has several times called those "guidelines."

Ms. DEGETTE. I know. You said that before in your testimony today, sir, so I went back to my report here, and it says quite clearly a number of times in various written documents that were sent to the Atlanta committee, it says gifts offered to IOC members by and on behalf of candidate cities should be limited to documents or other items intended for information and/or souvenir articles. Gifts of a value exceeding U.S. $200 are not permitted.

Mr. HELMICK. That is correct.

Ms. DEGETTE. That doesn't sound like a guideline to me.

Mr. HELMICK. It doesn't sound like a guideline to me either. That is why I am very surprised that the IOC vice president said that.

Ms. DEGETTE. That is nowhere in writing that I have. Has anybody received a document that says this is only a guideline?

Mr. HELMICK. It is not written, no, ma'am.

Ms. DEGETTE. You said as a member of the IOC and in assisting Atlanta that you reviewed the gift list and that you said some were okay and some weren't. Is that an accurate characterization of your testimony?

Mr. HELMICK. In reference to a full conversation I had with one of the members where we were reviewing personal gifts, that is correct.

Ms. DEGETTE. You said some were excessive and some weren't?

Mr. HELMICK. In our joint conversation, whether she said that or I said that, I don't know. She was struggling with that.

Ms. DEGETTE. The concern I have, and then I am done, Mr. Chairman, is we have in our documents prepared by King &

Spaulding, lengthy lists of gifts in excess of $200 in value which apparently no one had a problem with.

Mr. HELMICK. I would have a lot of problems with a lot of those gifts, but particular—the particular instance was the final gift.

Ms. DEGETTE. You didn't see lists like that?

Mr. HELMICK. I am very surprised with that list. What bothers me is the consistency of it, the pressure put on the Atlanta to just give more than one $200 gift. But all of those gifts, time and time again, you see 80 or 100 gifts of $100 to $200 or $300. That is really what is excessive, is the number.

Ms. DEGETTE. The aggregate amount. You weren't aware that was going on?

Mr. HELMICK. Yes, I was. It was consistent with the expectations and is the thing that a lot of us spoke out against and said you have to stop it because there are a lot of countries that cannot afford that.

Ms. DEGETTE. Thank you, Mr. Chairman.

Mr. UPTON. Mr. Bryant.

Mr. BRYANT. Thank you, Mr. Chairman. I have listened to most of the testimony and expressed concern in my opening remarks about this culture that exists out there in the Olympic community, and I am going to speak very broadly now, that apparently exists in terms of this instance of selecting host committees.

I see a city like Atlanta having to go through some of these hoops unfortunately to get to the end that they want, but I think, Mr. Hybl, once Atlanta is picked as the city in the United States that would bid for this, that the USOC becomes a team player with them and an advocate for them, I trust, and hopefully an adviser in terms of what you can and cannot do.

I suspect that the USOC is aware, and probably Atlanta was aware to some extent, of this culture within the broader IOC of the way things are done. I know in the business community, I have business friends who go overseas, and in some countries things are done differently.

So I don't know what our answer is. I do to some extent though think the USOC ought to exercise more authority in its role as I assume the intermediary between Atlanta or any other city, Salt Lake City and the international committee, in trying to be an advocate to follow the rules out there. It doesn't do any good to have $200 gift limitations if they are not enforced, and obviously none of that is done. But my overall concern, again as I mentioned in my statement, and I would like perhaps a comment from one of the gentleman from Atlanta representing a host city viewpoint, and Mr. Hybl, you as the representative of the U.S. Olympic Committee, I am concerned about this, again, the unilateral disarmament and how we ever being affected here.

Th IOC, what is their attitude to this hearing, to this investigation? Is it going to hurt us as a country in future selections? And how in the world are we going to enforce standards uniformly when we have to rely on other nations to do that? Is that feasible? Are other countries going to play by the rules if we play by the rules?

I am not advocating we don't play by the rules, but I am just wondering as a matter of practicality, are we going to have any

chance at success in future Olympics if this reform is not uniformly accepted and followed around the world?

Let me just maybe, Mr. Hybl, you go first and Mr. Young or Mr. Payne follow.

Mr. HYBL. Well, first of all, we concur, Mr. Bryant, with the question that the reform is needed. We also as a practical matter are aware of the fact that it really has to be broad-based with other countries also if the United States is going to compete on a level playing field. This was the reason behind the recommendation from the Mitchell commission which was sent to President for the OECD recommendation for the Foreign Corrupt Practices Act that would be adopted. I believe there are 34 nations that are subscribers right now to the OECD, which would ensure that in virtually every case others would also be subject to the international rules against bribery.

I would say that we wouldn't be proceeding with bids for the 2012 games if we thought that the United States had no possibility of being the designated city. The fact is that we don't know what the atmosphere will be 7 years out, which is 5 years from now basically, 5½, and we are encouraged because of the quality of the U.S. cities that are competing, as we think U.S. cities have done in the past, that ultimately the games will return to the United States and we will host games, because we think it is good for the country.

Mr. BRYANT. You don't see any retaliation or any backlash from the IOC in terms of what we are doing in this country in terms of investigating and bringing to light some of these abuses?

Mr. HYBL. The comments that have been made to me would suggest that there are those that are not particularly happy with the United States and the process that has gone on, but I think as time goes on, the U.S. will be able to compete effectively.

Mr. BRYANT. Mr. Chairman, could I ask unanimous consent for 1 minute perhaps where Mr. Payne or Mr. Young—I know it was a rambling question, but if you have any thoughts. If you don't, that is fine.

Mr. YOUNG. One of the things about the American people, as you well know, Congressman, is we love to compete and we don't even mind accepting a handicap if competing. We thought we were competing with a handicap, and our excesses I think were our trying to be too creative. I think American cities like the Olympics, the American people like the Olympics. It was a $5 billion windfall for Atlanta, that 1 year, and they are still building in Atlanta because of the influence we garnered from the Olympics.

So American cities are going to go after it and are going to win it. We would be helped by a fair process, but if it is fair, it has to be enforced, and it is hard to know how to influence things internationally.

Mr. BRYANT. Thank you.

Mr. UPTON. Mr. Strickland.

Mr. STRICKLAND. Thank you, Mr. Chairman. Mr. Payne and Mr. Young, clearly any money that the IOC officials spent should have been spent we think to make it clear that Atlanta was the best city to host Olympics, and according to the King & Spaulding report,

certain things happened that I would like to ask you to comment on, if you would.

In Exhibit O on page 1 there is evidence that Atlanta officials discussed with the IOC official from Sweden a cleaning contract for Olympic venues in buildings with a company owned by the IOC official's friends. That contract I understand was not taken. But how do you view such a move as a way to demonstrate Atlanta's ability to be the best host city for the Olympics?

Mr. PAYNE. Do you want me to go?

Sir, on several occasions we were asked if we could facilitate an interview, set up a prospective business meeting with IOC members' acquaintance with somebody in Atlanta, somebody they heard of or whatever, and we did that on I think a couple of occasions. We honestly thought nothing was wrong with it. We didn't recommend or insist that anything come out of it. I am not even sure that the follow-up calls were even made in many of those instances. But the answer, sir, we did not believe that was an inappropriate thing to do.

Mr. STRICKLAND. Thank you for your answer. There is also evidence that efforts were made to secure job interviews for IOC officials' children, that various offers were made for medical care or medical evaluations, and would your answer be the same to those matters as well?

Mr. YOUNG. Mine would, sir, because if you are from Swaziland and the only place you can get your heart treated is South Africa, and you happen to be black, you recommend that you get your treatment when you come to Atlanta.

We had doctors who were glad to treat people freely. We didn't consider that bribes. We were operating in the real world and we were dealing with the real conditions of people's lives. We had four people who had been run out of their homes, political exiles, and we probably did more for them than we would have done for others.

But that was part of the way we were expressing our friendship.

The other thing is we thought we were dealing with our own money. We didn't have the taxpayers' money here, very little of it. We knew what we were doing, we were raising money from our friends, from volunteers, who committed themselves to go after the Olympic games. We also knew the prize.

So we thought these were minuscule favors that didn't cost us anything. I would go on further to say that most of the hospitals would not send us bills. They saw that as part of their contribution for the Olympics.

Now, maybe that is wrong, but that was the spirit in which we engaged in this, is trying to help people anyway we could.

Mr. PAYNE. May I add to that answer, I would add to conclude Andy's remarks, there were no jobs that were given, and I don't believe, except for my friend who I took to my personal doctor because I was afraid of this hocus-pocus medicine he was taking for heart disease, did we render any medical care except of an emergency nature when something went wrong while somebody was there.

Mr. STRICKLAND. Thank you for those answers. Mr. Payne, I think this question may have already been asked you, but if it was,

I was not here and I apologize for repeating it. But for me it is an important question.

Toward the end of your written statement you remarked that you believe that reform is needed in the bidding process, particularly in the areas of gifts and travel.

Mr. PAYNE. Yes, sir.

Mr. STRICKLAND. I am wondering at what stage of this process in your own experience you reached that conclusion and what sort of reforms you would, as a result of your experience, what sort of reforms would you suggest are most needed?

Mr. PAYNE. Yes, sir, that question was asked and my answer was when we ourselves came under attack for what we did, that I—and we were so criticized that I started thinking that what we thought at the time was perfectly appropriate to do in the context, other people didn't like, people we respect and honor, and so, you know, that was the first time I personally had the thought, well, let's just do away with all the gifts and just reform the process dramatically. So about a year ago——

Mr. STRICKLAND. And do you think that is possible?

Mr. PAYNE. Yes, sir, I believe—I am not sure I am in the majority here today, but I believe there will be dramatic reforms announced in the short term.

Mr. STRICKLAND. And my friend on the other side asked if the rest of the world would concur with reforms that we may embrace and whether or not it would place us at a disadvantage. Is it your impression that the IOC at large will agree to these kinds of reforms?

Mr. PAYNE. I am sure they will speak for themselves later on, sir, but I am the eternal optimist, and I believe the relative importance of this country to the Olympic movement, as viewed as a cooperative, not a combative relationship, will emphasize the need of those reforms, and that they will be undertaken in a way that satisfies everybody and will be accepted. That is my personal opinion, sir.

Mr. STRICKLAND. Thank you. If I can just make a comment regarding Mr. Young's testimony, and I read that you provided soccer balls for the impoverished children and so on, I can understand why you felt the need to do that. I guess what troubles me is that these are sort of select individuals who may have access to an individual like you or to resources that the IOC committee would have, and I guess it is better to do something that affects a small group of people, but it seems to me like the rationale there is a limited rationale in terms of its outcome.

Mr. YOUNG. For instance, Congressman, we arranged to send food supplies to 13 different countries because the heads of state told us there was a shortage of protein for the athletes training. We got free food delivered from American companies and shipped to these countries for their athletes.

The soccer balls that we took, we took them ourselves and we passed them out in villages. I mean, that is what we thought was American friendship.

Mr. KLINK. Would the gentleman yield to me for one moment.

Ambassador Young, look, if all that had occurred was taking food to hungry people and taking soccer balls to Third World countries, we would not be sitting here. The reality is in the case of Mr.

Ganga, the evidence shows that the money was put in his personal account, some $50,000 I think.

Mr. YOUNG. Not from us.

Mr. PAYNE. No, sir.

Mr. KLINK. By Salt Lake, in that case. That wasn't you guys. But the fact of the matter is that there is so much beyond that going on here, I laud you for that. I wish I would have been there to see the soccer balls arrive and to see what occurred and to see what happened when the foodstuffs arrived. But it gets far beyond that. We are far, far, far beyond the pale with this.

Mr. STRICKLAND. Thank you, sir.

Mr. UPTON. I want to follow up on a couple points that were made. Mr. Helmick and Mr. Hybl, you both through your testimony and certainly the report that we heard from the Mitchell Duberstein report indicated that virtually everyone knew the abuses were taking place, and I am just curious, particularly Mr. Helmick, as you think back 10, some 10 years ago, if they were well-known to everyone, what did you do then? Did you do anything? What went through your mind as you watched all this happening, particularly as you had seen from other cities that had not participated in this type of thing? I think you indicated you thought it started in Barcelona, that is when it started going, and Paris, Barcelona, and it has escalated since then. Where were you as this thing was happening?

Mr. HELMICK. Well, I was there, and I spent a great deal of time thinking about that question, and obviously I should have done more. I was in a unique position to have done more. Anything I say at this point sounds like an excuse. There are some things we did. You have to keep in mind that we had another bid city going at that point. We were focused on changing the amateur rule. The scandal at that point was we can't compete evenly with the Soviets. There were a lot of other things on our plate. That is sounding like an excuse.

The things we did were not sufficient. We should have done more. We did do some things. At that point it was obvious to me, having been at most of the IOC sessions since Athens in 1978, that it had to come within the IOC. I felt it was awfully important that the president of the U.S. Olympic Committee be an inside member of the IOC. I still feel that way. Bill Simon before me felt that way. We started to do some things inside the executive board. The rule was good. My recollection is having the IOC take care of travel arrangements were good. Obviously those were not sufficient. We should have done more. That is the only way I can answer you.

Mr. UPTON. Mr. Hybl, in the Mitchell-Duberstein report, "It is difficult to believe that members of the executive committee or individual trustees did not become aware through these encounters that a large number of IOC members and their relatives were visiting, attending schools and finding employment around Salt Lake City." it goes on.

I would sense that you would think that you have looked at this report and you sense it is accurate. With all this evidence there, I am still astounded that your earlier comment that you thought only 50 percent of the members, you thought it was only about a

50 percent chance that the reforms will be adopted, knowing the pattern of abuse is as widespread as it is?

Mr. HYBL. Mr. Chairman, I think the odds are greater than 50 percent. As I indicated, it was for the complete package of reforms that are in front of the IOC.

Now, some of the reforms will undoubtedly be adopted, but our view is that the package as presented by the Mitchell commission, there may be some differences in there, but should be reflected in a policy as in the USOC at the IOC level. It is for that complete package that I say that the odds are just a little better than 50 percent, in my view, that they would be adopted.

Mr. UPTON. I want to touch base a little bit on this international assistance fund. I am not sure when it started. Did it start while you were president, or was it around for a long time, the IAF?

Mr. HYBL. I believe it started when Bob was president.

Mr. HELMICK. Yes, it was a response to the Los Angeles organizing committee.

Mr. UPTON. How is it funded?

Mr. HELMICK. Initially it was funded from profits from the Los Angeles Olympic Committee. It was the village fees, by about $4 or $5 million.

Mr. UPTON. Would you agree with my sense of things, particularly in some of the things mentioned in the report, that this could be construed as a slush fund?

Mr. HELMICK. No. It started out as an athlete training fund which was governed by our national governing bodies and was strictly monitored only for legitimate cross training for athletes. It grew out of hand.

Mr. UPTON. Tom Wilkinson was quoted as saying that the IAF grant to train Sudanese athletes "doesn't look like a wise investment unless IOC votes are involved. It seems to me there was a deal, and Sudan delivered. Sudan, again, in the future, don't burn bridges. This is not a good investment of USOC dollars. It is a payback for Salt Lake City votes."

Mr. HELMICK. What was the timeframe of that? I believe that was after I was president.

Mr. UPTON. It was after.

Mr. HELMICK. That is why I said it grew out of what was a good idea, and it is like the gifts grew into something that was then being abused.

Mr. UPTON. Mr. Hybl, was this one of the things you touched on in your testimony. This function of this IAF, is it going away?

Mr. HYBL. We have certainly tightened that down. That does not mean that we will not have international assistance, but it will not be tied to any bid city.

I would say that the comments that you just read were not only inappropriate, I don't believe that they reflect the position of the U.S. Olympic Committee.

Mr. UPTON. Mr. Young, I just want to follow up on something that you said. You indicated that none of these gifts, I believe this is what you said, none of these gifts that were offered would violate your conscience.

Mr. YOUNG. I probably said that, yes.

Mr. UPTON. I mean, again, I give great credit to Judge Bell and the report that he put together. You know, as I look through some of these exhibits and I see that, you know, $16,000 for CD players, $10,000 for handbags, $11,000 for pewter cups, $10,000 for bathrobes, I mean, I don't know—and I see one of the dossiers that you did on a fellow that no longer is a member of the IOC, Mr. Ganga, and in your own dossier that was done on him you were involved in the strategy, at least as documented in this, and the observation is "greedy, will try to rip you off, can be bought. Will tell you what you want to hear."

Later on in the Salt Lake City investigation it says, during many trips to Salt Lake City Mr. Ganga and his family members received extensive medical care, and in fact it talks about to the tune of Mr. Ganga is the IOC member who most took advantage of the bid committee's and communities' generosity. Indeed, bid committee and SLOC expenditures attributable to the Ganga family totaled more than $250,000.

I suspect that this—with this particular individual, he didn't change from Atlanta to Salt Lake City.

Mr. YOUNG. No, but what happened, Congressman, was during the period between Atlanta and Salt Lake City's bid, he was driven out of his home. His whole country was destroyed. He was a government official. There was a kind of communist military cabal. Everything he had was destroyed and he was very vulnerable during that period.

Now, he also has a reputation of being a very aggressive, outspoken Africanist, and has been fighting with the IOC establishment since 1968. We knew that. Our appeal to him was not through his personal need or greed, but through his African nationalist sentiments.

One of the reasons we gave money to South Africa was because the Africans were always saying to us, you just come to us and get our votes. You never do anything for us. When we get through voting, it is just like in Congress, when you get through voting, we never see you any more until election time comes.

So we tried to do some things to help African athletes. But we didn't do anything directly to help Ganga except try to get an interview for his son for a job. But there was no guarantee for a job. He did not get the job. He was a very well trained accountant, spoke two languages. We thought there might be an Atlanta company that might want to hire him.

Mr. UPTON. Mr. Klink.

Mr. KLINK. First of all, Mr. Helmick, I am a recovering journalist, so I just want to give you a chance to clear something up, something that stuck in my ear. One of my friends here on the Democratic side asked you a question about how you became troubled by this excessive gift giving, and your exact quote was you thought this would have to stop because a lot of countries couldn't afford it. I assume you meant there were other reasons than that to stop?

Mr. HELMICK. Absolutely.

Mr. KLINK. I want to give you a chance to clear that up, because our friends at the press table, I did not want anybody—I know you

didn't mean just that and I wanted to give you a chance to clear that up.

Mr. HELMICK. Thank you very much, sir.

Mr. KLINK. I am kind of troubled by, I remember as a young man, and I was young at one time, reading a book about Jim Thorpe and his unfortunate Olympic experience when he had his medals taken from him because they found out one time he had played professional baseball and had gotten a couple of bucks, and it was no more than a couple of bucks. To think we have gone from that to a time now when such extravagant expenditures have to be made in order to compete for whether or not you get the games, and as we said, you have to pay to play, but when you do pay, there is no guarantee you are ever going to get to play in this Olympic game. We have seen examples, Ambassador Young told us, of cities that have spent a lot more money that never got to host Olympics.

I am troubled by all of this. Let me just ask you, Mr. Payne, who is Charlie Battle?

Mr. PAYNE. Charlie Battle, sir, was one of the full-time volunteers who worked with us for the entirety of the bid and the games.

Mr. KLINK. What does Mr. Battle do?

Mr. PAYNE. He runs a private foundation, the benefactor of which is one of his cousins.

Mr. KLINK. What is his background?

Mr. PAYNE. A lawyer.

Mr. KLINK. A lawyer. Was he with a big law firm?

Mr. PAYNE. Yes, sir, he was with the Atlanta firm of King & Spaulding.

Mr. KLINK. When we get back to this point about an honest mistake being made in regard to this $15,000 in cash, I was troubled by this handwritten memo from Charlie Battle to the file, and in this he says that since you are permitted to bring into the United States cash the amount of which does not exceed $10,000, I, Charlie Battle, brought in $8,000 and Bobby brought in $7,570. I took this money to a trust company, a bank, and received a cashier's check, et cetera, et cetera. Then he goes on to say I truly believe that no laws were broken.

Now, if he had been an accountant or had been a dentist or had been something else, I would have less problems with this. But the reality is that he quotes right in his own memo that the law says you can't bring in more than $10,000, and then a few lines later he handwrites I don't think the law was broken.

My problem is, what was going on there? Did they think this was a suggestion by the Federal Government that you cannot bring in more than $10,000? I would question also as to who all saw this and what action was taken. If this was ever brought to somebody's attention, that you had a lawyer with this well-known law firm that by his own admission in his own handwriting admits that he circumvented the law, and then at the end of the memo, writes I don't think the law was broken.

Can you enlighten me on that?

Mr. PAYNE. May I confer with Judge Bell?

Mr. KLINK. If it were me that had to answer the question, I would want to confer with Judge Bell too. Judge Bell, could you sit down where we could hear you at the microphone, sir.

Mr. BELL. It is my understanding that memorandum was not written until just a few months ago. It was written after Salt Lake City. Mr. Battle has a lawyer of his own, so I am not wanting to interfere in any way in this. But since you asked the question, as I understand it, he said that after Salt Lake City he started wondering if he had ever done anything wrong while he was working in on this group, volunteer group. He was on a leave of absence from the law firm because he was so interested in getting the Olympics. So he wrote down in the last 3 or 4 months, he wrote this memorandum. It was 10 years after this happened.

Mr. KLINK. There are no dates on it, so you——

Mr. BELL. I just found that out recently when I was doing the investigation. So I thought you would want to know that. Again, as I say, he has a legal advisor of his own.

Mr. KLINK. Well, it is something we——

Mr. BELL. I don't want to interfere in that.

Mr. KLINK. It is something we may want to have answered.

Mr. Payne, this discussion about, and I thought it was interesting that Ambassador Young mentioned the fact that you are directed more by the volunteers than you direct them. I guess I can appreciate that to a certain extent.

But I was also interested in this memorandum from you, August—this is one of many, I just pulled one, it could have been anyone, but August 20, 1990, to Ginger Watkins and Shannon Chandler, subject, personal gifts. Attarbulsi, I hope I said that right, I know I butchered that, an offer from Emory Clinic acknowledging that we would like him to come to Atlanta for medical treatment whenever he needs it and an offer to pay his air transportation. Follow-up for Dibos and Mendoza. Follow-up with American airlines for free complimentary tickets. Gafner, perhaps an agreement to publish his novel in English. De Leon, de Leon bought clothes at L.A. Town in Korea. We could call Johnny Liu and have him make a suit. Mbaye, perhaps a letter showing support for Atlanta signed by all members of the United States Supreme Court. O'Flanagan, a signed card from hundreds of school children in Savannah, which invites him back to grand marshal another parade, which includes a picture of him during the parade. Von Schoeller, call Campbell about some kind of horse memorabilia. Pal Schmitt, get a letter from the University of Georgia offering a scholarship to his daughter.

Well, no wonder your volunteers were leading you all the wrong direction if the direction they were getting from you was to perform this kind of personal gift giving. That is the problem here, that it appeared that this closed culture of the Olympics was being instructed from the very top.

Mr. PAYNE. Well, as I have said before, sir, we don't—we are not trying to assign any responsibility. That memo has been a source of embarrassment to me before, as have others in the files, and the only one we did on that was the suit for Mr. de Leon, which came within the gift rules and limits, and they were bad ideas, sir, which

were quickly pointed out to me by these other volunteers and no action was taken.

Mr. KLINK. Thank you.

Mr. UPTON. Mr. Barton.

Mr. BARTON. Thank you, Mr. Chairman. I am struck as I have read the reports and the memos and the various investigatory results of the similarities between this and the way football recruiting used to be in the Southwest Conference. Bear Bryant, who coached at Maryland and Kentucky and where I went to school, Texas A&M and then Alabama, his biography makes no bones about the fact that his fundamental job was to win football games, and in order to win football games he had to have players on the field. If he needed to get an alumni to get somebody a job, buy a car or get him a girlfriend or get a couple of hundred dollars for a flight, he did it. And when you read the testimony and you read the reports, it strikes me that Atlanta basically decided to compete for the Olympics, and they went out and hired the best advisers that they could, and the advisers told them if you want to get the Olympics, here is the way you have to do it.

There is a legal criteria, and then there is the real world. Now, am I fundamentally missing the program, Mr. Ambassador?

Mr. YOUNG. We didn't hire any advisers, you know.

Mr. BARTON. Well, the report that Mr. Bell prepared says that early on you retained an adviser that had represented Anchorage and paid him $19,000. You also extensively talked to people who had been involved in the process.

Mr. YOUNG. Yes, sir.

Mr. BARTON. I am not being disparaging. I am just trying to set the stage. The goal was to get the Olympics to Atlanta, and you found out what the rules say and then what do we really have to do, and you decided to do what you really have to do. Does anybody fundamentally disagree with that?

Mr. YOUNG. I think that is a very good illustration.

Mr. BARTON. Okay. Now, I believe that if you are going to solve the problem, you have got to have fundamental reform, and if you are going to have fundamental reform, you have to start at the top. My understanding is that the president of the International Olympic Committee at the time is this gentleman from Spain, Mr. Samaranch, is that correct?

Mr. PAYNE. Yes, sir.

Mr. BARTON. Now, again, in Judge Bell's report that he supplied to the committee, it shows that Mrs. Samaranch came to Atlanta and took side trips to Savannah and Charleston and the total cost that is reported for all that with her friends is over $12,000.

Now, did she have a vote? She didn't have a vote.

Mr. PAYNE. No, sir.

Mr. BARTON. So this is no official reason to be paying for airfare and side trips to the president's wife and her friend, is there?

Mr. YOUNG. Yes.

Mr. BARTON. And——

Mr. YOUNG. I mean, again, you said it. We wanted to get anybody who could influence him. He is very hard to get to.

Mr. BARTON. I understand that. That is exactly my point.

Mr. YOUNG. If his wife wants to come to Atlanta, well, we're glad to have her come.

Mr. BARTON. Here is my point. It is hard for him to claim public outrage and shock and amazement that we have got all these problems if his wife and her friend flew to Atlanta, took a side trip to Savannah and Charleston, all at the expense of the Atlanta Olympic Committee. So why is he still president of the International Olympic Committee? Anybody want to answer that question?

Mr. YOUNG. He gets the majority of the votes. He gets reelected and—but in fairness to him, he is an old line European aristocrat who has brought the Olympic movement a long way on some issues. One, he has brought more minorities, the diversity of the Olympic movement under his leadership——

Mr. BARTON. Which is a good thing.

Mr. YOUNG. Is a good thing, and that is one of the reasons he gets support.

Mr. BARTLETT. My guess is he is not the only one who could do that.

Mr. YOUNG. He is the only one who did. It was a white male old boy's club until he took it over. The athletes on the Olympic Committee, the anti-doping efforts, the difficulties of keeping—he had been Ambassador to Russia, so he was one of those that was influential in helping to keep the Russians in the Olympics.

Mr. BARTLETT. My time has expired.

Mr. YOUNG. There are good reasons why he is still the president.

Mr. BARTON. There are no good reasons that I can tell. You need fundamental reform. It is not going to happen in my opinion as long as he is president. I think you need to reform the voting process. I think you ought to have an open vote. It is pointed out in Judge Bell's report on the first ballot Atlanta got 19 votes and they didn't get anywhere close to competitive until the last ballot. If you made it an open vote process, you prevent these 86 members of the International Olympic Committee from promising everybody something. In other words, you got to put your vote on the board like you told somebody you are going to put your vote on the board. I think you need to reform the mechanism for who puts you on the International Olympic Committee. From what I can understand, President Samaranch has quite a bit of influence on who gets on the International Olympic Committee. So I am not here to chastise the Atlantans, but if I am still here when we get the IOC, I am going to chastise them significantly, because I think that is where the problem is.

Thank you, Mr. Chairman.

Mr. UPTON. Thank you, Mr. Barton. I have been generous with the time, as you can see, that everyone has lots of questions and many of us still to ask. I am going to ask all members if they can to submit questions to you all in writing. I have two members, each of which want to ask questions very desperately, and I will yield at this point to Ms. DeGette and then to Mr. Burr, and at that point we will excuse this panel and begin the next.

Ms. DEGETTE. Thank you, Mr. Chairman. This kind of wraps it up a little bit. We all have a pretty clear picture from reading the documents and hearing you testify here today what happened in

Atlanta, what has been escalating since the 1980's, and I would like to place a question to Mr. Hybl, and it is as follows.

We have written policies that the IOC apparently adopted in the late 1980's and has reiterated throughout the 1990's, particularly with respect to travel and with respect to gifts. We also have an acknowledged recognition by host city members that they knew of those rules going in and that they knew that the rules weren't followed by anybody, and also that the rules were never enforced by the IOC.

So my question to you is, what reforms do you think that the IOC could adopt that could and would actually have some hope of being enforced? And what would the mechanism look like to actually have real reform versus paper reform?

Mr. HYBL. Well, let me answer that two ways, if I may. The first is the U.S. Olympic Committee now has experience with our new reform process, as we bid for the Pan Am Games. The cities have been visited, the USOC paid all the expenses, with the exception of a couple lunches and one reception within the community. We paid the airfare for our people to go to the city, we paid for their expense also while they were there, we have a limit of $25 on gifts. But in these cases there were no gifts.

Let me tell you, no matter who wins, on October 23, whether it is Raleigh, NC or whether it is San Antonio, Texas, these rules are working.

Ms. DEGETTE. I don't mean to interrupt you. I know that within the United States we are doing this and enforcing it. Maybe you can extrapolate internationally. I know the chairman has said we don't have much time.

Mr. HYBL. Second, it would be my view there is probably no real reason for individuals to visit a host city if in fact it can be done by an evaluation team who then makes a presentation. If people are not visiting, you certainly don't have the problem with receiving excessive gifts.

The second thing is, and the IOC is making I believe great strides here, is representation for the athletes that are elected by the athletes, because there is no better catalyst for change within any organization than these—in the Olympic movement—than having the athletes actively participating, advocating change, and certainly being a positive force for the whole movement.

I believe that is going to happen. I think change will evolve quickly in some areas, but over the long term, the prognosis is very good.

Ms. DEGETTE. Thank you.

Mr. UPTON. Mr. Burr.

Mr. BURR. Thank you, Mr. Chairman. Ambassador, I am not going to ask you how you knew the Jamaican voted in a closed voting session, but clearly that is one I will still be curious on. Let me ask you, Mr. Payne, did Atlanta have competition in the U.S. to be the site pushed by USOC?

Mr. PAYNE. Yes, sir. We had extensive competition.

Mr. BURR. How did the USOC make their choice?

Mr. PAYNE. By a ballot cast at an election process in Washington DC. On April 28.

Mr. BURR. Was that an open vote?

Mr. PAYNE. I believe it is a secret ballot, is it not, Bob?

Mr. HELMICK. I believe it was a secret ballot.

Mr. BURR. Let me ask you a question and ask you to think about it long and hard before you answer. Did Atlanta have to do anything other than be the best site to receive the USOC endorsement?

Mr. PAYNE. I think we were the best site. I think that determination, that selection, was assisted by introducing members of the U.S. Olympic Committee executive committee to the people of Atlanta and their enthusiasm for the Olympic movement.

Mr. BURR. Was there any discussion prior to their vote relative to splits of their participation in the games as it related to any of the concessions?

Mr. PAYNE. I believe we were required to sign as a preliminary to the vote, as were all cities, an agreement which basically said the division of the big revenues are A, B, C, and we will negotiate later all the details.

Mr. BURR. Let me ask you, Mr. Hybl, how important is it that if there is an American city in the process that that American city win versus a foreign city to the USOC?

Mr. HYBL. I think for the promotion of sport in our country, particularly Olympic sports, it is important that an American city win.

Mr. BURR. Is there a financial advantage for the USOC if a U.S. city wins the bid process?

Mr. HYBL. Yes, the answer is yes, because of the attractiveness of being a sponsor of the U.S. Olympic Committee and it's at least——

Mr. BURR. Don't get a cut if it is in a foreign city?

Mr. HYBL. The U.S. Olympic Committee participates in a variety of ways through the IOC TOP program, through television revenues in the United States, no matter whether the games are here or not.

Mr. BURR. But you wouldn't get a percentage of the sale of concessions, for instance, if it were held in Athens versus Atlanta, am I correct?

Mr. HYBL. Well, the fact is that with a joint marketing agreement which we had with Atlanta and also that we do have with Salt Lake City, there is a participation. But this is strictly based on revenues that are raised jointly, not what Atlanta would be doing.

Mr. BURR. That you wouldn't get jointly if it were in Athens?

Mr. HYBL. That is correct.

Mr. BURR. Okay. Now, you have been associated with USOC, looking at your background, I think since 1981. Is that about the right time?

Mr. HYBL. That is correct.

Mr. BURR. Let me ask you, as president, are you paid anything?

Mr. HYBL. No.

Mr. BURR. As USOC president?

Mr. HYBL. I am paid expenses, and I have an allowance for two staff members.

Mr. BURR. Are any of the officers or board members paid?

Mr. HYBL. No. None of the officers are paid. The staff is paid, headed by an executive director.

Mr. BURR. Let me ask you, given the structure in the USOC of unpaid positions for board members, is in fact duplicative of the IOC structure, one of you or both of you said earlier one of the reforms that has to happen is the IOC has to pay their board members. Did I dream that? It was the Ambassador that said that. Let me ask the two of you then to comment on whether that is a needed reform that must take place.

Mr. HYBL. The U.S. Olympic Committee is in the process of an evaluation of our management by Mackenzie and company and we will be moving much of the authority that has been incumbent I guess on the president and the officers to the paid staff to really put the president, the position I am in, more as chairman of the board, which means that we wouldn't have the decisionmaking process as much within the volunteer staff. I don't believe the volunteers should be paid.

Mr. BURR. Let me, Mr. Payne, ask you one last question. There is no predetermined answer to this one.

If there was not a tremendous amount of U.S. corporate money and U.S. TV rights that went along with Olympic Games today, do you believe the IOC would be at the point that they are as it relates to efforts to reform the process?

Mr. PAYNE. I am not sure that the amount of money derived from U.S. sources is as relevant to the reform as it has been historically to the success and the growth of the IOC. I believe that the corporate support from American companies is absolutely critical, absolutely critical, to the worldwide success in meeting the legitimate objectives of the IOC to support.

Mr. BURR. So if by not performing they lost support of U.S. corporations or U.S. TV contracts, that would put in jeopardy the success of the Olympics; they would respond?

Mr. PAYNE. That would be my personal opinion, sir.

Mr. BURR. I would take that as a yes, they are responding because there is pressure.

Mr. PAYNE. There is pressure and I believe you will find, sir, that they do believe reform for its own right and merit is needed.

Mr. BURR. Let me take this opportunity once again to thank the four of you but to especially thank Ambassador Young and Mr. Payne, the folks in Atlanta for going through I know what has to be a grueling process of trying to remember 10 years ago and also to have to publicly go out and say there's some things we did that don't look good and that's not always fun but it's an important part of the process. Did you want to say something?

Mr. YOUNG. Yes, Congressman. I've sounded like I'm defending a lot of things that I don't—that are indefensible. I defend paying the board members of the IOC in large measure because about half of them are from very poor countries and one of the things that has happened in sport—I mean, we are responsible for the big money culture around sport and we tend to be ashamed of money as rich folks but it has given so many opportunities. I say the commercialization of sport has also been the democratization of sport, that a kid who can run, who can jump or who will train doesn't have to be rich. Before the U.S. corporations got interested in sport, you had to be born rich to compete in the Olympics. You had to have somebody to take care of you. I always wanted to go to the Olym-

pics but I could never take off and do nothing but train for 2 or 3 years, whereas the Soviet athletes had government support. Now all athletes have support. American corporations have been very, very helpful to sport.

Mr. BURR. As an individual that did not grow up in a wealthy family but was the recipient of a football scholarship to Wake Forest when it was the only way I could go, I treasure the opportunity that I had and the ability to achieve that and by the same token now 25 something years since I graduated look at the experience that just went on at Florida State and wonder how can it continue and where is the supervision. I think we share the same concern but we also share the same goal and that's excellence for the next generation of potential athletes.

Mr. Chairman, I yield back.

Mr. UPTON. The gentleman's time has expired. Gentlemen, we appreciate your being with us for the greater part of the day today. We appreciate your answers. We certainly appreciate the testimony you provided in accordance with committee rules in advance. I do know of a number of members that have additional questions and we will be communicating that in writing. If you could communicate back in a fairly short order, that would be terrific. You're excused. Thank you very much.

Our next panel includes Mr. François Carrard, Director General of the IOC; Ms. Anita DeFrantz, Vice President of the IOC, and Mr. Jim Easton, a member of the IOC. Members of the next panel, as you heard from the first panel, we have a long-standing practice of taking testimony under oath. Do any of you object to that? I also advise you that under the rules of the House and of this committee, you're also entitled to be advised by counsel. Do you desire to be advised by counsel? And if so, could you identify those individuals.

Mr. CARRARD. Mr. Chairman, Mr. Culvahouse.

Ms. DEFRANTZ. Mr. Oparil.

Mr. UPTON. I just want to make sure our clerk is able to get the names. Mr. Easton.

Mr. EASTON. Mr. Newhouse.

Mr. UPTON. If you could all stand and raise your right hand.

Thank you, you are now under oath. As you know, our format, I'm going to be try to be a little stricter. We're going to use this clock. Your full testimony is made a part of the official record in its entirety. If you could limit your remarks to about 15 minutes, that would be terrific. Mr. Carrard, we'll start with you. Welcome to the subcommittee.

TESTIMONY OF FRANCOIS CARRARD, DIRECTOR GENERAL, INTERNATIONAL OLYMPIC COMMITTEE; ANITA L. DeFRANTZ, VICE PRESIDENT, INTERNATIONAL OLYMPIC COMMITTEE; AND JAMES L. EASTON, MEMBER, INTERNATIONAL OLYMPIC COMMITTEE

Mr. CARRARD. Thank you, Mr. Chairman, members of the committee. My name is François Carrard, I'm a Swiss citizen. I'm the Director General of the International Olympic Committee. My language is French and I ask for understanding if now and then I have a slip of tongue because I learn hard English thanks to a scholarship in California many years ago, but it's not my language.

Thank you for your invitation to appear and let me tell you outright that it is the IOC's strong determination to fully cooperate with your committee. It is Mr. Samaranch's equally strong determination to cooperate and to appear in front of this committee in December.

Before addressing shortly our crisis and our result action for in-depth reform, let me say a few short words about the Olympic movement and the IOC. The Olympic movement is the concerted action of all those in the world, and we are speaking of hundreds of millions of people, who accept to be guided by the principles and the rules of the Olympic charter. All these people are integrated fundamentally into three different constituencies: First of all, the international federations which are international nongovernmental bodies governing sports at world level; the National Olympic Committees, this is the second constituency, 199 of them in the world, one of them the most important being the U.S. Olympic Committee; and last, the International Olympic Committee, the IOC, which is of course today in the heart of the matter.

The IOC coordinates the entire Olympic movement in accordance with the Olympic charter. It is a nongovernmental international organization privately funded, privately funded. Its legal structure is that of an association under Swiss law with headquarters in Lausanne, Switzerland. The present membership consists of 103 individuals coming from 77 different countries, 103 from 77 countries. Total independence, totally free of their acts, entirely not paid and their meeting constituents, the supreme body, the general assembly which we call the session. Session elects the executive body, elects president and chooses the host cities for the Olympic games. The session also approves the changes in the charter which would be necessary for the reform process. Their entire reform process under way will be submitted to the session on December 11 and 12. A two-thirds majority is required and I can say that fundamental, unique, unheard of changes will be submitted. It is a formidable challenge after 105 years for Mr. Samaranch and all those committees to reform.

A few words about the crisis. The crisis has to do with people with structures and with procedures. We were aware of the—as soon as we had evidence and that was the key word, evidence, of misconduct. We took immediate action in late 1998. Immediate internal investigation was ordered. Shortly afterwards, a commission was set up, the so-called ad hoc commission chaired by Vice President Pound dealing with the problems of the people. Within 3 months we reviewed all the files of all the members, and the result is that an extraordinary session was convened in March 1999, practically after 3 months, and this led to the exclusion, the expulsion of six members and to the resignations of four others.

So practically for the first time in 105 years, the IOC did cutoff the 10 percent of its membership for misconduct. This was, Mr. Chairman, very harsh action.

We further studied and took into account as soon as we received it the Mitchell commission report and took immediate measures for transparency, accountability. Our accounts, audited according to international standards, were disclosed. We opened the next session which took place in June 1999 to the media at large, for the

first time in 105 years. The decision was taken immediately, no trips, no visits anymore for the ongoing campaign which led to the decision for the 2008 games because that's—we saw it as quite an important matter. We applied following the recommendation of the Mitchell commission to OECD to be governed by the regulations internationally, because we're a worldwide organization, on corruptions. We established an ethics commission composed for a vast majority of leading senior independent persons with a very strong action and inference. And then there is a reform process, the IOC 2000 reform going on.

Many of the reforms proposed are absolutely radical, introducing age limits. We are proposing 70 years old. Term limits, a new nominations committee, more members from outside including athletes and athletes democratically elected by their peers, and there will be new procedures also on the candidacies. Anita DeFrantz will speak of that.

I thank you, Mr. Chairman, members of this committee for your time. We consider this investigation as necessary. It's not easy for us but useful and constructive and positive contribution to our reform process. We are very thankful also to Senator Mitchell, Mr. Duberstein for all the time they have taken as well as for the leading, the leading American personalities who are helping us with this process.

We have a crisis. Yes, there have been abuses. Yes, there have been excesses, but we're fully committed to deliver for the end of the year fully newly renovated IOC.

Thank you.

[The prepared statement of François Carrard follows:]

PREPARED STATEMENT OF FRANÇOIS CARRARD, DIRECTOR GENERAL, INTERNATIONAL OLYMPIC COMMITTEE

INTRODUCTION

Mr. Chairman, Members of the Committee, my name is François Carrard, and, as Director General of the International Olympic Committee (IOC), I am here to represent the IOC and its President.

I want to thank you for the courtesy you and other Members of the Committee extended to me last week during our meetings. I also want to reiterate the IOC President is absolutely prepared to testify before your Committee after the IOC Session meets to vote on reform December 11 and 12. I want to thank you for understanding his need to concentrate on building the necessary consensus among our multicultural organization for the acceptance of our reform package. As you know, changes to the Olympic Charter require a two-thirds majority vote for passage.

THE OLYMPIC MOVEMENT

The International Olympic Committee was established in 1894 to revive the spirit and competition of the Olympic Games celebrated in ancient Greece. Since then, the IOC has coordinated and supervised the celebration of the modern Games and the growth of the Olympic Movement. In the most simple terms, the Olympic Movement is made up of those people who agree to uphold the *Olympic Charter*. Although the Movement consists of many partners, most notably the Olympic athletes, the three leading elements of the Olympic Movement are the International Sports Federations (IFs) that manage sport on a global level, the 199 national Olympic committees (NOCs) that coordinate the Olympic Movement within their own countries, and the IOC.

The IOC is organized as an association having legal personality under Swiss law and is headquartered in Lausanne, Switzerland. Its activities and relationships are governed by the terms of the *Olympic Charter,* and it has a permanent staff of over 100. The IOC has 103 members from 77 different countries, which means they also come from different backgrounds, cultures, races, and religions. Nineteen members

come from North and South America, 19 from Asia, 13 from Africa, 48 from Europe, and four from Oceania.

Each member serves as an independent trustee of the Olympic Movement. This independence is a hallmark of the IOC and has allowed the Olympic Movement to survive political pressure inconsistent with the Olympic values. While all different, their common bond is their love of sport—one out of four is an Olympian—that drives them to work as unpaid volunteers for the development of sport around the world. I should also mention that six of the eleven members of the Executive Board are Olympians.

CRISIS AS OPPORTUNITY

Over the past Century, the Olympic Movement has faced several major challenges—from the World Wars to the boycotts. Today, we are gathered to discuss the most important challenge—most important because it is leading to fundamental change in the organization. It is the IOC President's firm conviction that this crisis has a positive side because it has generated the political will to make overdue changes.

To the IOC's credit, the Olympic Games have grown into the most important sports event in the world. Unfortunately, while the Games evolved, our organizational structure did not keep up with the pace of change. In effect, we did not realize we were going through a growth crisis.

The result of an old-fashioned structure managing modern Games was not corruption, but a situation in which some of the less responsible members—a small minority—showed poor judgement and abused the system.

Our problems were caused by weak people, structures, and procedures. This is why the International Olympic Committee is now engaged in a comprehensive and unique review and reform process.

PEOPLE

The revelations coming out of Salt Lake City and Atlanta show us there were both givers and takers among the organizations involved. The IOC has taken responsibility for the behavior of its members, and where that behavior stepped over the line, the IOC levied the harshest of sanctions.

Immediately after it became clear there were improprieties involved with the selection of the host site for the 2002 Winter Olympic Games, the IOC President took steps toward organizing an internal probe. The IOC was the first to act and the first to report. As a result of its investigation, six members were expelled, four resigned under pressure, and one passed away before the beginning of the investigation. Ten others were sanctioned with warnings of varying degree of severity.

Expelling six members by vote of their peers and leading four others to resign was a most painful moment for the International Olympic Committee; yet these actions were overwhelmingly endorsed by the membership.

Regarding the Atlanta allegations, the IOC President has referred the response known as the Bell Report (by the Georgia Amateur Athletic Foundation) to your Committee to the newly established permanent and independent IOC Ethics Commission, a majority of whose members are senior, independent voices from outside the IOC. They will make recommendations to the IOC Executive Board if disciplinary action is required. I should mention, many of those referred to in the Bell Report are the same people that were disciplined earlier this year.

STRUCTURE

Once we dealt with these problems, we turned our attention to key structural changes. We already have seen substantial progress and some results.

Ethics Commission.

The first key change in terms of structure was the creation of the permanent and independent Ethics Commission. The IOC membership voted to create the IOC Ethics Commission at its 108th Session in Lausanne in March 1999. The Ethics Commission is charged with ensuring the ethical standards for IOC members are clear, applied, and enforced.

The Commission is headed by Judge Keba Mbaye, former vice president of the International Court of Justice and an IOC member since 1973. He is joined on the Commission by five independent, international personalities:

- Howard Baker, former U.S. senator;
- Javier Perez de Cuellar, former United Nations secretary general;
- Robert Badinter, former president of the French Constitutional Court and former French minister of justice;

- Kurt Furgler, former President of Switzerland; and
- Charmaine Crooks, a five-time Olympian from Canada.

IOC members Kevan Gosper, who is a former chairman and CEO of Shell Australia, a former Melbourne city executive, as well as a Silver Medallist, and Chiharu Igaya, another Silver Medallist and a member of a number of corporate boards, also serve on the Commission.

The Commission's initial work resulted in the adoption of a Code of Ethics and changes to the *Olympic Charter* at the 109th Session in June 1999.

The IOC Code of Ethics will govern the actions of IOC members as well as those of officials of candidate cities and Organizing Committees of the Games (OCOGs) as they interact with IOC members. Among other provisions, the new Code limits gifts to items of nominal value and hospitality to the prevailing customs in the host country. The amendments to the *Charter* enhanced and clarified the powers of the IOC Executive Board to sanction and suspend members for unethical behavior.

IOC 2000

Further changes to the IOC's structure are being contemplated by the IOC 2000 reform commission, and we are on schedule to enact fundamental reforms on December 11 and 12, 1999.

The IOC 2000 Commission was established by the IOC's March 1999 Session with a broad mandate to review all facets of the organization, including its structures, rules, procedures, and host city selection process.

IOC 2000's general membership of 80 is led by a 26-member Executive Committee, comprised equally of IOC members and external personalities. (Of the thirteen external personalities on the Executive Committee, five are from the United States.) IOC 2000's plenary commission includes top leaders of international sports organizations, senior business executives, academics, sponsor and television broadcast partner representatives, and other internationally known public figures.

The IOC 2000 Commission also includes the ten members of the IOC Athletes Commission, democratically elected by their peers during the last Summer and Winter Olympic Games.

Among the members are:

- Henry Kissinger, former US secretary of state;
- Boutros Boutros-Ghali, former UN secretary general;
- Paul Allaire, chairman, Xerox;
- Michel Barnier, European Commissioner;
- Dick Ebersol, chairman, NBC Sports;
- Peter Ueberroth, former Olympic Games organizer and Major League Baseball commissioner; and
- Thomas Stoltenberg, former foreign minister of Norway.

The IOC 2000 plenary commission met on June 1 and 2, and its three working groups have met three times since then.

The three IOC 2000 working groups' preliminary recommendations include several key elements to revising the structure of the IOC. They are:

- setting the membership to 115 members which will include 15 members who come from the ranks of the International Olympic Sports Federations, 15 from among national Olympic committee presidents, and 15 active Olympic athletes. The athlete members would be elected by their peers at the Olympic Games;
- lowering the age limit to 70 years old;
- establishing a nominations commission that would review the qualifications for people considered for election or reelection to the IOC;
- setting the term of service at eight years, after which reelection to the IOC is required; and
- setting the term of the President of the IOC at eight years after which he or she could be reelected to serve only one additional term of a yet to be determined length.

The IOC 2000 Commission will meet October 30 and 31 in Lausanne to finalize its recommendations for reform. The plenary meetings will be open to the media, and the full roster of recommendations will be made public at that time. IOC members will review and vote on this set of final recommendations at the IOC Session on December 11 and 12.

POLICY AND PROCEDURES

The third major area of reform is revision of IOC policy and procedures.

Transparency

Perhaps the most obvious shift of policy is the IOC's stronger embrace of transparency. In March, the IOC published its financial statements that were audited by PriceWaterhouseCoopers. A couple of months later, we opened the IOC 2000 Commission plenary meetings to the media. Then in June, we took a further step by opening the IOC's annual membership meeting, the IOC Session, to the media for the first time. And we have made an incredible amount of information available on our web site, www.olympic.org. I think the media will concur that we are making major strides in this area of openness, and I hope you will see the IOC President's willingness to come to Congress to explain the reform as yet another step toward greater transparency.

OECD

Earlier this month, the IOC President instructed me to send a letter to the Organization for Economic Cooperation and Development (OECD) asking that the IOC be covered by the organization's anti-corruption convention. Some members of the Senate Commerce Committee as well as the Mitchell Commission urged the IOC to find ways it could be covered by the US's Foreign Corrupt Practices Act. After consultations, we determined a direct application to the OECD would be the best approach for the IOC, as we could circumvent the need to apply to each of the OECD's member nations one by one.

At this point, I would like to thank the members of the Mitchell Commission, especially Senator Mitchell and Ken Duberstein, who have made themselves available to meet with us and provide input on how they feel the IOC reform efforts should be directed. In this same vein, I would like to say we appreciate the interest this Committee and your Senate colleagues have taken in the reform of the IOC.

Host City Selection Process

Perhaps the most important reforms in terms of procedure are the fundamental changes being contemplated for the host city selection process. IOC Vice President Anita DeFrantz, who was the chairman of the IOC 2000 working group addressing this area, is here to provide detailed testimony on the proposed changes to the process.

CONCLUSION

Mr. Chairman, I hope in the time provided I was able to give you and your colleagues a basic understanding of how substantial a reform effort is underway at the IOC. Senator Mitchell has commented that the reforms his commission recommended alone would be hard enough to implement, and IOC 2000 has a much broader mandate to review all aspects of the IOC.

I respectfully submit that the IOC is undergoing a reform process that is unprecedented in both scope and pace for a 105-year-old, multicultural organization. Let me repeat: the IOC leadership is fully committed to ensuring the reform efforts growing out of this crisis result in a fully renovated IOC that will be better able to lead and serve the Olympic Movement.

Mr. Chairman, that concludes my formal statement. I look forward to taking your questions following the testimony of Ms. DeFrantz and Mr. Easton.

Mr. UPTON. Thank you. As you may have heard, we have those buzzes and lights that indicate that we have a vote on the House floor so we're going to temporarily recess and we'll come back promptly at 2 for Ms. DeFrantz. Thank you.

[Brief recess.]

Mr. UPTON. There are members who are trying to sneak a sandwich and do a number of things. A number of subcommittees are meeting. But I think we'll continue. Mr. Carrard, thank you very much for your testimony. Ms. DeFrantz, we'll begin with you. Welcome.

TESTIMONY OF ANITA L. DeFRANTZ

Ms. DEFRANTZ. Mr. Chairman, members of the committee, thank you for the opportunity to testify today on a topic of great importance to me. I also want to thank you and the members of the committee for the constructive dialog of the International Olympic

Committee. My name is Anita L. DeFrantz, I'm an executive committee member of the U.S. Olympic Committee. I'm Vice President of the International Rowing Federation, FISA, and I'm Vice President of the International Olympic Committee.

My involvement in the Olympic movement has been continuous since I first rowed for the U.S. Olympic team. I am an Olympian. I represented our country in the games of the 21st Olympiad in Montreal in 1976 and I'm proud to say we were able to win a bronze medal that year in rowing. I was also a member of the 1980 Olympic team which was not allowed to compete in Moscow. Since then I have served in a various—a variety of volunteer positions within the USOC. I also worked as a vice president for the Los Angeles Olympic organizing committee which put on the 1984 Olympic Games in Los Angeles and I was elected to the IOC in 1986. Today my work is as President of the Amateur Athletic Foundation of Los Angeles, which is the legacy of the 1984 Olympic Games.

I have stayed involved with the Olympic movement because I believe in what the Olympic movement stands for, which is, as written in the Olympic charter, building a peaceful and better world by educating youth through sport, practiced without discrimination of any type of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship and fair play.

Most people think of the Olympic movement only when they watch the games every 2 years. While the games do bring together the world in a celebration of human excellence, it's what the International Olympic Committee does to promote international sport leading up to and in between the games that makes me proud to be a member of the IOC.

Through the moneys generated from the sale of broadcasting rights worldwide and worldwide sponsorships, the International Olympic Committee helps fund training programs to enhance the national sports organizations around the world. The programs seek not only to prepare athletes to compete in the Olympic Games but also to train their coaches in the latest techniques and to teach the national sports administrators to better manage their country's sports programs.

As a result of these programs, athletes who could not afford the training much less the airplane ticket to the games now compete alongside their peers from wealthier nations. Due to the success of these programs, we now have athletes from 199 National Olympic Committees participating in the Olympic Games and I'm happy to say that more than 40 percent of those athletes are women.

There is a whole list of programs which are undertaken under Olympic—what we call Olympic solidarity. There are programs for administrators, for coaches, for athletes, sport for all, women in sports, sport and the environment, Olympafirca, and these programs are funded through our sponsorship. I must also point out that the U.S. Olympic Committee and their four U.S. athletes are major beneficiaries of the moneys generated through the worldwide sale of broadcast rights and sponsorships.

From the IOC's worldwide sponsorship program, the TOP program, the first 20 percent of revenues are distributed directly to the USOC. The first 10 percent of television rights, U.S. television rights goes directly to the United States regardless of where the

games are held. Perhaps it is because I am so proud of the work of the International Olympic Committee that I am so disappointed about what we have learned during this past year. It is also why I have given so much of my time to help advance the reform process.

Mr. Chairman, I am here to assure you the process for selecting the host cities in the future will be dramatically different from the recent past. Following the revelation of problems with the 2002 bid process, the IOC took immediate action. An inquiry panel was immediately formed to examine the actions of IOC members who had abused their trust. Ten members resigned or were expelled from the organization. Ten others were warned. The IOC president then put in place a reform process with the development of a new interim procedure for selecting the 2006 Olympic Winter Games site, the creation of an independent and permanent Ethics Commission and the IOC 2000 Reform Commission.

Recognizing the urgent need for action on the bid process, the system for the selection of the 2006 Olympic Winter Games was immediately changed. Under that interim system, gifts and visits were prohibited and a selection college chose two finalist cities. The winner was elected by secret ballot cast by each member of the IOC.

If the reform process goes forward as planned, the host city of the 2008 games will be elected through an even more thorough and improved selection process.

Although the Ethics Commission has existed for only 6 months, it has already made an impact on the future host site selection process through the ethics code it drafted. The members of the International Olympic Committee adopted this code in June. You should note the code lays out ethical standards for the interaction of the members of the International Olympic Committee with the members of the bid committees, and the National Olympic Committees. Second, it limits gifts to those of nominal value; third, it limits hospitality to that of the prevailing local customs. The new ethics code will be enforced by the independent Ethics Commission of which Senator Baker is a member.

With the ethics code as the backdrop, the IOC 2000 Reform Commission is revising the process by which the International Olympic Committee will elect future Olympic host cities. First we have proposed changes to make clear the responsibilities of the National Olympic Committees in the bidding process. We found through the Mitchell report that there was no legal leverage over the bid committees and no mechanisms to compel the National Olympic Committees to assert closer control over the activities of the bidding committees. Second, we will add a new phase to the process called the bid acceptance phase. In the past, any National Olympic Committee could propose a city and that city would be declared a candidate for the games. In the future, the IOC with the assistance of technical experts, athletes, representatives of international federations, and National Olympic Committees will screen the cities to determine whether that city can be considered a candidate to host the games in question.

After the bids are accepted—I'm sorry, a very important step at that point is that there will be a contractual relationship with the

bid cities. The leverage that was not in place in the past will be there in the future.

After the bids are accepted, they'll go through a more thorough evaluation process. The third major change. The International Olympic Committee has long studied the qualifications of the bid through the work of the evaluation commission. However, we have recommended the expansion of that commission to involve more technical consultants, athletes, and other representatives of the federations and National Olympic Committees.

Under the previous system after the distribution of the evaluation reports, the IOC members would visit the cities. The executive committee of the IOC 2000 reform has recommended that we eliminate the member visits to the bid cities which would be the fourth major change. If the number of candidate cities is too large at this point the IOC executive board would have the authority to limit that field.

Mr. Chairman, I hope you will see that the International Olympic Committee has been working to reform one of our most important procedures. Choosing the site of the next Olympic Games is a serious responsibility, as it determines where the dreams of future Olympians will be realized. We are making sure that the choice is being made under the best circumstances. Thank you.

[The prepared statement of Anita L. DeFrantz follows:]

PREPARED STATEMENT OF ANITA L. DEFRANTZ, VICE PRESIDENT, INTERNATIONAL OLYMPIC COMMITTEE

Mr. Chairman, Members of the Committee, I want to thank you for the opportunity to testify today on a topic of great importance to me. I also want to thank you and other Members of your Committee for the constructive dialogue with the International Olympic Committee.

My name is Anita L. DeFrantz, and I am an executive committee member of the U.S. Olympic Committee (USOC) and a vice president of the International Olympic Committee (IOC). I am also vice president of the International Rowing Federation, FISA. I am an Olympian. I represented our country at the Games of the XXI Olympiad in Montreal in 1976 and was proud to win a Bronze Medal in rowing. I also was a member of the 1980 US Olympic team that did not get a chance to compete in the Moscow Olympic Games.

My involvement in the Olympic Movement has been continuous since I first rowed for the US Olympic team. I have served in various volunteer positions within the USOC. I worked as a vice president for the Los Angeles Olympic Committee for the 1984 Olympic Games. I was elected to the IOC in 1986. I am currently employed as president of the Amateur Athletic Foundation of Los Angeles.

I have stayed involved because I believe in what the Olympic Movement stands for, which as written in the Olympic Charter is, "...building a peaceful and better world by educating youth through sport, practiced without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship and fair play."

THE OLYMPIC MOVEMENT

Most people think of the Olympic Movement as the Games they watch every two years. While the Games do bring the world together in a celebration of human excellence, it is what the International Olympic Committee does to promote international sport leading up to the Games that makes me proud to be a member of the IOC.

Through the monies generated from the sale of broadcasting rights and worldwide sponsors, the International Olympic Committee helps fund training programs to enhance the national sports organizations around the world. The programs seek not only to prepare athletes to compete in the Olympics but also to train their coaches in the latest techniques and to teach the national sporting administrators to better manage their countries' sports programs. As a result of these programs, athletes who could not afford the training, much less the airplane ticket to the Games, now compete alongside their peers from wealthier nations. Partly due to the

success of these programs, we now have athletes from 199 national Olympic committees participating in the Olympic Games, and I am happy to say that more than 40 percent of the athletes are women.

The goal is to ensure both today's and tomorrow's athletes from all nations continue to compete on the world stage.

Among these programs are:

- For Administrators
  - Assistance to Continental Associations
  - Grants for NOC operating costs
  - Preparation for and participation in the Olympic Games
  - International Olympic Academy
  - Programs with the Medical Commission
  - Training for sports administrators
- For Coaches
  - Olympic scholarships for coaches
- For athletes
  - Preparation for and participation in the Olympic Games
  - Sydney 2000 programs
  - Olympic scholarships for young, promising athletes
  - Programs with IFs
- For sport in general
  - Sport for All
  - Women in Sport
  - Sport and Environment
  - Olympafirca

The United States Olympic Committee, and therefore the U.S. athletes, are major beneficiaries of monies generated through the world-wide sale of television rights and sponsorships. From the IOC's corporate sponsorship program, the TOP program, the first 20% of revenues are distributed directly to the USOC. And, no matter where the Olympic games are held, 10% of the U.S. television rights fee goes directly to the USOC.

INTERNATIONAL OLYMPIC COMMITTEE ACTION IN RESPONSE TO RECENT CRISIS

Perhaps it is because I am so proud of the work of the International Olympic Committee that I am so disappointed about what we have learned during this past year. It is also why I have given so much of my time to help advance the reform process.

Mr. Chairman, I am here to assure you the process for selecting the host cities in the future will be dramatically different from the recent past.

Following the revelation of problems with the 2002 bid process, the International Olympic Committee took immediate action. An enquiry panel was formed to examine the actions of IOC members who had abused their trust. Ten IOC members have resigned or have been expelled as members.

The IOC President immediately put in place a reform process with the formation of the IOC 2000 Reform Commission and a permanent and independent Ethics Commission.

One of the goals of the IOC 2000 Reform Commission is to examine the bid process and make recommendations for change. I was appointed chair of this working group.

2006 HOST CITY ELECTION PROCESS

Recognizing the urgent need for action on the bid process, the system for the selection of the 2006 Winter Games was immediately changed. Under that interim system, gifts and visits were prohibited and a selection college chose two finalist cities. The winner was elected by secret ballot cast by each member of the IOC. If the reform process goes as planned, the host city of the 2008 Olympic Games will be elected through an even more thorough and improved selection process.

ETHICS COMMISSION'S IMPACT ON HOST CITY ELECTION PROCESS

Although the Ethics Commission has existed only for six months, it already has made an impact on the future host site selection process through the Ethics Code it drafted. The members of the International Olympic Committee adopted this Code in June. With your permission, I would like to enter it into the record. First, you should note the code lays out ethical standards for the interaction of members of the International Olympic Committee with members of bid committees and national

Olympic committees. Second, it limits gifts to those of nominal value. Third, it limits hospitality to that of the prevailing local customs.

The new Ethics Code, enforced by the independent Ethics Commission of which Senator Baker is a member, will govern the behavior of all involved in the host city election process.

IOC 2000 REFORM TO THE HOST CITY ELECTION PROCESS

With the Ethics Code as the backdrop, the IOC 2000 Reform Commission is revising the process by which the International Olympic Committee will elect future Olympic host cities. We have devised a process that will work well into the future and address the issues with which this Committee is concerned.

First, we have proposed changes to make clear the responsibilities of the national Olympic committees in the bidding process. We found, as did the Mitchell Report, that there was no legal leverage over the bid committees and no mechanism to compel the national Olympic committees to assert closer control over the activities of the bidding cities. The *Olympic Charter* clearly states that the national Olympic committees are responsible for the bid city they propose. As we have found, there was a varying degree of involvement in both the initial preparation and ongoing oversight of the bid cities. The proposed procedure will mandate that involvement.

Secondly, we will have a new phase, called the bid acceptance phase. In the past, any national Olympic committee could propose a city and that city would be declared a candidate city for the Games. In the future, the IOC with the assistance of technical experts, athletes, and representatives of International Federations and NOCs will screen cities to determine whether that city can be considered a candidate to host the Games in question. This step will assess whether there is the necessary infrastructure to host the Games in place now or can be reasonably expected in seven years time. If not, the city will be encouraged to work toward improving its chances for the future.

After the bids are accepted, they will go through a more thorough evaluation process—the third major change to the system. The International Olympic Committee always has studied the qualifications of the bid through the work of the Evaluation Commission; however, we have recommended the expansion of the Evaluation Commission to involve more technical consultants, athletes, and representatives of the International Federations and NOCs. The added input will provide a more thorough evaluation.

Under the previous system, after the distribution of the evaluation reports, the members of the IOC would have visited the cities. The executive committee of the IOC 2000 Reform has recommended that we eliminate the member visits to the bid cities—the fourth major change.

At this point, if the number of candidate city is too large, the IOC Executive Board will reduce the field to a manageable number on the basis of the Evaluation Report. It will then present those candidates to the membership for the final vote.

CONCLUSION

Mr. Chairman, I hope you will see that the International Olympic Committee has been working to reform one of our most important procedures. Choosing the site of the next Olympic Games is a serious responsibility, as it determines where the dreams of future Olympians will realized. We are making sure the choice is made under the best circumstances.

Thank you, Mr. Chairman, that concludes my statement. I'm happy to take questions.

Mr. UPTON. Thank you. Mr. Easton?

STATEMENT OF JAMES L. EASTON

Mr. EASTON. Mr. Chairman, members of the committee, my name is James L. Easton. Before I start, I would like to ask you if the four documents that we brought could be a part of the record.

Mr. UPTON. Without objection they will be made part of the record in their entirety. Thank you.

[The information referred to follows:]

IOC REFORM

IOC ETHICS COMMISSION

The IOC membership voted to create the IOC Ethics Commission at its 108th Session in Lausanne in March 1999. *The Ethics Commission is charged with ensuring ethical standards for IOC members are clear, applied, and enforced.*

MEMBERS

The Commission is headed by **Judge Keba Mbaye**, former vice president of the International Court of Justice and an IOC member since 1973. He is joined on the Commission by five independent, international personalities:

- **Howard Baker**, former U.S. Senator
- **Javier Perez de Cuellar**, former United Nations Secretary General
- **Robert Badinter**, former President of the French Constitution Court
- **Kurt Furgler**, former Swiss President
- **Charmaine Crooks**, a five-time Olympian from Canada

IOC members **Kevan Gosper**, former chairman and CEO, Shell Australia, former Melbourne city executive, and silver medallist, and **Chiharu Igaya**, member of corporate boards and silver medallist, also serve on the Commission.

RESULTS TO DATE

The Commission's initial work resulted in the adoption of a Code of Ethics and changes to the *Olympic Charter* at the 109th Session in June 1999.

The IOC Code of Ethics will govern the actions of IOC members and that of officials of candidate cities for the Olympic Games and Organizing Committees of the Games (OCOGs) as they interact with IOC members. Specifically, the new Code limits gifts to items of nominal value and hospitality to the prevailing customs in the host country.

The amendments to the Charter enhanced and clarified the powers of the IOC Executive Board to sanction and suspend members for unethical behavior.

IOC 2000 REFORM COMMISSION

The IOC is on schedule to enact fundamental reforms on December 12, 1999. The March 108th Session also created a reform commission with a broad mandate to review all facets of the organization, including its structures, rules, procedures, and host city selection process.

MEMBERS

IOC 2000's general membership of 80 is led by a 26-member Executive Committee, comprised equally of IOC members and external personalities. (Of the thirteen external personalities on the Executive Committee, five are from the United States.) IOC 2000's general membership includes top leaders of international sports organizations, senior business executives, academics, sponsor and television broadcast partner representatives, and internationally-known public figures.

The IOC 2000 Commission also includes the ten members of the IOC Athletes Commission elected by their peers during the last Summer and Winter Olympic Games.

Among the members are: **Boutros Boutros-Ghali**, former UN secretary general; **Henry Kissinger**, former US secretary of state; **Paul Allaire**, chairman, Xerox; **Michel Barnier**, French senator; **Dick Ebersol**, chairman, NBC Sports; **Peter Ueberroth**, former Olympic Games organizer and Major League Baseball commissioner; and **Thomas Stoltenberg**, former Norwegian Foreign Minister.

RESULTS TO DATE

The reform commission is entering the stage where it is beginning to finalize the recommendations it will submit to the IOC membership in December. The general membership met on June 1 and 2, and its three working groups have met three times since then.

The three IOC working groups' preliminary recommendations include inviting current Olympians elected by their peers to become IOC members, enhancing the organization's financial and operational transparency, lowering the age limit, setting a term of service after which reelection to the IOC is required, and eliminating or restricting member visits to bid cities.

REMAINING SCHEDULE

The IOC 2000 Commission will meet October 30 and 31 in Lausanne to finalize its recommendations for reform. The recommendations will be made public at that time. IOC members will review and vote on this set of final recommendations at the IOC Session on December 11 and 12.

INCREASED TRANSPARENCY

The IOC has *published its financial accounts* according to international accounting practices and *opened to the media* the plenary sessions of the IOC 2000 Commission and, for the first time, the annual meeting of the membership, the 109th Session in Seoul.

INTERIM PROCEDURE FOR THE ELECTION OF THE HOST CITY OF THE 2006 OLYMPIC WINTER GAMES

In response to the events surrounding the election of Salt Lake City to host the 2002 Olympic Winter Games, the IOC at the 108th Session instituted an interim election procedure for the 2006 Winter Games. *Under this interim procedure, gifts and member visits to bid cities were banned and an selection college was instituted to choose the two finalist cities from the field of six.* At the 109th Session, Turin, Italy, topped Sion, Switzerland, for the right to host the Games. IOC 2000 is developing recommendations for a new, permanent procedure.

EXPULSIONS AND SANCTIONS

Following an internal investigation, the IOC expelled six members during the 108th Session. Four under investigation resigned, and one passed away. Ten other members received warnings.

September 28, 1999

IOC Code of Ethics

Preamble

The International Olympic Committee and each of its members, the candidate cities for the Olympic Games, the Organizing Committees of the Olympic Games and the National Olympic Committees concerned (hereinafter "the Olympic parties") restate their commitment to the Olympic Charter and in particular its fundamental principles. The Olympic parties affirm their loyalty to the Olympic ideal inspired by Pierre de Coubertin.

Consequently, within the organization of the Olympic Games, the Olympic parties undertake to respect, and ensure respect of the following rules:

I. Dignity

1. Safeguarding the dignity of the individual is a fundamental requirement of Olympism.
2. There shall be no discrimination between participants on the basis of race, sex, ethnic origin, religion, philosophical or political opinion, marital status or other grounds.
3. No practice constituting any form of physical or mental injury to the participants will be tolerated. All doping practices at all levels are strictly prohibited. The provisions against doping in the Olympic Movement Anti-Doping Code shall be scrupulously observed.
4. All forms of harassment against participants, be it physical, mental, professional or sexual, are prohibited.
5. The Olympic parties shall guarantee the athletes conditions of safety, well-being and medical care favourable to their physical and mental equilibrium.

II. Integrity

1. The Olympic parties or their representatives shall not, directly or indirectly, solicit, accept or offer any concealed remuneration, commission, benefit or service of any nature connected with the organization of the Olympic Games.
2. Only gifts of nominal value, in accordance with prevailing local customs, may be given or accepted by the Olympic parties, as a mark of respect or friendship. Any other gift must be passed on to the organization of which the beneficiary is a member.

3. The hospitality shown to the members and staff of the Olympic parties, and the persons accompanying them, shall not exceed the standards prevailing in the host country.
4. The Olympic parties shall avoid any conflict of interest between the organization to which they belong and any other organization within the Olympic Movement. If a conflict of interest arises, or if there is a danger of this happening, the parties concerned must inform the IOC Executive Board, which will take appropriate measures.
5. The Olympic parties shall use due care and diligence in fulfilling their mission. They must not act in a manner likely to tarnish the reputation of the Olympic Movement.
6. The Olympic parties must not be involved with firms or persons whose activity is inconsistent with the principles set out in the Olympic Charter and the present Code.
7. The Olympic parties shall neither give nor accept instructions to vote or intervene in a given manner within the organs of the IOC.

III. Resources

1. The resources of the Olympic parties may be used only for Olympic purposes.
2. The income and expenditure of the Olympic parties shall be recorded in their accounts, which must be maintained in accordance with generally accepted accounting principles. These accounts will be checked by an independent auditor. They may be subjected to auditing by an expert designated by the IOC Executive Board.
3. The Olympic parties recognize the significant contribution that broadcasters, sponsors, partners and other supporters of sports events make to the development and prestige of the Olympic Games throughout the world. However, such support must be in a form consistent with the rules of sport and the principles defined in the Olympic Charter and the present Code. They must not interfere in the running of sports institutions. The organization and staging of sports competitions is the exclusive responsibility of the independent sports organizations recognized by the IOC.

IV. Candidatures

The Olympic parties shall in all points respect the IOC Manual for cities bidding to host the Olympic Games. Candidate cities shall, inter alia, refrain from approaching another party, or a third authority, with a view to obtaining any financial or political support inconsistent with the provisions of such Manual.

V. Relation with States

1. The Olympic parties shall work to maintain harmonious relations with state authorities, in accordance with the principle of universality and of political neutrality of the Olympic Games. However, the spirit of humanism, fraternity and respect for individuals which inspires the Olympic ideal requires the governments of countries that are to host the Olympic Games to undertake that their countries will scrupulously respect the fundamental principles of the Olympic Charter and the present Code.
2. The Olympic parties are free to play a role in the public life of the states to which they belong. They may not, however, engage in any activity or follow any ideology inconsistent with the principles and rules defined in the Olympic Charter or set out in the present Code.
3. The Olympic parties shall endeavour to protect the environment on the occasion of any events they organize. In the context of the Olympic Games, they undertake to uphold generally accepted standards for environmental protection.

VI. Confidentiality

The Olympic parties shall not disclose information entrusted to them in confidence. Disclosure of information must not be for personal gain or benefit, nor be undertaken maliciously to damage the reputation of any person or organization.

VII. Implementation

1. The Olympic parties shall see to it that the principles and rules of the Olympic Charter and the present Code are applied.
2. The Olympic parties shall notify the Ethics Commission of any breach of the present Code.
3. Each year, the Ethics Commission will submit to the IOC President and Executive Board a report on the application of the present Code, noting any breaches of its rules. The Commission will propose to the IOC Executive Board sanctions which might be taken against those responsible.
4. The Ethics Commission may set out the provisions for the implementation of the present Code in a set of bye-laws.

PROPOSED NEW OLYMPIC HOST CITY ELECTION PROCEDURE
MAJOR STEPS

- IOC invites NOCs to propose cities interested in bidding for the next Olympic Games – approximately two years before the host city election
- NOCs identify which cities they will sponsor based on their own selection process
- NOCs submit letter designating their interested cities to the IOC
- IOC screens the interested cities through a bid acceptance procedure
- IOC announces qualified candidate cities
- IOC signs agreement covering all obligations and responsibilities with the candidate cities and their NOCs
- Candidate cities submit bid book, which includes a binding proposal for the production of the Games, approximately one year before the host city election
- IOC administration reviews the bid books and makes a report that will be available to the Evaluation Commission
- IOC names the members of Evaluation Commission
- IOC Evaluation Commission reviews bid books and visits cities
- IOC Evaluation Commission develops report based on visits and bid books
- If there are too many candidates to present to the IOC Session, the IOC Executive Board selects a smaller number of finalists based on the report of the Evaluation Commission
- Candidate cities make presentations to the IOC Session
- IOC Session elects host site

IOC Crisis

Initial Revelation

In late-November 1998, the Salt Lake City media reported that the Salt Lake City Bid Committee allegedly had funded the education of an IOC member's daughter.

IOC Initial Reaction

On December 1, 1998, the IOC President requested the IOC Juridical Commission to review the issue of the alleged scholarship. The Juridical Commission recommended the appointment of an ad hoc commission to investigate the circumstances related to the Salt Lake City bid. On December 11, 1998, the IOC Executive Board appointed this Commission, led by IOC Vice President Dick Pound of Canada.

Scope of IOC Investigation

The IOC was the first organization to call for inquiry. The IOC Executive Board expanded the investigation to include host city selections from as far back as 1990, including Atlanta and Salt Lake City. The IOC President wrote to each bid committee or National Olympic Committee responsible for those bids requesting evidence of IOC member wrongdoing. The ad hoc Commission investigated tangible, credible evidence supplied as a result.

SLOC and USOC Investigations

After the initiation of the IOC investigations, both the Salt Lake Organizing Committee (SLOC) and the United States Olympic Committee (USOC) launched investigations. SLOC Board of Ethics' investigation revealed more allegations of wrongdoing, which were taken up by the IOC ad hoc Commission. The USOC's Ethics Commission, led by former Senator Mitchell, revealed what it thought were deficiencies in the USOC's and IOC's procedures. The IOC is addressing the issues brought forward by the "Mitchell Report" in its reform process.

IOC Adjudicative Action at the 108th Session

As a result of the IOC investigation, the IOC Session (general assembly) voted to expel six members. Four under investigation resigned before this time, and one died. Ten other members received warnings. The further investigation into the two "most severely" warned members were tabled pending new evidence

IOC Reform Action at the 108th Session

Also at the 108th Session, the IOC took major steps toward reform. First, it enhanced its transparency by publishing its financial accounts in accordance to international practices. Second, it changed the process for selecting the host city for the 2006 Winter Olympics. Third, it authorized the formation of an Ethics Commission. Fourth, it called for the creation of a reform commission, IOC 2000, to study and recommend changes to the IOC structure, procedures, and rules before the end of the year.

September 28, 1999

Mr. EASTON. Thank you. Together with Ms. Anita DeFrantz, I have the honor of representing the IOC in the United States. I would like to thank you for the opportunity to address the committee and for your concerns of the Olympic movement and the athletes we represent.

Briefly, my background is I'm chairman and chief executive officer of James D. Easton, Inc., a manufacturer of sports equipment. I'm also president of the International Archery Federation, FITA. And I was elected president of that association in 1989 and have been reelected for my third term. My previous involvement with the Olympics goes back to 1976 when I filmed the archery competition as the official film maker for archery at that Olympic Games.

My next involvement was in the organization and operation of the 1984 Olympic Games in Los Angeles, where I served as mayor of the Olympic village for athletes at UCLA and also was a commissioner of the archery competition.

As an IOC member of the United States, I also serve on the management committee of the Salt Lake Olympic organizing committee and the executive committee of the U.S. Olympic Committee.

From September 1995, when I was elected to the IOC, through 1996, I also served on the Atlanta committee for the Olympic Games, on their executive board. International sports federations are one of the three pillars of the Olympic movement. We are the guardians of our respective sports. We promote and develop the sports internationally. We set the rules for competition internationally so those rules are consistent. We train the judges to enforce those rules and we sanction and oversee competitions internationally, including the Olympic Games. In short, we make sure our rules are fairly applied and our athletes are protected and our sport grows.

Although FITA is one of the smaller international sports federations, I consider this an advantage as I am able to get to know many of the competitors on a personal level. This connection with the athletes along with my lifelong love for the sport of archery keeps me focused on the most important part of the Olympic movement: The athletes.

Mr. Chairman, and members of the committee, I'm strongly in favor of reforming the IOC to prevent any future occurrences of inappropriate actions by bid committees and IOC members.

I understand that proposals are being considered by the new IOC Ethics Commission and the IOC 2000 Commission. These proposals will be presented in early December at the extraordinary session of the IOC and I look forward at that time devoting on these necessary—voting on these necessary reforms and also committed to help convince other IOC members that they should vote for them also.

We must not and will not fail the Olympic movement. I'm grateful that the IOC has given me the opportunity to work for the athletes across the globe, and I look forward to continuing my efforts on their behalf.

Before I close, I'd just like to make another statement, a personal statement, that I'm troubled by the statements that have been made here today that all IOC members are guilty or have been guilty of accepting or requesting excessive gifts. From my personal

experience, I have not seen that. I can state that these statements are not true and I believe they unfairly condemn many IOC members who have a high level of ethics and would not do many of the things that had happened in the past. And I just wanted to say that because there are many of us who do fit that mold and it is I believe unfair that every one of us is condemned with that same unethical activity.

I'd like to thank you and I would be pleased to answer any questions you have.

[The prepared statement of James L. Easton follows:]

PREPARED STATEMENT OF JAMES L. EASTON, MEMBER, INTERNATIONAL OLYMPIC COMMITTEE

Chairman Upton, Members of the Committee, my name is James L. Easton. Together with Anita DeFrantz, I have the honor of representing the International Olympic Committee (IOC) in the United States.

Thank you for the opportunity to address this Committee and for your interest for and concern with the Olympic Movement and the athletes that we represent.

Briefly, my background is as follows. I am Chairman and CEO of Jas. D. Easton, Inc. (Easton). We manufacture sporting goods equipment. In addition to being a member of the IOC, which I have had the privilege of being since 1994, I am also the President of the *Federation Internationale de Tir a l'Arc* (FITA) otherwise known as the International Archery Federation. I was first elected to this post in 1989 and am currently serving my third term as president. My involvement with the Olympic Games goes back to the organization and operation of the 1984 Olympic Games in Los Angeles. In addition to other duties, I had the privilege of serving as the Mayor of UCLA Olympic Village and as Commissioner of the Archery Competition.

As an IOC member in the United States, I also serve on the USOC Executive Board and am I a member of the Management Committee of the Salt Lake Olympic Organizing Committee (SLOC). From the time of my election to the IOC until 1996, I also served on the Executive Board of the Atlanta Committee for the Olympic Games (ACOG).

The international federations are an important part of the Olympic Movement. We are, in effect, the guardians of our respective sports. We promote all aspects of our sports, assure that the rules are applied evenly and fairly and oversee the conduct of our sanctioned competitions, including the Olympic Games. In short, we make sure that our athletes are protected and the welfare of the sport is safeguarded.

Although FITA is one of the smaller International Federations, I consider this an advantage, as I have been privileged to get to know many of the competitors on a personal level. It is this connection with the athletes, along with my life-long love for the sport of archery, that keeps me focused on what really matters in the Olympic movement: the athletes and the Games.

Mr. Chairman and Members of the Committee, I am strongly in favor of reforming the IOC to prevent any future occurrences of inappropriate actions by bid committees or by IOC members. I understand that proposals are being considered by the new IOC Ethics Commission and the IOC 2000 Commission. These proposals will be presented to the IOC Executive Committee and then to the full IOC membership in early December 1999. I look forward to voting on these necessary reforms in December, and have personally committed to working diligently to secure the necessary approval of two-thirds of my IOC colleagues. We must not and will not fail the Olympic Movement.

I am grateful that the IOC has given me the opportunity to work for the athletes across the globe, and I look forward to continuing my efforts on their behalf.

I would be pleased to answer any questions you may have.

Mr. UPTON. That was perfect timing with the clock. Again, I appreciate all of you being here, particularly Mr. Carrard, whose international travel has been able to bring him before this subcommittee today and you'll be here, as I understand it, again in December with Mr. Samaranch. So we very much appreciate that.

We have a number of questions. First of all, I guess Ms. DeFrantz, Mr. Easton, it's my understanding, correct me if I'm wrong, but in the past you have been voting members of the selection committee; is that correct? Ms. DeFrantz, have you cast a vote in favor of one city or another in past Olympics and if so, which ones?

Ms. DEFRANTZ. Since I was elected to the IOC in 1986, I did not vote in that election. I was elected at the end of the session, although I'm pictured as a part of the session.

Mr. UPTON. With which Olympics have you helped select as a member of the voting body?

Ms. DEFRANTZ. From—in 1988 we elected the site of the 1994 Olympic Winter Games. In 1990 we selected the site of the 1996 Olympic Games. In 1991 we selected the site of the 1998 Olympic Winter Games. In 1993 we selected the site of the 2000 Olympic Games and in 1995 we selected the site of the 2002 Olympic Winter Games and this year we selected the site of the 2006.

Mr. UPTON. So you have been present for six votes of the cities and throughout all that, you were aware, were you not, of the $200 gift rule that was in place I believe for all of those? Is that correct?

Ms. DEFRANTZ. Mr. Chairman, the rules changed a little bit, but essentially that is correct.

Mr. UPTON. Were you ever in a position where you saw cities come to you and offer gifts that exceeded the $200 gift rule?

Ms. DEFRANTZ. Mr. Chairman, I had a particular approach to this. I believed that my responsibility was to find out from every bid city what they were going to provide for the athletes. So I always ask for technical information. Gifts were not of interest to me. I paid no attention to them and indeed I usually left them in the room if they came to me.

Mr. UPTON. So you were never—yes or no. Were you offered gifts that exceeded $200?

Ms. DEFRANTZ. I don't know because I didn't accept gifts.

Mr. UPTON. You accepted no gifts but the question was were you offered gifts? Were there gifts that were offered to you that you might have turned down that were in excess of $200?

Ms. DEFRANTZ. Mr. Chairman, it's difficult for me to answer. If I didn't open a box or look at a gift, I can't tell whether it was over $200 or not but I can tell you that I understood that the rule was gifts were okay as long as they were under $200.

Mr. UPTON. Mr. Easton, were you ever in a position to also vote on the selectionsite of cities?

Mr. EASTON. Yes, I was. I voted on the 2002 Winter Games and I voted on the 2004 Summer Games.

Mr. UPTON. Did you ever have a member from another—from the United States or any other country ever come to you and offer you a gift in excess of $200?

Mr. EASTON. Not that I was ever aware of. They never looked to me like that they exceeded that value. Like Anita DeFrantz, most of them were things you didn't want to take home. I left many of them in the rooms.

Mr. UPTON. I remember when Congress was under a great examination a few years ago and in reference to your closing statement as part of your testimony, one bad apple can spoil the whole bunch.

And certainly no one is accusing you or anyone else specifically of abuse. But one of the things that we did when Congress was under attack was to pass a very strict ethics rule and in fact for a good part of the last number of years, there in essence has been a no gift rule all together. Maybe a T-shirt and a baseball hat but not a meal where you could sit down, and as part of the enforcing mechanism we have an ethics committee that's bipartisan. It's equal in numbers. A number of members in fact missed votes last week on the Dingell-Norwood HMO bill because they were meeting to discuss and review at least one case before them but that ethics committee works, I think, in most cases pretty well. I know that the Senate has one, too. Would you say that even though that $200 gift ban was in place that because there was no ethics committee until now recommended before the IOC that that was what may have rendered it somewhat infective?

Ms. DEFRANTZ. There were two parts that made it ineffective. Certainly having no Ethics Commission was a huge problem but equally important there was no leverage. There was no contractual relationship with the bidding city and we intend to change that so that there will be such a relationship and so that the bidding city, the National Olympic Committee as well as the IOC members will be under the guidance of the Ethics Commission.

Mr. UPTON. I have a followup question but I'm going to adhere to this clock.

Mr. Klink.

Mr. KLINK. Let me first start off with Mr. Easton. I don't know if you were in the room for my opening statement, but my concluding paragraph was, let me conclude by saying that while some within the IOC have strayed from the Olympic movement, from what the Olympic movement should be about, and have sadly used the bid process to seek personal award, most have not and are extremely hard working and dedicated individuals. In fact, I believe the vast makeup of the IOC care very deeply about the health and the integrity of the games. You might have missed that.

Mr. EASTON. I appreciate that statement.

Mr. KLINK. You may not appreciate that because there are some questions that have to be asked of all of you. And that is, if you are hard working individuals, and I believe you are, and all of this was going on, not only in the cities that were awarded as the previous panel showed us but in the cities that lost to spend tremendous amounts of money, why didn't you know what was going on? What kind of blinders, not just you, but what kind of blinders did people in the Olympic movement have on that you weren't aware that millions, tens of millions of dollars was being spent on courting the members of the IOC around the world?

Ms. DeFrantz, we'll start with you. You testified, I think, you've been with the Olympic movement since 1976. That's 24 years, is that correct?

Ms. DEFRANTZ. Yes, as an athlete first and as an administrator second.

Mr. KLINK. You never saw anything that raised your suspicions?

Ms. DEFRANTZ. Well, certainly, raised suspicions as well as I read the memos from Francois Carrard, from Madam Zheifel, from Mr. Gafner who wrote to the bidding cities always attempting to

control, but again we did not have the leverage in place. That was the flaw. There was no way other than to send a memo saying please adhere to the rules. We understand that there are expenses being made that are totally unnecessary. The receptions, the dinners and things like that, we wanted to stop that, but we failed to have in place what we will have in place starting in December of this year, which is a way to sanction the bid cities. There was no contractual relationship at that time.

Mr. KLINK. My difficulty is we've got this report of the International Olympic Committee by the Toronto, Ontario Olympic Council. This is dated the January 9, 1991. This is after they lost. Maybe you'd say they're sore winners but they outline—and I'll get to this a little later on. Mr. Carrard, maybe can you tell me. The thing that bothers me is that it prompted the Salt Lake City scandal. It prompted the United States press, the Department of Justice, and the Congress making this investigation before anybody came forward to try to do anything.

We're looking at Salt Lake City and Atlanta. The question is have you at the IOC taken a close look at the bids surrounding—the activities surrounding the bids for Nagano, Athens, Sydney and perhaps other cities, even cities that were not awarded? Were there similar serious wrongdoings or bid irregularities like what happened in Salt Lake City, like what was alluded in Atlanta. I can't believe these are two exclusive situations. What happened at Nagano or Athens or Sydney? My understanding is Nagano, the records are burned. They're gone. They're destroyed.

Mr. CARRARD. Congressman, we did ask from all National Olympic Committees involved because some of these organizations have been dissolved and liquidated since then to report to us any possible facts or any possible form of misconduct. This was done of course early this year. We did receive reports from I think all countries involved. I would say that reported to us were a few minor flaws but nothing of substance. In the Nagano case, we were told by the Japanese that the records were burned. We certainly—we learned it like the rest of the world. And whatever we received from those other foreign countries is immediately passed on to the newly established Ethics Commission.

Mr. KLINK. The credibility of your investigation is in question. If in fact you're not able to go back—we heard from the first panel. Atlanta said this was widespread. We were simply doing what everyone else was doing. We were in fact doing less of it because if you look at how much we spent, all of these other cities spent that much more. The difficulty is how do we get to the bottom of this to make sure the intent is really to clean this up.

I've got the red light and I understand, but I just want to end with the investigation that has occurred here in the U.S. We've had discussions with you and you've had discussions with us. You've been cooperative in trying to get to the bottom of this. But the other thing that troubles me is that in pursuing this, we have been told, staff had been alluded to the fact that the United States is going to pay a price for the pressure that we have put on the IOC and our attempts to clean it up. We have heard some say that because the U.S. is so aggressively pushing reforms in the International Olympic Committee, that it could be decades before a

United States city sees another Olympics. Whether that would be something planned or not or whether that would be the other members of the IOC would simply say, look, on our own, doesn't have to be any great plan or any correlation of plans but just say, look, we're not going to vote for the U.S. if they're going to put us through all this. We had a good thing going. We got to travel for free. We got medical supplies for free. We got gifts. We got watches. We had champagne, shopping trips. Our wives didn't have to pay for it. We traveled all over the world.

We went where we wanted to. We had the use of houses, condominiums and now the stupid people in the United States are causing things to end. Why is the U.S. having to do all the dirty work? Where was everybody else in cleaning up all of this? What is going to occur? How are you going to convince us you really want to get to the bottom of this?

Mr. CARRARD. I can assure you, Congressman, we want this thing solved and fundamentally reformed. And the U.S. is a major constituent in the Olympic movement. The Olympic movement is universal and certainly it is our aim to get this done, clean the house, and get on with the Olympic movement in a universal way.

Mr. KLINK. Where was everyone else? Why are we doing the heavy lifting here? Why do we have to be the bad people of the International Olympic Committee? Where has every one else been? Where have your people been? You just can't have not been realizing there was a problem. Someone had to know all of these things was going on. Leverage can't be the only thing. Certainly leverage is the press. You go to the press, the best antiseptic is sunlight. And you go to the press, you say this is what's going on. It's a stacked deck. This is the way they're doing business. This is not the way the world views the Olympic Games. Amateur competition among athletes. It's not over tens of millions of dollars in gifts.

Why did it take us to get to the bottom of it? And why are we the bad people. I still haven't heard why the rest of the world hasn't repudiated this activity over the decades it has been going on.

Mr. CARRARD. Congressman, I cannot speak for the rest of the world because I don't represent them. I can say that as soon as we had for the first time, thanks to the United States, thanks to your power of investigation and your laws, the first evidence which came from Salt Lake City which was about in 1998, we immediately acted and since then we have been acting non-stop.

Mr. KLINK. First evidence was 1991. This is a report and I have no evidence of anyone did anything about it.

Mr. CARRARD. There was no name of any member of the IOC. What we have been trying, Congressman, was to obtain names. We've been trying to obtain evidence. The cities file a report like Toronto but when we were asking please bring evidence, please give me a witness, please give me a name——

Mr. KLINK. There are three names on the front of this report. You're telling us Mr. Henderson, Mr. Eagleton and Mr. Seagram wouldn't give you the names of the people who did this?

Mr. CARRARD. That's exactly accurate, Mr. Congressman, and no city ever wanted to give us a name. It's one thing to have rumors

and allegations. It's another thing, and that was our difficulty, was to secure evidence.

Mr. KLINK. I think, Mr. Chairman, I might suggest to you we attempt to see if we can get some cooperation from the people who signed this report.

Mr. UPTON. Thank you. Mr. Burr.

Mr. BURR. Mr. Carrard, we're not here talking about rumors or innuendos here today. We're talking about things that are substantiated that do have names and do bring credibility to the Toronto report, at least in the spirit of how that report was written.

Ms. DeFrantz, let me ask you what exists today that would in these proposals that we've been given that won't allow anything like this to happen in the future?

Ms. DEFRANTZ. Several things exist. Well, actually December 11 and 12 will be finalized but what exists today is the proposals that will go to the session that No. 1, when a city is proposed by a National Olympic Committee before it can declare itself a candidate city, they will have to be accepted. In other words, they will have to show they have the technical capability now or feasibly within the 7-year period.

Mr. BURR. That in some way assures us that there's no violation of the gift rules?

Ms. DEFRANTZ. I'm getting to that, sir.

Mr. BURR. Would you get there quickly, please.

Ms. DEFRANTZ. I will. We will make certain that only the evaluation commission goes to visit the cities. We will have a contract with the bidding city, the National Olympic Committee and the city that is bidding with the IOC, assuring that they understand they're under the code of ethics and subject to actions by the Ethics Commission, and that is a significant difference. Before we had no leverage. There was no mechanism. There will be a mechanism so no city can be a bidding city without entering into a contractual agreement, which will ensure that they'll abide by our code of ethics. We also have changed the process so there won't be the travel and there won't be the gifts.

Mr. BURR. Let me ask Mr. Carrard, an IOC spokesperson in September is quoted as saying Atlanta pushed those favors and gifts on IOC members under the pretext of friendship and the delegates were not used to the systematic approach of lobbying. Were you that IOC spokesperson?

Mr. CARRARD. No, sir.

Mr. BURR. Do you know who it was?

Mr. CARRARD. No, sir.

Mr. BURR. Do you believe that Atlanta pushed those gifts and favors on IOC members?

Mr. CARRARD. Sir, I think the best answer we have today was given by Ambassador Young on exactly what happened at that time.

Mr. BURR. I'm asking you do you think as the IOC—excuse me for not knowing your title—executive director—Director General, excuse me, do you believe that Atlanta pushed favors and gifts on IOC members?

Mr. CARRARD. I didn't follow myself the Atlanta campaign because at the time I was rather new shortly before the vote. I never went to Atlanta before the vote.

Mr. KLINK. Would the gentleman yield.

Mr. BURR. I would be happy to yield.

Mr. KLINK. I have a news article in front of me. The IOC spokesperson Franklin Schriver, it's in the second paragraph if you're referring to that news article.

Mr. BURR. Do you know a Franklin Schriver?

Mr. CARRARD. Yes, of course.

Mr. BURR. Did he work for the IOC?

Mr. CARRARD. Yes.

Mr. BURR. Does he still work for the IOC?

Mr. CARRARD. Yes.

Mr. BURR. He believes Atlanta pushed the favors and the gifts on IOC members.

Mr. CARRARD. Well, he started working with us last year so he wasn't there either.

Mr. BURR. Let me ask, Ms. DeFrantz, you were involved in the Atlanta process, weren't you?

Ms. DEFRANTZ. Yes. I live in Los Angeles but as a member of the IOC in the U.S., I was supportive of the USOC's interest in yet again hosting the games——

Mr. BURR. Did you ever see anything on Atlanta's part that would have broken in the spirit or the letter the gift ban or the gift rule of the IOC?

Ms. DEFRANTZ. I did not see the gifts——

Mr. BURR. Did you hear about it?

Ms. DEFRANTZ. I did not hear about it. I was advised from time to time by the bid committee of who might be coming to town as they asked me if I could be there but the list of gifts was not shared with me.

Mr. BURR. Did you ever see Salt Lake City break the gift rule of the IOC?

Ms. DEFRANTZ. During their very first bid, I noticed that they were given a jacket which to me seemed a tad—looked like it might be more than $200 worth of jacket and I asked them were they abiding by the rules and the response was yes, they bought them in bulk and they were significantly less than $200.

Mr. BURR. But other than the jacket, there was never an indication that you saw as an IOC member that Atlanta or Salt Lake City was working out of the guidelines or the rules of the IOC?

Ms. DEFRANTZ. Not in my purview, sir.

Mr. BURR. I would take for granted from that that you've never expressed to the IOC of any violation that existed by either of those two bidders or any other city that you've been involved in the bid process?

Ms. DEFRANTZ. When on occasion for example—actually, we were in meeting—I can't remember where now. But in my room arrived something that seemed to me beyond the rule. I took that item down to the office which was then in place of coordination of bids. The IOC started a process to coordinate the bids. That happened in the middle 90's. By the way, this visiting process is rather new.

It started in the late 80's so it hasn't been decades. And that also gives me great hope——

Mr. KLINK. Will my friend yield for a moment.

Mr. BURR. I'd be happy to.

Mr. KLINK. Your question gets to where I was headed with this. In a February 1, 1999 article I think the majority has it if you don't we'll share it with you. It talks about the excessive gifts during Nagano and Salt Lake City. It says all members have been lavished with extravagant last minute gifts from the various bid cities. Expensive Italian luggage, Stetson hats, hand blown glassware, laptop computers, enough stuff that the IOC set up a parcel post station in the hotel to make it easier for delegates to send their booty home. My question is, why didn't somebody see it?

Mr. BURR. You never saw that, Mr. Carrard?

Mr. CARRARD. I beg your pardon?

Mr. BURR. Mr. Carrard, did you ever see what Mr. Klink just reported?

Mr. CARRARD. The parcels, I know exactly what it's all about. It is customary at the end of an IOC session of the Olympic Games which has for a long time, they get a lot of material, they get a lot of documents. They have their thick files and things like that. They also ask to have some special parcels for——

Mr. BURR. Mr. Easton entered into the record this IOC code of ethics. Is this the new code of ethics?

Mr. CARRARD. Absolutely.

Mr. BURR. With indulgence, Mr. Chairman, I just ask for a clarification. Under integrity, I'll read No. 2, only gifts of nominal value in accordance with prevailing local customs. Could one of you define nominal value or what prevailing local customs might give us a yardstick as to how to follow what the guideline is?

Ms. DEFRANTZ. Certainly in this House I think, as was said, a cap and a T-shirt in this country would work but we would leave that to the Ethics Commission.

Mr. BURR. In South Africa, would that include diamonds? I don't ask it to be a joke. Mr. Young said earlier he couldn't compete with diamonds and furs. Therefore, I think somebody must have supplied those before.

Mr. CARRARD. With your permission, Congressman, the code of ethics you're referring to is new and has been operated by the Ethics Commission and you will I think hear Senator Baker, who is a member, and they interpret their own rules. We don't.

Mr. UPTON. The gentleman's time has expired. Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman. Prevailing local custom is a very unusual term to use when the prevailing custom of IOC members was to take lavish gifts. I wonder if we're going to have this kind of interpretation of those words. I say that facetiously, not as a question.

Mr. Carrard, I was amazed at your testimony a minute ago where you said thanks to the Congress, thanks to the investigations of Salt Lake City, we now know about these kinds of practices. How could you not have known about these practices? This is like the scene from Casablanca when the man comes out and says gambling here in this establishment? How could you not

know? There are stories with people coming with three empty suitcases and leaving with them full. How could you not know?

Mr. CARRARD. There were three steps, Congressman. First and foremost, I would say at the end of your 80's, we were concerned only with trying to keep the amount of the expenses made by the candidate cities to reasonable figures because we figured out we had 10 candidates for instance, nine were going to lose. Nine out of 10 we knew that and we said, please, please do not spend too much. They were the most eager to spend. It was their own money. Sometimes they were rich. Sometimes they were poor. At that time we were not concerned about the IOC members at the beginning. I'm just explaining the chronology.

Second steps, Congressman, there began to be rumors, rumors in the media, rumors in the press. We started looking for evidence because the IOC members are, as I said, 103 totally independent persons, unpaid. They're volunteers. They are not under contract and this is going to be changing with the reform, but they are absolutely not accountable, they were not accounting to anybody but their own conscience.

Mr. WAXMAN. I only have a limited amount of time. You really didn't answer my question. But I'm going to ask the questions and I'd like an answer if I can get them. Because it seems to me you don't need an investigation in the United States to recognize that what was going on were bribes. Now, maybe it just became the prevailing custom—obviously it became the prevailing custom and that's what has gotten us so disturbed.

I just have to say this to everybody. In reading these reports, I've become so disturbed about what's going on in the Olympics that I introduced a bill saying that American corporations also ought to be prohibited from putting any money into the IOC until the Mitchell reforms are in fact enacted. And I don't agree with Congressman Bob Barr. You may not appreciate this but the Americans who follow politics will know that he and I are not particularly on the same wavelength politically, but he has joined me on this legislation and I'm convinced that if the IOC does not adopt those Mitchell reforms in December, the Congress is not going to have any patience any longer to leave the IOC to reform itself.

I want to ask Ms. DeFrantz and Mr. Easton, you're Americans on this panel. Do you agree with the fact that the Congress of the United States should act if the IOC is not going to take responsibility to end this culture that they've developed?

Ms. DEFRANTZ. Well, as a constituent of yours in southern California, I live in Santa Monica, I'm pleased to tell you that I don't think you're going to have to worry about that we are going to reform. We're going to make this happen. We understand fully that we have a responsibility to the athletes of the world and we will make it happen.

Mr. WAXMAN. Mr. Easton?

Mr. EASTON. Well, I agree with Anita but I also think that participating in the Olympic Games is voluntary. If we were to pass a bill that no Americans can participate in the Olympic Games, that would solve the problems also. But I don't think that's what we want to do. What we want to do is try to reform what we have, make it better, and I think we are heading in that direction and

we will be there. I don't think we need any other incentives to do so.

Mr. WAXMAN. I want to tell you I think that's a really insulting answer that you've just given me. We don't do anything that would affect the athletes. What we do is we say to the IOC they no longer will have all the revenues they get from American corporations, including our networks. And I think that's the money that subsidized the lifestyle of Mr. Samaranch and some of the others at the IOC in addition to the booty that they've been able to collect every time a city wants to try to attract the Olympics to be held in their site.

My time is up. I want to put this on the table: You already had a gift limit, and that was never enforced. I want to be sure that if the IOC is going to make some changes in December, that there is an enforcement mechanism, because rules that are not enforced or ethics committees that don't act independently to make sure that the rules are obeyed, become fairly meaningless. I don't think the American people are going to tolerate that kind of sham, if that is later called a reform that doesn't really get enforced.

Thank you very much, Mr. Chairman.

Mr. UPTON. We will continue. Again, we have votes on the House floor. We will come back at 3 o'clock.

[Brief recess.]

Mr. UPTON. We will get started again.

I know Mr. Strickland has some questions, but I think I will start. Ms. DeFrantz, I wanted to go back to my question I ended on in the first round, and that was you indicated that you were never approached with gifts. Were you aware of other members that were approached of the IOC with gifts exceeding $200? Did you ever hear any stories from any of your peers?

Ms. DEFRANTZ. Did I ever hear any stories from my peers? No, they didn't tell me. No.

Mr. UPTON. You mentioned in your testimony a little bit earlier to another member, I don't remember which one it was, I think you indicated that you thought that you had received a gift, you didn't describe it, and you sent it away. Can you tell what that gift was?

Ms. DEFRANTZ. Sure. It was a briefcase which appeared to me to be close to $200 limit, and I simply turned it in to the coordination office of the bidding cities.

Mr. UPTON. Based on your testimony, Mr. Easton, you were not aware either of other members of the IOC being approached with offers of gifts, is that true?

Mr. EASTON. I never heard of any excessive gift offers to any IOC member. I am not sure I would have. I continue to think if they were doing something that was improper, it would not have been very public.

Mr. UPTON. So would you say then when the Salt Lake City report came out detailing a number of abuses, that that was the first you had heard of that?

Mr. EASTON. I was very surprised. It was the first I heard of that.

Mr. UPTON. Ms. DeFrantz, in your testimony that you gave before Senator McCain's committee earlier this year, I think you testified that it was—that you agreed with the comments made by the Mitchell-Duberstein report that there was a culture of corruption.

At what point did you think—was it the initiation of that report that brought you to that conclusion, or were there events in earlier years that began to lead you to that conclusion?

Ms. DEFRANTZ. Mr. Chairman, I think I said there was at least a sub-culture of corruption. Not everyone was corrupt. I do not consider myself to be corrupt.

Mr. UPTON. I am certainly not casting any bad finger at you.

Ms. DEFRANTZ. Thank you, sir. Overtime, with memos from the directorate saying to the bidding cities we want to make sure that you abide by the rules, that was the regulations, that was the indication to me. The cities in the United States did not show me the list of things they were doing. They asked me to come and support them, which I did when I had the time, but I sadly was not privy to the things that they did.

When someone offered a gift, the rules were the gift being offered should not be of more than $200 of value, and that was my understanding of the way they should comport themselves. All of the bidding cities.

Mr. UPTON. What is your estimate as to—you are a member of the reform committee that will be voting later this month. What is your sense of where the votes are? Will it pass or fail?

Ms. DEFRANTZ. I believe it will pass, and I am going to work very hard to make sure that it will pass.

Mr. UPTON. Mr. Easton, you are not a member of the reform committee, as I understand it, but you will be voting in December, is that correct?

Mr. EASTON. That is correct.

Mr. UPTON. And if the reform, assuming that Ms. DeFrantz is correct and the vote passes in the reform committee, do you think that there will be sufficient votes to pass it by a two-thirds vote as required?

Mr. EASTON. I think there will be, and I think a lot of us are going to be working and talking to our colleagues to try to convince them, those that are not already in favor of it.

Mr. UPTON. Mr. Carrard, would you share the predictions by these two members, both in terms of the committee and assuming that that takes place, that it would pass in December?

Mr. CARRARD. I stopped making predictions, but I work very hard to make this reform pass.

Mr. UPTON. Okay. What is the penalty for those that violate the gift rule in the future? I know that a new ethics committee is established, I think it will be led by Senator Howard Baker. He certainly will be a member of that panel.

What is, as there are tough sanctions, as there should be, for Members of Congress when they violate ethics rules, one of the things that has come out in the testimony today is that before there was a $200 threshold, there really wasn't a penalty that was sanctioned. What will the sanction be if and when someone violates that new threshold? Can anybody tell me?

Ms. DEFRANTZ. We will have—of course, any violation will be turned to the ethics commission on which Senator Baker does serve. The scale of sanctions is anything from a reprimand all the way up to expulsion, just as was the case this last year. We have one member at present who is still a member, but has been

stripped of all his responsibilities as a member, save coming to the session. So there is a range of possibilities, including expulsion.

Mr. UPTON. Will that member be able to vote in December?

Ms. DEFRANTZ. Yes.

Mr. UPTON. Mr. Strickland.

Mr. STRICKLAND. Thank you, Mr. Chairman. Mr. Carrard, according to your testimony, the IOC recently sent a letter to the OECD asking that the IOC be covered by the organization's anti-corruption convention. To your knowledge, has OECD responded to the IOC and has there been any progress in this matter?

Mr. CARRARD. Not yet to my knowledge, Congressman, but this letter is very recent, I think it is September 24, to be specific, and we certainly hope that we will get a favorable response.

The question, if I dare say so, which was not as easy maybe to raise, that is why it took some time, is that we are not an international governmental organization. We are a non-governmental organization. That creates—we are in a situation which is not classical, so-to-speak.

We are referring, and this was suggested to us by Senator Mitchell and Mr. Duberstein, we are asking for the same treatment as the Red Cross from OECD. We hope to have a favorable response and we are following up on that closely.

Mr. STRICKLAND. Thank you. In your judgment, sir, how will the IOC respond to the King & Spaulding report?

Mr. CARRARD. In which sense? I am not sure I understand the question, Congressman. How would we respond?

Mr. STRICKLAND. Yes. Will the IOC respond to the King & Spaulding report?

Mr. CARRARD. Yes, I am sorry. The IOC immediately passed on the King & Spaulding report made by Judge Bell to the ethics commission, and now this report is in the hands of the ethics commission. And let me be clear, I don't even know what they are doing, because they are totally independent in the sense there is a majority of outsiders, like Senator Baker and other leading personalities. They are dealing with it. They will take whatever action they think is fit and appropriate. They have the means to investigate, and they will make whatever recommendations at the end which they feel appropriate. But I don't know what they are doing with it. They don't tell me. That is proper.

Mr. STRICKLAND. Okay. One other question, and then I have a question that I would like to address to all three panelists.

Mr. Carrard, if the IOC felt it was important to examine what happened in Salt Lake City and in Atlanta, to gain lessons learned that can be used to improve, does the IOC intend to also examine activities which may have surrounded bids by Athens and Sidney and perhaps other cities, or do you know the answer to that question?

Mr. CARRARD. Congressman, from the moment we knew of what occurred in Salt Lake City, we did ask from every national bid committee involved with any bid for, I don't remember, as many years as possible, I think we were—we touched at least 36, if my recollection is accurate, or if not more bids. We asked for a report. We have asked for facts. We have asked for evidence.

We did receive answers I think from all of them. We received a couple of reports where I would say there was some minor flaws, but nothing substantial, including, I must say, the first report, the first answer from Atlanta.

Mr. STRICKLAND. A question I would like to ask all three of you for your personal opinions. If a level of corruption has existed at a certain level within the IOC regarding the cities that are trying to attract the games and so on, is it reasonable for us to be concerned that that atmosphere or attitude which could be referred to as corruption or ethical breaches, or there may be other ways to describe it, could also affect the actual games themselves and the way the athletes are able to participate?

Is there reason to be concerned that the games themselves are influenced by unethical or questionable behavior on the part of the IOC? That is a judgment that I am asking you to give me.

Mr. CARRARD. I think I would first like to hear my vice president, which is an athlete and who is an Olympian.

Ms. DEFRANTZ. The answer would be no. I can tell you when I first competed, after practice 1 day one of my teammates said if we win a medal we will get it from the Lord. I said well, yes, divine providence is very good to have. She said no, you nitwit, the President of the IOC, the Lord Callahan. As an athlete, you really don't care about the IOC, you care about an opportunity to compete. The International Federation, the rules of the federation are what are in place during the time of the games. The IOC selects a city. The organizing committee organizes it, provides the venues, provides them with someplace to work, gets the athletes to the venues and the actual conduct of the sporting event is under the rules of the International Federation.

So what is happening with the IOC is something we are ashamed of, but we are fixing, we have gotten fixed. We have changed the way we selected the 2006 site of the games. We have an ethics commission in place, and I am absolutely certain that the athletes who are training understand that their chances to compete in Sidney are going to be fair and safe.

Mr. STRICKLAND. Is that something that you would like to speak to, Mr. Easton?

Mr. EASTON. Just to embellish that a little bit. As the president of an international sports federation, we do control the competitions, so if you are concerned, and I think it is a valid concern that you can have with this thing by what you have heard so far, that is totally out of the hands of the IOC. It is in the hands of the individual sports federations who supply the judges and who supply the rules and who really oversee action of the athletes on the field.

Mr. STRICKLAND. Thank you. That is reassuring. Thank you very much.

Mr. UPTON. Mr. Klink.

Mr. KLINK. Thank you. Again, the problem here with having other countries do investigations and counting on them is, Nagano, what they did was get rid of the records. They cleaned up everything by burning it. The question is what, and why the IOC didn't take some action.

I want to tell you, I talked just briefly a few moments ago, I want to get back to this 1991 report, that I understand, I have looked

through it, it does not have names in it. Go back to the Sports Illustrated article. Sports Illustrated, a pretty widely read magazine. I would imagine people in the Olympic community were aware of this article, talking about the tactics of Olympic bidders, varies somewhat, but they are never very subtle. The most popular strategy is to simply shower everyone on the IOC with gifts, trips and parties. IOC. I am sorry, I get a little confused this late in the day, Mr. Chairman. Thank you for babysitting me.

Continuing, no city did better in this area than Paris. Whenever an IOC—IOC member—I did it again—felt they needed a vacation in Paris for a while, they were instantly sent airline tickets and given a free room in the Eliont Hotel and reserved tables at these restaurants. Bills were paid in advance. Members traveled everywhere in limousines, sometimes with a police escort. Given perfume, raincoats, jogging suits, discounts at some of Paris' finest shops.

I would think that somebody in the IOC would have read that, would have wanted to. Even if you—maybe I need to go to Mr. Carrard on this. Even if you didn't know the names of the people who were doing this, doesn't it bring up the question of what kind of systems you have in place to make sure that this doesn't occur? And when you see the 1991 report, you have to assume that there is some credibility here again.

It talks about members obtaining airline tickets from local sources at sometimes discount prices, then demanding hard currency in return for the unused first class passes. Obtaining combination air tickets to several cities on a single trip and demanding cash equal to return first class tickets between their countries and in each bid city. Demanding and receiving full fare tickets, failing to arrive and cashing in those tickets. Coupling a trip paid by a bid city with a trip to a session paid by the IOC and converting the city's passes to cash.

It says it is our estimate that all of the aforegoing abuses associated with the IOC members' visits, talking about the Toronto committee, may have cost between $700,000 and $800,000 in 1991.

Given the published reports in Sports Illustrated, given this report given you by the city of Toronto, we don't know what else was out there. Wasn't there at least something that occurred between the late 1980's when this article in Sports Illustrated was there, the early nineties when this report was made, that you said at the IOC we want to put a system in place where we have checks and balances. Let us check our system to see if IOC members are able to cash in plane tickets, if they are receiving all these lavish gifts.

Why does it fall upon us to cause some action to occur?

The second part of that question is how do we know that you are really going to follow through if we are not looking? If you didn't fix it when we didn't know it was going on, and there is every evidence that a lot of people at IOC did, how do we know you will when we are not looking that you are going to do something now?

Mr. CARRARD. Well, to the first part of your question, Congressman, late eighties, as I said earlier, there was a concern of an escalation of expenses by all the candidate cities, and there was the desire to put them on an equal footing, and you must understand that when we are dealing with the candidate cities, they all got to-

gether with us to discuss the whole process. They discussed the whole process with us, and at the same time we tell them, look, we don't want these expenditures, and they also attended, and that is where I confess we failed, to police each other, because we always tell them, these are the instructions which you are getting and for which you sought on this limitation of expenses. We expect you to tell us if anything goes wrong. We were also counting to a certain degree to one city saying the other city is misbehaving. We have seen a little bit of that, but too late.

We started with that in the late eighties. We tried, for instance, to put in place a system under which we would control all the tickets issuing for any visits of members. These instructions were aimed at members making one visit to prepare their vote.

We had everybody complaining, these cities. Everybody said it doesn't work because they had free tickets from their sponsors which they wanted to use and reduce their cost, and it was practically extremely difficult, I must say. I am not saying we were successful. I am not saying we did all what we should have done, because in retrospect we see what happened.

But what I can tell you, this is the second part of your question, Congressman, is that the mechanism which is now being put in place, the first immediate decision, immediate decision which was taken, was no trips, no gifts. This was the first reaction of our President, Mr. Samaranch, because a lot of these problems are linked with the traveling and the hospitality and the lavishness on the exchanges of these visits.

This was the first step taken. Again, with an independent ethics commission working fully independently as described earlier, with authority to take swift and hard actions with new sanctions voted, I think we can reasonably say we are committed to succeed.

Mr. KLINK. Ms. DeFrantz, I have to say you have risen to a very strong position within the IOC, and it seems absolutely—you seem like a very nice person, but it seems incredible to me you have been with the Olympic movement all this time, the published report was out, this stuff was out, and you come before the committee today and say you didn't know any of this stuff was going on. If the IOC does not vote for reforms, should Congress then take direct action?

Ms. DEFRANTZ. Well, let me say that we expelled 10 members and they were the 10 members who were doing the wrongdoing. We sanctioned 10 more, and we are looking at them and all their activities for the future will be under a microscope. Should Congress take action, programs. I don't know what action you would intend to take, so it is hard for me to say yes. I believe that the IOC will do what needs to be done. I honestly believe that, and I am going to work every moment of December 10, 11, and 12 to make sure that that happens.

Mr. KLINK. I thank the chairman.

Mr. UPTON. Mr. Whitfield.

Mr. WHITFIELD. Thank you, Mr. Chairman. I apologize once again for being in and out, but I did—you may have already covered this, but I want to ask Mr. Carrard a question or two if I could.

Mr. Carrard, you are the Director General of the IOC, and in that position I am assuming it is your responsibility, you are

maybe the chief executive officer. Could you explain what your responsibilities are?

Mr. CARRARD. It is somehow comparable to chief executive officer.

Mr. WHITFIELD. Good. I know that as a result of the revelations, some of the revelations at Salt Lake City and Atlanta, that the IOC has taken some action to address some of these concerns.

Would you expand on that a little bit? Perhaps you have already covered it, but the IOC has taken some action already, is that correct? Or is that not correct?

Mr. CARRARD. Oh, yes, indeed, Congressman. As soon as we had the evidence, as I said, which was about late November of—I think late November, the first action was to order a full investigation, because we had evidence. We immediately appointed an ad hoc commission to investigate all files of the members, because we were getting at last files. We were getting the files on the members, on the figures, on the behaviors and the patterns. Because in the United States everything is a matter of public record and you have laws which allow that, which is not the case in most of the rest of the world where these actions are not illegal or not even alleged to be illegal. They are wrong, but they are not illegal and we have no authority. We are not a government. We have no power. The judges would not act on our request.

We immediately appointed our ad hoc commission which in less than 3 months, and there was a holiday season to exchange the files, as the Vice President recalled now, it led to the departure of 10 members, 6 expelled, 4 resigned, and more sanctions on 10 members.

Immediately it was said no more visits and trips for the ongoing campaign, 2006. This was effective immediately. And in March we had an extraordinary session. At that time the 2000 commission for reform was put in place, the ethics commission was put in place, independent, as I said, with the senior outsiders to control the process, a code of ethics was voted by our session in June, and the process is going on. The schedule was set by the President to end up on December 11 and 12 with an extraordinary session.

So we have been acting nonstop since then.

Mr. WHITFIELD. And did you say that 10 members, or 20 members were either sanctioned or dismissed from the IOC, is that correct?

Mr. CARRARD. Ten members left the IOC, that is to say 6 were expelled by decision of their peers where they had to present their case, 4 resigned in anticipation of most likely exclusion, and 10 others got other sanctions like warnings, reprimands, and, as Ms. DeFrantz said, are under control.

Mr. WHITFIELD. The 2000 committee, who appointed members to that committee?

Mr. CARRARD. The 2000, IOC 2000 Commission, is a vast commission composed of 80 members, 40 of them IOC members, and 40 others being outsiders who are contributing and helping the Olympic movement by their highly welcome participation. I see Henry Kissinger is one of them, just entered now.

It is a broad commission which is studying all the reform processes divided into three working groups, one dealing with the

structures, the other with the activities, and its third one with the reform of the bidding process of the candidate cities.

That is the commission, with half of its members being outsiders, that will discuss the very many proposals for further reforms on October 30 and 31, and these proposals will then have to be submitted to final approval by an extraordinary IOC session in December.

Mr. WHITFIELD. The IOC is not bound in any way to implement these recommendations, but I am assuming that they would be considered seriously and many of them would probably be adopted.

Mr. CARRARD. Congressman, you can be sure they will be considered very seriously, and we are all working toward that.

Mr. WHITFIELD. Thank you.

Mr. UPTON. Thank you, Mr. Whitfield. I have a couple more questions before we move to panel 3. Mr. Carrard, it is my understanding that you and Mr. Samaranch sent a letter back in 1990 to all of the cities competing in bids that they—a reminder that they should follow the rules. Do you remember that letter?

Mr. CARRARD. Is there any way I could see it?

Mr. UPTON. I will have someone bring it down to you. I will come back to this question.

Mr. CARRARD. I am sure there have been many letters.

Mr. UPTON. I want you to look at the letter and get a response. Are you satisfied that the reforms before the reform committee and those that will then hopefully be taken up by the full IOC will satisfy this—listening to the hearing this afternoon and this morning, are you convinced that if those reforms are adopted, that in fact that will satisfy all if not most of the concerns raised by members on this subcommittee?

Mr. CARRARD. I believe so, Mr. Chairman. Let us never forget there is human nature.

Mr. UPTON. I will let you look at that and come back to you in just a second.

Ms. DeFrantz, when you appeared before Mr. McCain's committee in the Senate in the spring, an individual by the name of Mr. Jennings, an author who wrote the Lord of the Rings book, testified, and he says it had been a cultural fear that they could not get the Olympic games in the future if they told the truths that they knew, somewhat going back to the report perhaps that the folks in Canada had written.

Do you feel that our actions here have been helpful in pushing the reform process forward and to adopting necessary reforms that are needed?

Ms. DEFRANTZ. I think it is very important to talk about these issues, and especially in this country it is very important to better understand how the Olympic movement worked, how it has worked in the past, and what we intend to do to make sure it is strong in the future for the athletes. So, yes, sir.

Mr. UPTON. One of the things that he wrote about in his book, he talked about some boxing matches in Seoul, and I remember those well as a TV viewer, the fact that I felt our country was not—did not receive the medals that they should based on the performance of the boxers. There was quite an outcry then. As I recall in his book, he references that and indicates that it is because of some

penalty that the U.S. might have taken not on the athletic scene that brought about some of the decisions by those judges.

Are you aware of that?

Ms. DEFRANTZ. Actually, I am not.

Mr. UPTON. Have you read his book?

Ms. DEFRANTZ. I read some of it. It became so—well, I read some of it. I will leave it at that.

Mr. UPTON. I may communicate with you. I may cite those chapters and ask for you to respond back. I might ask a follow-up question. Have you heard because of our committee action today and inquiries that we made, is there any sense that in fact that same type of activity that I believe did happen in Seoul might happen in future Olympic games that would discriminate against our athletes?

Ms. DEFRANTZ. I certainly hope not, Mr. Chairman, and I will work with my colleagues. I am a vice president of an international federation, so I understand that there is a difference between the IOC and how the various sports are run. I will tell you that in 1980, because we weren't there, rules were changed and the best example is that prior to 1980, you could have three swimmers from any one country. Of course, the United States was very, very strong in swimming. Because there was no presence of the United States during those games, rules were changed in the Congress of the international federation so there could be only two swimmers per country.

If you were to step back and say that is better for the whole world, that means there is one more space because the U.S. wouldn't get three athletes, you could say that it was really an improvement for the entire world. But I believe that that was done as a bit of a punishment for the U.S. for trying to bring down the games in 1980.

Mr. UPTON. So you have not heard of any evidence at this point based on our committee action, you have heard it has only been constructive? Would that be a proper——

Ms. DEFRANTZ. I am doing my best to make sure that if someone asks a question about what is happening in the United States, that is my answer. It is to make the Olympic movement stronger.

Mr. UPTON. I have one further question before I get back to Mr. Carrard with regard to that letter. I had heard a report, an allegation, that in Japan during the final selection vote process when Atlanta was awarded the city, and we heard testimony from the first panel that they had, I think it was Mr. Young indicated that Atlanta had spent $7 million on the games, but other cities had spent considerably more. I had heard a report that, I believe it was Greece, had prepared some rather lavish gifts for the members of the voting IOC that included a black pearl necklace, antique coin, diamond studded, done by one of the finest jewelers in the world.

Were you aware of that gift that might have been presented to some of the members of the IOC at that time?

Ms. DEFRANTZ. Mr. Chairman, in my case——

Mr. UPTON. I am not talking about your case, and I am not at all accusing you and have no reason to believe that you accepted such a gift or that it was even offered to you. My question is, were you aware that other members, not yourself, of the IOC may have

been presented a gift of that nature, that certainly exceeded the $200 mark, and probably even the $10,000 or $15,000?

Ms. DEFRANTZ. Mr. Chairman, I was not present when any such gift was given to any——

Mr. UPTON. I don't doubt that answer. I wouldn't have expected you to be present. The question is, were you aware of any IOC member being given that type of gift? You didn't have to be present to have heard about it.

Ms. DEFRANTZ. Well, sir, the rumors abounded, and rumors to me are just that. There were rumors, yes.

Mr. UPTON. Did you hear that rumor?

Ms. DEFRANTZ. Well, yes, you heard rumors that every city was doing something.

Mr. UPTON. Did you hear about that specific lavish gift that may have been offered to members of the IOC?

Ms. DEFRANTZ. No.

Mr. UPTON. Okay. Mr. Carrard, just a last question with regard to that letter. What might have prompted you to send that letter at that time?

Mr. CARRARD. Well, Mr. Chairman, I see the letter is April 1990. I think we wanted—I am trying to recall, we were in Belgrade. In Belgrade we had an executive board meeting, I think, not a session.

We were, and I was personally concerned, as I said again, by this escalation of expenses. At the time, to be absolutely candid, the concern was not misbehavior by IOC members, but keeping these costs down. And in my function, I have no authority over the IOC members, I knew of tricks. The classical trick was what, you prohibit the organization of a cocktail party to a candidate city. Then it comes back that the Ambassador of country X, Y, Z throws a lavish party and invites all IOC members. It is becoming insulting to refuse an invitation of the Ambassador. I knew very well that it was the reappearance of the party I had been trying to avoid. So again and again we were reminding the bidding cities of these practices, and that is the context in which, Mr. Chairman, that letter was sent, as far as I can remember, because it has been close to 10 years.

Mr. UPTON. I appreciate that. I just want to go back to my earlier question and Dr. Ganske is going to ask a quick question and we will move to panel 3. Apparently an L.A. Times story, Ms. DeFrantz, as you indicated you are from California, I don't know if you saw this, May 25, 1999, there was, and I quote here, "recently calls," I guess this individual is from Australia, "hit more trouble when his former wife said she received expensive jewelry in 1990 from a businessman connected with Athens' failed 1996 Olympic bid," that is the end of the quote, which would have been that opportunity in Japan. So you still have no—you are not aware of this at all until today?

Ms. DEFRANTZ. I am sorry, sir, I thought you meant at the time. I was in fact a member of the executive board and we discussed the case, so I was aware of it in this year. But excuse me, I thought you meant at the time when people were visiting the cities which would have been for the 1996 games in 1990.

Mr. UPTON. Did I accurately describe this gift of this necklace?

Ms. DEFRANTZ. Well, the issue became did she receive the necklace and was it worth that much or not.

Mr. UPTON. And were other members offered a similar gift?

Ms. DEFRANTZ. This question wasn't raised, sir. We were specifically looking at the case of Mr. Coles, and there was an allegation made by his former wife that she had indeed received these gifts and later it was found that in the divorce decree there was no indication of gifts of any value, so there was a question as to whether they were costume jewelry or not. So that discussion was all within this last year, sir.

Mr. UPTON. Dr. Ganske.

Mr. GANSKE. Thank you, Mr. Chairman. According to Atlanta's supplemental response to the committee, exhibit K, Mrs. Samaranch and a guest made a trip from Barcelona to Savannah, Georgia, and Charleston, South Carolina, from April 4 through April 8, 1990. According to Atlanta, the cost of the trip to them was more than $12,000.

Mr. Carrard, were you Director General of the IOC in 1990?

Mr. CARRARD. Yes, sir.

Mr. GANSKE. Mr. Carrard, do you know who initiated this trip? Was it Atlanta, Mrs. Samaranch or IOC President Samaranch?

Mr. CARRARD. I don't know, because when Mr. Samaranch travels, it is his staff. He has his own staff and secretary, about three people. They take care of all of his scheduling, traveling. He receives numerous invitations all the time as IOC President, and I am not informed—I mean, I am informed. I see his schedule, particularly when I try to meet with him, but I am not at all involved in the scheduling or organization of his own traveling.

Mr. GANSKE. Do you know whether IOC President Samaranch was aware that Mrs. Samaranch and her friend took a trip at Atlanta's expense?

Mr. CARRARD. Congressman, I do not know it, but I would reasonably assume that he would know what his wife does.

Mr. GANSKE. But you were not aware?

Mr. CARRARD. No.

Mr. GANSKE. Did President Samaranch accompany his wife on that trip? Again you don't know.

Mr. CARRARD. I don't know. I heard what was said in the deposition here, and I assume——

Mr. GANSKE. The answer is no. Mr. Carrard, has Mrs. Samaranch or her friend ever been a member of the IOC?

Mr. CARRARD. No.

Mr. GANSKE. Well, if they were not IOC members and President Samaranch did not accompany them, in your opinion was this trip in violation of IOC rules in place in 1990?

Mr. CARRARD. No.

Mr. GANSKE. Why not?

Mr. CARRARD. Because the rules, which are instructions and guidelines, were established, and I confess they were badly written, absolutely, but were established with a clear target. It was to organize the trips of the members who wanted to visit candidate cities to make up their opinion to prepare their vote.

Mr. GANSKE. But she is not a member. You just testified she is not a member. So would it not be a violation if——

Mr. CARRARD. No, no, because—excuse me, these instructions were not concerning, and they should have said it very clearly, I would say two categories of people. There was the president and his wife, who was traveling constantly invited. He may go 5, 6 times to a bidding city for other reasons, because he represents the Olympic movement, and he takes his wife or she represents him on a number of occasions. You had another category, you had members of the IOC in the candidate country who had to travel a lot back and forth.

Mr. GANSKE. Do you think it was appropriate for Mrs. Samaranch to make that trip at Atlanta's expense?

Mr. CARRARD. I don't know in which circumstances she was invited, because I wasn't involved at all in that, so I will not pass comment.

Mr. GANSKE. Would that be allowable under the rules you are considering instituting?

Mr. CARRARD. Excuse me?

Mr. GANSKE. Would that be allowable under the tightening of the rules that you are talking about?

Mr. CARRARD. We should ask the—as I said earlier——

Mr. GANSKE. Can spouses travel at the expense of a city?

Mr. CARRARD. I think Ms. DeFrantz knows more.

Ms. DEFRANTZ. Yes, if I may, Congressman, the rules will—the working group had two proposals, and the executive committee chose one of the two, and in neither proposal was anyone but the IOC member allowed to visit.

Mr. GANSKE. You are quite clear you are not going to allow that kind of behavior in the future? Is that right?

Ms. DEFRANTZ. That is correct.

Mr. GANSKE. Why do you feel that way?

Ms. DEFRANTZ. As a matter of fact, as I was preparing for this, as I was trying to find a document, a letter from Atlanta said we have finally been able to prevail upon Mrs. Samaranch to come and visit, we are quite excited and look forward to having her there. They clearly were working hard to get her there. She clearly decided, finally decided to come, and it is now an issue in a hearing before the U.S. Congress.

Mr. GANSKE. Mr. Carrard, are you aware of any other trips Mrs. Samaranch may have taken to cities bidding to host Olympics at the city's expense, and, if so, which cities?

Mr. CARRARD. No, I am not aware of it.

Mr. GANSKE. According to documents produced to the committee, Mrs. Samaranch's trip to Savannah and Charleston was at least 2 months in the making. Atlanta's organizers attempted to make sure all details were looked after. In one document, February 5, 1990 memo to the file by Billy Payne, it should be before you, and it should be in the book, Mr. Payne makes the following notes and instructions: "Mrs. Samaranch does not like adhering to President Samaranch's very tight schedule and prefers to shop (line up a Saks and Lord & Taylor visit with the store managers and when she selects something, make them insist that it is on the house because she is such an important person, et cetera. Make it convincing by prior arrangement with the respective stores."

Now, I understand that that shopping trip did not take place, but clearly the intent to provide gifts that would have been in excess of rules for the IOC was there.

Mrs. Samaranch wasn't even an IOC member, nor was President Samaranch with her. All of this planning to make Atlanta's bid look attractive. Atlanta was one of only three cities competing at this stage.

Mr. Carrard, do you know of any instances where a city competing to host games provided gifts or travel in excess of IOC rules to Mrs. Samaranch?

Mr. CARRARD. I am not aware of it.

Mr. GANSKE. Only a month after Mrs. Samaranch and her guests traveled to Savannah and Charleston her husband, IOC President Samaranch, sent a letter to IOC members asking them to strictly adhere to IOC rules. Mr. Carrard, do you know if President Samaranch had a specific instance of an improper gift giving or traveling in mind when he wrote that letter?

Mr. CARRARD. Could I see that letter? It is in there? I am sorry.

Mr. GANSKE. Staff can probably provide you with the page number. It is coming right here behind you.

Mr. CARRARD. Thank you very much. Oh, yes, I know that letter.

Mr. GANSKE. Let me repeat my question. Do you know if President Samaranch had a specific instance of improper gift giving or travel in mind when he wrote that letter?

Mr. CARRARD. No, because do you have the reference on top of it, FCD, and it is my reference. This is typically the letter I was writing to the candidate cities to remind them of our desire to generally fight against escalation of costs. I am the author of this letter. That is my reference, and if you look at the first paragraph, it says as you remember, the escalation of costs incurred by candidate cities in connection with the preparation, promotion and presentation of bids for the Olympic games raised here, et cetera.

Mr. GANSKE. So you are asking us—you wrote the letter, is that in the first place?

Mr. CARRARD. I drafted it for the President. I wanted the President to remind the bidding cities that they had to comply with the then existing instructions.

Mr. GANSKE. So your concern was that the cities not have any additional expense.

Mr. CARRARD. The concern was placed to make sure that they were limiting the expenses, and, as I said earlier in an example, the concern, I am saying quite frankly, was not then about possible misbehavior by IOC members. But by the tricks I was alleging to the parties which were not allowed and organized by embassies and sometimes foreign governments and even the cities to curb the rule. That was the major concern.

Mr. GANSKE. Let's go back to my original series. At least today you think it would be unethical for the wife of the President, President Samaranch, to be traveling at the expense of potential host cities, and you are going to make sure that that doesn't happen in the future.

Mr. CARRARD. Certainly in nearly all cases I know, the IOC, if the wife of the President travels, picks up the bill.

Mr. GANSKE. I thank you.

Mr. UPTON. Thank you. Well, this completes our questions for you all. We appreciate your willingness to come. I just might note that members may have written questions for you as we did with the first panel. We would appreciate your timeliness in getting a response back. Just one thing I would like to add, we certainly appreciate Mr. Carrard, your coming again from overseas to be with us today. We look forward to your presence on December 15 with Mr. Samaranch. Though many of us here would have preferred that he would be here with you in early November so that we could help make sure that this vote comes out the right way, we surely expect that you will come back with good news, and if any message had to go back to Mr. Samaranch, I think it was well expressed, certainly by Mr. Waxman and others, that should this vote not happen, I think you can expect bipartisan legislation here to make sure that in fact we are successful in cleaning up the taint that we found from the Olympics in the past.

We appreciate your willingness to cooperate and to be here with us again. Thank you very much. You are all excused.

Our final panel will include two individuals, Dr. Henry Kissinger and Mr. Ken Duberstein. I would note that because of the length of the hearing, Senator Howard Baker was unable to remain with us for the day, but has agreed to come back when we reconvene on this topic on December 15.

As both of you individuals know, this has been a longstanding tradition in this subcommittee to take testimony under oath. Do either of you have objection to that? Also under both House and committee rules, you are allowed to have counsel. Do either of you desire or did you bring counsel? Terrific. If you would both stand and raise your right hand.

[Witnesses sworn.]

Mr. UPTON. You are both under oath. Your testimony will be made complete in the record. We would like you, if you could, to summarize it in no more than 5 minutes or so, and this light will give you that time indication.

Dr. Kissinger, welcome. It is a pleasure to have you here today.

TESTIMONY OF HENRY KISSINGER; AND KENNETH M. DUBERSTEIN

Mr. KISSINGER. Mr. Chairman——

Mr. UPTON. If you might bring the mike just a little closer.

Mr. KISSINGER. Mr. Chairman and members, I only returned from Europe last evening, so I did not have time to prepare a formal statement. If you will forgive me, therefore, if I talk more or less extemporaneously. Also if I keep to 5 minutes, you can all say you were present at an historic occasion.

Mr. UPTON. Go ahead.

Mr. KISSINGER. Mr. Chairman, my relationship to the IOC is of very recent vintage. I am a sports fan and I read about it in the newspapers and I read all the accounts that brought you here, but I have no personal knowledge of any of the events that I have read about and some of which I heard while I was waiting to testify.

I was asked to join the Forum 2000 for the purpose of reforming the IOC and the operation of the Olympics. In order to do this, I talked to individuals whom I greatly respect who had studied some

of these issues, like my colleague here, Ken Duberstein, Senator Mitchell, Donald Fehr, who were members of the Mitchell committee. I also talked to General McCaffrey about the drug problem, and I tried to inform myself not so much about the past as about the future. Also I had many conversations with Mr. Uberoth.

Now, it became apparent that there was a need for significant changes, one, in the organization of the committee; second, in some of the methods of operation; third, with respect to some of the financial accounting procedures; and also in the manner in which some of the expenses were being handled.

I had no preconceived notions on how to tackle this. As you know, there were three working groups formed and all of us on these working groups, at least all of the active members, have spent a fair amount of time on it, usually giving up weekends to do so. I must say that the leadership of the IOC under President Samaranch and his colleagues have given useful support in these efforts.

As you know, the process is not completed. We have to meet with the executive committee at the end of October and then there is a meeting of the whole IOC in December, and it is sort of a tricky problem to get the people who have to change procedures and indeed have to modify their terms in office to vote for some fairly significant changes.

I believe that if the recommendations by the three working groups are accepted, then many of the—I would say almost all of the abuses that I read about will be eliminated. That is certainly our intention. The non-IOC members have certainly no other interest in this except to bring about exactly that situation. If, frankly, for any reason either the executive committee or the full IOC were not to go along with these recommendations or watered them down, certainly I, and I know my friend Ken Duberstein and Senator Mitchell and all the others who have spent a fair amount of time working on this, would be heard from, and you would hear from us.

So at this point, I am quite optimistic that we will succeed. President Samaranch, whatever may have happened in the past, has been fully supportive, and we have achieved at least in the working groups a degree of agreement that many people were skeptical about having the ability when we started.

So this is the essence of where I come from. Of course, I will be delighted to answer questions about either what I said or about some specifics. I want to thank you for giving me this opportunity to express my views.

Mr. UPTON. Thank you very much. Mr. Duberstein.

TESTIMONY OF KENNETH M. DUBERSTEIN

Mr. DUBERSTEIN. Mr. Chairman, members of the subcommittee, I want to echo what Dr. Kissinger said. I am betting on Henry Kissinger. I am grateful for this invitation to participate in the hearing. I do so on behalf of the independent special bid commission appointed by Bill Hybl, President of the USOC, which was chaired by former Senator George Mitchell and included Don Fehr and myself as vice chairman, along with members Roberta Cooper Ramo and Jeff Benz.

I request that my written statement, Mr. Chairman, be made part of the record, along with a copy of the report of our commission dated March 1.

Our commission reviewed the circumstances surrounding Salt Lake City's bid to host 2002 Olympic Winter Games. We did not address Atlanta, but we found that a culture of improper gift giving extended beyond Salt Lake City and predated Salt Lake City's participation. Our principal mandate was not to investigate, but to make recommendations for reform at all levels of the Olympic movement, local, national and international.

The U.S. Olympic Committee moved quickly to adopt substantially all of our recommendations. They took the medicine we prescribed. The IOC unfortunately needed more than time release capsules. They required major surgery.

Our recommendations for the IOC call for fundamental structural changes which are set forth in detail in our report. These changes necessarily require a period of study and consensus building prior to adoption. The IOC appears to have undertaken that process in earnest with the appointment of the IOC Reform 2000 Commission, which includes Dr. Kissinger, Peter Ueberroth, Paul Allaire and Dick Ebersol, as well as a new ethics committee which includes in its membership my old colleague Senator Howard Baker.

Although it is too early to draw any firm conclusions, we are encouraged by the progress the IOC has accomplished to date. Former Senator Mitchell and I met with Juan Antonio Samaranch and François Carrard, the President and Director General of the IOC, in early July. At that time they provided us with a report outlining the IOC's preliminary actions in response to our recommendations. The meeting was both encouraging and positive. We were reassured of Mr. Samaranch's personal commitment to the need and urgency of reforming the IOC. We were heartened in recent days when the IOC formally requested the assistance of the OECD in becoming a public international organization within the meaning of the OECD convention on combatting bribery of foreign public officials in international transactions. We applaud them for this initiative.

While these efforts are to be commended, there is still much more work that needs to be done. The IOC Reform 2000 effort deserves close monitoring and frequent checkups as they approach finalizing their recommendations by the end of October and then again for the full IOC on December 11 and 12. The IOC's progress and continuing commitment to reform I think must be closely evaluated. I am reminded of a Russian proverb that my old boss, President Ronald Reagan, referred to from time to time. "dovy eye no provey eye." trust but verify.

I encourage this subcommittee to verify the IOC's ongoing efforts to systematic reform. The proof is in the pudding. They must do more than just reassure sponsors. They must face realities, not create illusions. They need to manage what they promise.

At this point, therefore, I would grade them the following way: I would give them an I for incomplete for the reforms are not quite done. I would give them an O for outstanding effort, including the work of Dr. Kissinger. And I would give them a C for careful, be

careful in evaluating the end product at least until we see specifically what the IOC Reform 2000 recommends at the end of October. I share with each of you the hope and expectation that the Olympic flame must burn clean once again in those words that completed our report back in March 1.

Thank you, Mr. Chairman.

[The prepared statement of Kenneth M. Duberstein follows:]

PREPARED STATEMENT OF KENNETH M. DUBERSTEIN, VICE CHAIR, USOC SPECIAL BID OVERSIGHT COMMISSION

Mr. Chairman and members of the subcommittee, I want to thank you for the opportunity to participate in this hearing. I respectfully request that my written statement be made a part of the record of this hearing, along with a copy of the Report of the USOC's Special Bid Oversight Commission dated March 1, 1999.

The Salt Lake City bid scandal came to light in December of last year. Very shortly thereafter, the United States Olympic committee appointed a Special Bid Oversight Commission (the "Commission"). The Commission's charge was to review the circumstances surrounding Salt Lake City's bid to host the Olympic Winter Games, and thereafter to make recommendations for improving the process by which cities are selected to host the Games of the Olympiad and the Olympic Winter Games. Senator George Mitchell acted as Chairman of the Commission, Don Fehr and I were Vice-Chairs, Roberta Cooper Ramo and Jeff Benz were members.

The Commission presented its recommendations on March 1 of this year. Very generally, our recommendations called for the elimination of the improper gift-giving practices that have grown out of any reasonable bounds, and for the IOC to make fundamental structural changes. Our recommendations were directed to both the IOC and the USOC.

The USOC moved quickly to adopt substantially all of our recommendations. They took the medicine we prescribed. The IOC needed more than just medicine—they needed major surgery.

Our recommendations for the IOC are far greater in scope than our recommendations for the USOC. Many of them require significant changes to the structure of the IOC, and necessarily require a period of study and consensus-building prior to adoption. The IOC appears to have undertaken that process in earnest. The IOC 2000 Commission and working groups thereof have met regularly since late May. A final meeting is scheduled for October 30-31, at which time recommendations will be made to the IOC. Although any reforms recommended by the IOC 2000 Commission will be subject to the approval of the full IOC in December, I think we will learn a great deal from the final recommendations that come out of IOC 2000.

Although it is too early to draw any conclusions, I am encouraged by what the IOC has accomplished to date. Senator Mitchell and I met with President Samaranch and Francois Carrard, the Director General of the IOC, in early July. At that time, they provided us with a report outlining the IOC's preliminary reaction to the Commission's recommendations. I trust that your staff has shared that report with you. Because the work of IOC 2000 is not yet finished, it is not timely to publicly comment on the views expressed in the report. We did, however, share our comments with the IOC.

Some of the changes that we recommended to the IOC are not difficult to implement. By way of example, the following actions have already been taken by the IOC:

1. The IOC's audited financial statements are now available to the public at large.
2. The IOC has appointed an Ethics Commission chaired by Judge Keba Mbaye, a former member of the International Court of Justice. Senator Howard Baker is a member of the Ethics Commission.
3. The IOC Ethics Commission has adopted a Code of Ethics. The new Code of Ethics prohibits gifts of more than nominal value.
4. Certain meetings of the IOC are now open to the public.

I am also encouraged by the fact that, subsequent to our meeting, the IOC formally requested the assistance of the OECD in becoming a "public international organization" within the meaning of the OECD Convention on Combating Bribery of Foreign Public Officials in International Transactions.

When the Commission appeared before the Senate Commerce Committee in April, Senator Mitchell stated that the end of this year is a reasonable deadline for IOC action. The IOC is on schedule to meet that deadline. It is important, however, that we evaluate the IOC's progress at each step of their journey. I am reminded of a Russian proverb that my former boss, President Reagan, referred to on occasion.

Trust, but verify. While I am encouraged by what the IOC is doing, I also believe that they should be closely and frequently monitored. We will have an opportunity to do that later this month.

Thank you, Mr. Chairman.

Mr. UPTON. Thank you both. As you heard, the buzzers sound. We have a vote on the floor. Dr. Ganske has been over to vote and when he returns, I will be gone and he will continue so that we can try to finish this. I'm going to do some questions and Dr. Ganske is going to come back so that we can keep this flowing. Mr. Duberstein, in your written testimony submitted in your appearance in the Senate last April before Senator McCain, you were particularly hard on the IOC. In fact, you said and I quote, the pace and the scope of the IOC's reform actions are disappointing, expelling a few rank and file members, allowing a handful to resign but leaving the two most prominent culprits who sit on IOC's executive board to escape with a gentle slap on the wrist is not encouraging, end quote.

Would you say that today based on the grades that you gave and if you assume, to take Dr. Kissinger's words, that they will succeed in adopting these reforms, that if in fact that happens, they will restore the shine on the rings and you'll be proud of the Olympic movement again?

Mr. DUBERSTEIN. Mr. Chairman, I think that the efforts under way with IOC Reform 2000 are fundamentally sound. That does not mean that they meet every one of our recommendations but the thrust is very much in the right direction. I am encouraged by the personal commitment of Mr. Samaranch. I am even more persuaded by the participation of Dr. Kissinger and Mr. Ueberroth and Mr. Allaire as well as others. I think that bodes very well.

I would not retract there my statement the fact that some of the members of the executive committee received only a slap on the wrist. I felt strongly at the time that more harsh punishment was in order, but I think as far as looking forward to making sure that we do not have a repeat of what happened in Salt Lake City and other places, I think they have made great strides and I look forward to them fulfilling this commitment.

Mr. UPTON. I don't know if you've actually seen the actual reforms that are in place. I know you've had some discussions with Mr. Carrard and others. If you were able to add an amendment that could be adopted by that reform committee, how would it read?

Mr. DUBERSTEIN. If I were to add any recommendations, I would look toward more athlete participation in greater numbers on the IOC, and I would be very concerned about the interlocking directorate so that some people in fact could be appointed not simply as IOC representatives but to represent their countries to the IOC.

Mr. UPTON. Dr. Kissinger, what would your response to that be?

Mr. KISSINGER. First of all, I want to also point out that the chairman of the USOC, Bill Hybl, has been tremendously helpful in this process and has made a very significant contribution and I want to thank him.

I believe the recommendations that Ken Duberstein just made, that we can go a long way toward meeting them if not meeting them completely. Basically all I knew about what needed to be

done I learned from him and Senator Mitchell and his report, and however pleasant he is when he testifies to you he sort of stays on our back all the time to make sure that we are properly performing.

I think the members of the executive committee, there will be a rotation very quickly if these reforms are carried out because while it may be necessary to have a period of transition for the whole IOC in the top positions, it is foreseen in this reform program that all the limitations and changes take effect immediately.

Mr. UPTON. Though I know Mr. Duberstein is not a member of the Reform 2000 Committee, how—you do know, I'm sure, all of the members on that committee. How receptive have they been to the reforms that have been proposed?

Mr. KISSINGER. Well, I would think that some—that some people feel that the IOC has constituted a fairly comfortable operation and do not have an overwhelming desire to go into barricades and change it but the fact is that our reports of the working groups have been unanimous and that some of the established individuals who have had leadership positions have cooperated with drafting in a way that meets the technicalities of the IOC and I believe in the working groups we will certainly succeed. Now, the next hurdle will be the executive committee and I have not met with them, but I agree with Ken. I will take the same position that Ken has indicated here that I will—no halfway house is really feasible that does not reflect on the Olympic movement. So I really expect that these working group reports will be accepted with only the most minor modifications.

Mr. UPTON. We hope that that's true. As you know, we have a vote on. I am getting to go vote. You going to make this vote?

Ms. DEGETTE. I'll make this vote. I just have a couple of questions.

Mr. UPTON. As long as you don't steal this gavel you may go ahead and when you finish we will recess until Dr. Ganske gets here.

Ms. DEGETTE. Mr. Hybl will tell you I always behave.

Mr. Duberstein, first of all I know I can speak for the entire panel when I thank you and Senator Mitchell for the outstanding job you did in putting this report together. I fully endorse the recommendations that you've made and I think most of us do. Of course, the problem is that there's been public knowledge of the lavish gift giving of the IOC for years, and as I asked several of the previous panels, I know Dr. Kissinger wasn't here. I don't believe you were either. We have had written rules in effect by the IOC for many years since the 1980's which should have prevented the kind of profligate gift giving that has been going on.

For example, in terms of gifts, there is a strict rule that says gifts of value are not permitted and that it strictly says gifts of value exceeding $200 U.S. are not permitted but yet the previous panel's testified and your report accurately represents everyone completely ignored this and in fact it was quite the opposite. If your recommendations are adopted, what is it about these particular recommendations that you think will actually make them be observed versus existing only on paper only as the previous rules have been?

Mr. DUBERSTEIN. I believe the acceptance by the IOC of the recommendations of the working group and the prestigious members who are on the working group will in fact infect world opinion. We have a microscope right now on the IOC. We have heard President Samaranch's firm commitment to Senator Mitchell and to me that he wants to leave as his legacy for the IOC a reformed IOC. I think you will in fact find by the end of this year the IOC will approve the reforms.

Ms. DEGETTE. Let me stop you. They may approve the reforms but do you think that they will be observed?

Mr. DUBERSTEIN. Yes.

Ms. DEGETTE. Is there anything about the structure you're recommending that will make it more likely that they will be observed or do you think it's because the world opinion will be shifted?

Mr. DUBERSTEIN. I think world and national opinion here will be such that in fact they will have to abide by these rules, by these guidelines.

Ms. DEGETTE. So there's nothing inherent in your——

Mr. DUBERSTEIN. There's no enforcement.

Ms. DEGETTE. Dr. Kissinger?

Mr. KISSINGER. May I make a point here. Each member of the IOC will be given—has a fixed term now. They're not appointed for life or until the age of 80 if these reforms are accepted. And each member will have to go before a selection committee which will be composed of both IOC and non-IOC members. So if there are credible allegations, it would be amazing if they were not brought up when a member's name comes up for renewal before the selection committee.

Ms. DEGETTE. Do you think that world opinion has begun to shift in any way as a result of the light that's been shed on the Salt Lake City and Atlanta bids?

Mr. DUBERSTEIN. I think there is a strong view that in fact the IOC needs to clean up its act. I think President Samaranch is now committed to that and I think a lot of that has to do with opinion throughout the world.

Ms. DEGETTE. Just one last question. We asked the first panel what they thought the likelihood of these new rules being adopted is. Do you have any sense? We were told slightly greater than 50 percent.

Mr. DUBERSTEIN. No, I don't have any magic wand that says 85 percent or 90 percent. I'm not a betting man but I believe that President Samaranch that Mr. Carrard and others will work diligently to getting them approved and with the kind of prominence that is on the IOC Reform 2000 panel that it will be very difficult for the IOC to turn back.

Ms. DEGETTE. Dr. Kissinger, do you have any sense how likely you believe it is?

Mr. KISSINGER. I have—I'm new in this so I have not encountered the full membership of the IOC and I've had only one session with the preliminary executive committee. I have operated on the assumption that we will get these reforms through. That's the position I've taken in the working group and that's the position I will take at the end of October. I also have reason to believe that President Samaranch will support it but there are a number of senior

people in this group, Allaire from Xerox and Yellay from Fiat and non-IOC members will be united in supporting these recommendations. So it would be quite a responsibility to turn them down.

Ms. DEGETTE. Let me just say because I have to now go vote, I do not have any faith at all that the international community will simply believe people are prominent and therefore they will follow these rules. I think that some of the recommendations of the structure will help. I think, as Dr. Kissinger said, the term limits will help, but I think that there needs to be more vigilance because after all, as long ago as the 1980's, many prominent people said that the rules had to be changed. The rules were changed on paper and people still completely disregard it.

Thank you, gentlemen, both for coming. I apologize for having to leave. I appreciate it.

Mr. GANSKE [presiding]. The Chair recognizes himself.

Well, doctor, one of my prerogatives, well, Dr. Kissinger, you're the diplomat so I won't ask you to make a comment on Mrs. Samaranch's trips, but I do want to ask you in light of the fact that it was the events in Salt Lake City that served as the catalyst for the present atmosphere of IOC reform, have you detected any anti-American sentiment during your work with the IOC 2000 commission?

Mr. KISSINGER. Yes. There is a feeling that the Americans are trying to impose their standards, that we are picking on the smaller developing nations. I wouldn't suggest that it is this attitude among some members and I've heard statements to that effect. They have not prevailed and I don't expect them to prevail.

Mr. GANSKE. Well, Dr. Kissinger, in light of some of those anti-American sentiments, I understand that the IOC 2000 commission is now finalizing its recommendations and will announce them at the end of the month and that the IOC will vote on these recommendations in December of this year. However, these are only recommendations. Is the IOC obligated to adopt any of the commission's recommendations?

Mr. KISSINGER. No, the IOC is not obligated to adopt the committee's recommendations, but they would lose the support of the non-IOC members and I think the games next year would be under shadow if the IOC rejected the recommendations that were so far as I can see unanimously endorsed by a group of individuals who have given a fair amount of their time and who have no ax to grind.

Mr. GANSKE. What do you think will be the result if the IOC adopts only the least intrusive, least controversial recommendations and ignores the ones with real clout?

Mr. KISSINGER. Well, if you called me back before this committee, I would express my disappointment strenuously and I can't believe that that will happen. In fact, I don't believe that President Samaranch will take it quietly. Not only I but a number of the individuals that we have mentioned giving up—have given up a number of weekends, traveled long distances. We're doing it again at the end of October. We'll do it again in December. And our only interest in this is to have an Olympic Games that the world can be proud of, that Americans can be proud of participating in and we have absolutely no reason to compromise and we won't.

Mr. GANSKE. I'll be with you in just a minute, Mr. Duberstein. If the IOC only adopts some face saving measures but not the full chest, I'm sure, Dr. Kissinger, you're aware that we have a law called the Foreign Corrupt Practices Act which makes it illegal for American companies, individuals to bribe foreign officials or businesses. Now, the IOC is not covered by that law. However, last year Congress enacted a law to enable the President to designate by executive order the IOC or other organizations to be subject to the Foreign Corrupt Practices Act.

Would you recommend that the president do this if the IOC does not act in good faith to clean up their own act ?

Mr. KISSINGER. I would expect the IOC to clean itself up. Second, I expect the IOC to accept the principles of the Foreign Corrupt Practices Act, even if it doesn't use its exact language so that it does not seem to be submitting to a law of one particular country. And so if that circumstance arose, we might be in a situation where our law might be implemented but I don't—I really would be disappointed if we reached that point.

Mr. GANSKE. Your preference would be for us not to have to do that but you wouldn't rule it out as an appropriate action at some time?

Mr. KISSINGER. I wouldn't rule out if there were a conviction that the principles of the Foreign Corrupt Practices Act, never mind whether it applies legally, if the principles were being violated, I would understand it if the Congress made its views felt.

Mr. GANSKE. I thank you.

Mr. Duberstein, in his report to the USOC, the Mitchell commission concluded, quote, that the USOC shares responsibility for the—this is the USOC shares responsibility for the improper conduct of the bid and organizing committees in Salt Lake City, end quote. The report also recommends several steps the USOC should take to strengthen its oversight of the site selection process. However, a more stringent oversight role in the site selection process may leave the USOC open to a conflict of interest. If a U.S. city's bid to host the games is successful, it's like the USOC may benefit in the form of increased television and sponsorship revenues. While the USOC and its members do not personally gain in this scenario, it's hard to argue with the lure of the additional sums or funds to help train athletes or promote amateur sports in the U.S.

Mr. Duberstein, you served as vice chair of the Mitchell commission. Is it possible for the USOC to balance a more stringent oversight role against the benefits that it would gain as a result of a U.S. city hosting the games?

Mr. DUBERSTEIN. Mr. Chairman, we were very heartened within a few days after our commission's recommendations that the USOC, the executive committee of the USOC, unanimously went for every one of our recommendations and I believe Mr. Hybl when he testified this morning made reference to that. I think the oversight clearly was lacking. I believe that they now have the message. I think that what they have enacted based on our recommendations in fact ensures that the USOC will be far more mindful so that you don't get into the situations as you described.

Mr. GANSKE. I think I'd like to hear from both of you in answer to this question. Dr. Kissinger, in light of the fact that you testified

today that you think there is an anti-American feeling because of the exposure on this issue, do you think that this could affect U.S. cities getting the Olympic site in the future?

Mr. KISSINGER. Not really because whatever the anti-American feeling exists is balanced by the realization that the majority of the funds come from the United States and the incentive—it's one thing to needle us, it's another to antagonize us.

Mr. DUBERSTEIN. I subscribe to exactly what Dr. Kissinger said.

Mr. GANSKE. What a great diplomatic response. My time is finished. I will yield to Mr. Klink.

Mr. KLINK. Thank you, Mr. Chairman. Mr. Duberstein, in your statements you reiterated that old chestnut of President Reagan's trust but verify. You say that that adage now applies to your monitoring of what they are doing at the International Olympic Committee. This is kind of a follow up to the last question. We might say we want to verify but other countries might say, well, it's the U.S. meddling, imposing their will on us, overreaching.

Do you think that we have a right and a responsibility to actively monitor the progress that the IOC makes in this reform process? Specifically, let me ask you what should the U.S. role be in all this?

Mr. DUBERSTEIN. I think we need to verify each one of these actions. I think when we see at the end of October what the working panels recommend, we will take another step in evaluation. When our commission testified before Senator McCain's Commerce Committee, we were asked about legislative remedies and what we said was let's see what the IOC does. Let's give them to the end of the year. I think that caution is still worthwhile now, but I do think that we have an obligation and a responsibility whether it's the USOC or the U.S. Congress to make sure that the IOC not only enacts rigorous reform as I expect that they will do but also that they match the practice with the words.

Mr. KLINK. Are you as troubled as I was—I don't know how much of the hearing you have been present for—but I brought up to some of the other committees that I'm troubled that it took the United States, took our Justice Department, took our press, took our Congress out there exposing this when it—the gifts became so exorbitant and the problem became so obvious with Salt Lake City. And then we sat here today in a very public fashion and we had Ambassador Young and others here and talked about what happened in Atlanta, yet there doesn't appear to be anyone else at the International Olympic Committee that are looking at what has happened in their country.

My example would be what happened in Nagano or Sydney or Athens or Barcelona or cities that weren't successful, like Toronto or Melbourne or Manchester or Belgrade. We have reformed what we—the way we operate the U.S. Olympic Committee. We appear to be headed that way. Reforms are in place but what happens to the rest of the National Olympic Committees and what happens to their introspective look if we're the only ones that are policing this?

Mr. DUBERSTEIN. I don't think we're the only ones that are the police. I think the litany that you delivered failed to mention the U.S. Olympic Committee. That's who appointed the Mitchell commission. It was Bill Hybl who said everything that I have seen from Salt Lake City says we need to get on this and get on it now,

not to do an investigation. That's left to the Justice Department and to others. But to come up with recommendations so this will never happen again.

I think we're very much on our way to that. I think the world opinion will in fact rally behind if the IOC does the right thing and doesn't do lip service, doesn't just worry about reassuring sponsors but in fact runs an ethical and trustworthy Olympic movement which will be good for all the cities and all the countries.

Mr. KLINK. Dr. Kissinger, again we mentioned this during the hearing today. We had the "Sports Illustrated" article from 1986 that mentioned all of the lavish gifts and all the things that occurred back then. We have the 1991 report that the people in Toronto who were unsuccessful filed. Yet all of these things were ignored. What confidence do we have now that once your back is turned and our back is turned and other people's backs are turned, that people who ignored these problems for decades, in fact allowed them to proliferate, get more serious until Salt Lake City pushed this over the edge, what confidence do we have that we're not going to then relax back into a standard where we have this closed culture where these things are allowed to proliferate?

Mr. KISSINGER. Well, I believe that first of all it would be very appropriate for this committee to keep an eye on the process. Second, the previous organization of the IOC was sort of a family kind of organization where members who are for life or later were changed till the age of 80 and there was an attitude that they were responsible as far as I can understand to each other and that made it of course very difficult to investigate allegations carefully. I think the rotation in office but I am impressed by what I've heard here. I will discuss when I get back to Lausanne in 2 weeks the creation in the office of the president of some mechanism that audits—the auditing of finances is taken care of but the performance of the reform, I think that's a very good point that we ought to try to take into account.

You understand I'm speaking for myself because I don't know what the reaction will be, but this is a reasonable proposal it seems to me.

Mr. KLINK. Suppose you can help us with one housekeeping person. Mr. Samaranch has responded back to the committee's request that he testify. He told us at the IOC bid process—about the IOC bid process to Congress. We asked him to come and talk to us. He said we're going through trying to talk to all of these countries. I don't want to appear that I'm heavy handed by coming in and testifying before Congress when this is going. In your expert opinion as persons that are affiliated with this Olympic reform movement, when would be the appropriate time for Mr. Samaranch to come and testify before the subcommittee?

Mr. KISSINGER. I will tell you I recommended to him to appear after the process is completed and I'm happy that a date apparently has been fixed for December 15. He will be the key person in maneuvering these reforms through the committee. Whatever we outsiders do he's the indispensable element on the parliamentary level. This will require some very careful maneuvering with tender egos, and I think it is better for everybody if we can come here and put before you a completed project and know that he will be tested

by your questions rather than speak in a preliminary way where he may have to be very careful about what he is free to talk about.

So I frankly am partly to blame for his view that he should appear after he has something to present to this committee and I also believe that this will be a major contribution by this committee to spur the reforms because he will be in a very difficult position if he has to explain—some compromises may have to be made but if they are significant and go to the core of it, I would expect the members of the committee to proceed with a relentlessness as has been exhibited in my brief stay here.

So I think this is the best time, December 15, that I'm grateful for the committee for having to agree to the session.

Mr. DUBERSTEIN. I think what is absolutely critical is that Mr. Samaranch has agreed to appear before this committee. Some of us may have wanted him to appear after the IOC Reform 2000 report is done at the end of October. Some have suggested that he not come until December. I think the fact that he is coming before this committee is a mark not only of his commitment to reform but his willingness to sell this to you and I think that is very encouraging news.

Mr. KLINK. Thank you.

Mr. UPTON. Mr. Stupak.

Mr. STUPAK. Thank you, Mr. Chairman. Mr. Duberstein, you also make reference in your testimony to the July 14 interim report done by the IOC on your and Senator Mitchell's report. It's called the IOC paper on the recommendations made by the U.S. Olympic Committee special bid oversight commission in its report on March 1, 1999. None of the reactions made in that report are carved in stone and of course are subject to change.

When will we really know which of the Mitchell's report recommendations are being adopted by the IOC? Is there going to be a plenary session October 31.

Mr. DUBERSTEIN. You're going to have a strong indication October 30, 31 but full IOC is meeting on December 11 and 12. So we will know both from the former date as well as the latter.

Mr. STUPAK. Would it be—should all of them be adopted in its—are there some of them that should be adopted, some of them that aren't you can live with? Could you try to give us a little bit more insight as to——

Mr. DUBERSTEIN. We think all of our recommendations are important. Clearly some are more critical than others. Financial accountability, term limits, age. The ruling out of visits to the bid cities, all of that getting tied up so that in fact the process of selecting bid cities as well as the accountability, responsibility of the IOC itself, the structural reforms I think are all taken as one, Congressman Stupak.

Mr. KISSINGER. And the creation of an auditing system that Mr. Allaire from Xerox considers equal to those of multinational corporations would be a complete innovation.

Mr. STUPAK. Would that be like an inspector general type function?

Mr. DUBERSTEIN. No, it's an independent audit by outsiders, not by the inside, publicly released is what we called for. We also called

for open meetings which I believe the IOC is now doing. It's all of that that the sunshine comes.

Mr. STUPAK. That sunshine, that's audits but let's get to enforcement then. How would the enforcement come other than public scrutiny?

Mr. DUBERSTEIN. It's public scrutiny.

Mr. KISSINGER. Rotation in office and the submission of each—even existing members have to in addition to the age limit have to be rotated at periodic intervals and have to go before the selection committee where they are compared with other candidates, plus the fact that more athletes are being added, the international federations, the national committees so that there will be a number of groups that are new that were not previously represented institutionally on the committee.

Mr. STUPAK. Will any of these groups then, these new groups, will they have investigative powers within the IOC of any alleged wrongdoing?

Mr. KISSINGER. The athletes of course have a vested interest in the Olympics being clean and they also have the greatest interest in the doping issue, and I have noticed of the working groups that the athletes are among the most vocal and concerned and constructive members of the working groups.

Mr. DUBERSTEIN. In addition, you also have the creation of a new independent ethics committee for the IOC which I think speaks volumes.

Mr. STUPAK. Let me put it this way. After let's say the IOC reforms are implemented, what will actually be set up to detect any wrongdoing other than rotating people and the athletes are concerned about it. Is there any mechanism there that we can point to? You see, my problem here is with this culture we have seen here and it's a culture thing. Everyone does it. This is the way you do it. This is the way you get host cities. How do you change that culture? You may change the rules but if there's no accountability and responsibility and some enforcement, I don't see how we change the culture.

Mr. KISSINGER. I think a number of you members have raised this point, and I will certainly bring that back when I go to the executive committee meeting and I think in the president's office or the executive committee some mechanism has to be set up on the—at least I would think ought to be set up on the basis of which these questions can be answered.

Mr. DUBERSTEIN. I also think that you should address some of this to Senator Baker when he comes here as a member of the ethics committee as far as an ongoing role in overseeing not only the reform effort but the governance of the IOC.

Mr. STUPAK. You've got to have a hotline, inspector general, someone there to enforce it. You've got to have a watchdog there somewhere I believe anyways.

Mr. UPTON. Before I yield to Mr. Strickland I just want to ask, do you know if the reform committee meeting in the end of October of this month and again in December, is that open to the public? Or is it a closed meeting?

Mr. KISSINGER. It was last time. The first plenary session was open to the public.

Mr. UPTON. Thank you. Mr. Strickland.

Mr. DUBERSTEIN. Mr. Stupak, the answer from the IOC it is open, according to Mr. Carrard.

Mr. UPTON. Mr. Strickland.

Mr. STRICKLAND. Thank you, Mr. Chairman. I have one question and then I will make a comment and then I will stop. You've been kind in giving us of your time. I would like to ask you if you would share with us your reaction to what happened in Atlanta. We heard from the Atlanta folks earlier today and in your judgment, if your commission had used Atlanta's bid as opposed to Salt Lake City, do you think you would be making the same sort of recommendations to the USOC and the IOC as you are making?

Mr. DUBERSTEIN. Congressman, I did not hear the testimony of Atlanta today but just from the flavor of what I have read and heard, we said in our commission report it did not begin in Salt Lake City. These are the nature of the same kind of allegations. So I don't think our report would have changed one iota as far as our recommendations for fundamental systemic reform of the USOC, the IOC, and the handling not only of the bid process but the governing of the IOC.

Mr. STRICKLAND. Thank you, sir. And if I could just make a comment. I don't want to be offensive to anyone, certainly not my colleagues, but as I was sitting here listening to folks today and what we're talking about is the selling or the purchasing of influence, I think, and it is proper, I think, for those of us who are concerned about this to sit in some judgment on what has happened and to be concerned about reforms and making recommendations for the future, but just in fairness to those who may have been caught up in this, you both have been around Washington for a long time and you've observed the functioning of Congress and I wonder if you see any similarities between some of the things that we've talked about today and been concerned about today and maybe some of the practices that exist within our own governmental bodies in terms of decisionmaking and influence buying and so on.

Mr. KISSINGER. Well, collegial bodies have a tendency to cover up for each other. That is—and in fact what then later an investigation looks like covered up is an attempt to help out friends with whom one has worked and isn't perceived this way. So this is something that is built into any bureaucratic and—on the other hand, one shouldn't go to the other extreme of starting a culture of investigations so that everybody feels under permanent threat. So I would think that if it is very successful reforming the system and if then there is some procedure by which one can check on the performance internally, then the outside pressures should still continue but they should not be the form of a permanent investigation but something like a periodic checkup to see, and after all by now there's a fairly wide body of people who have been involved in the reform or in the investigations who have, as I said before, have no other interest except seeing this thing cleaned up.

Mr. DUBERSTEIN. I think when we have seen the lack of accountability, it leads to problems. When we got into the Mitchell commission, we got into this. One of the things that we were startled with was what we thought was a total lack of accountability. I think that's as true in Lausanne as it is in Washington. Those are the

seeds for problems. We often deal with perceptions and in this town especially perceptions become reality. What we found, though, as far as Salt Lake City and before is that the perceptions were reality. The misdeeds were taking place. I don't think that that calls for a permanent investigation. That's why in my opening statement I talked about periodic checkups. I think it is worth dialing into from time to time.

Look, when I appeared before Senator McCain's committee, I was a critic. I doubted that the IOC was as committed as I hoped that they would be. I have learned in several months trust but verify that when you have people involved, whether it's Bill Hybl or Henry Kissinger or Peter Ueberroth or Dick Ebersol or Paul Allaire and they are pushing the same direction, when my friend and former colleague Howard Baker joined the ethics committee, that is another indication that the IOC got the message.

Business as usual is no longer. You have to move on. You have to turn the page. And I think that's as applicable in Washington as it is in Lausanne.

Mr. STRICKLAND. Thank you both. Thank you, Mr. Chairman.

Mr. UPTON. Thank you. Mr. Bilbray, do you have questions?

Mr. BILBRAY. Thank you, Mr. Chairman. You know, I think first of all we need to clarify again, and again one of our colleagues pointed out that a lot of this discussion is about the world Olympic committees and the multinational not to tar and feather the U.S., not that we don't have points that we need to get included. I guess the argument of my colleague about the fact that maybe we look at ourselves, the issue of gifts and everything else have been discussed here in the House hasn't been entrusted to the executive branch as much recently. But in California we've got a full disclosure and I guess this is where it gets to Mr. Kissinger's issue about you don't want to have a Spanish inquisition but you also don't want to have major cover-ups. In California one of the things we said is anybody in the field of trust just publicly publishes everything they've received unless it's under certain categories and that sort of makes sure that at least somebody knows—it may be a happy medium and that's what you talked about before. But growing up on the frontier in the Southwest, I'm worried about we talk about this culture within the Olympic International Committee but can we expect the culture of the committee to be any different than the culture of the world that it's working within and that may now seem abstract but I know for one thing that Governor Rufo of Baja, California, the first freely elected Governor of Mexico in 67 years, made a big deal about the corruption and the corrupting influence of society just within his state. And about what a struggle it is in a lot of these countries to try to get out of a culture of mordida, the culture of this is the way business is done. And I think it's rather inappropriate for us to be so naive to think that the American standard or the Western European standard is just universally the only standard that is going to apply.

How do we address this issue within the Olympic Committee when it is obviously going to continue to be influenced by the world culture experience that there is these what we perceive inappropriate influences and decisionmaking?

Mr. DUBERSTEIN. Let's get over October 30 and 31 and December 11 and 12. Let's get these reforms done and then we can come back and address that question. But I would rather focus on getting the reforms in place and then implemented and I think that you will then see other parts of the world saying the IOC is in fact leading the way. I think that helps.

Mr. KISSINGER. Also this is a question that after the reform should be discussed with the president, with the new executive committee in due course with the new president because that is how it will have to be implemented. It is not at all a trivial question. There's no doubt that in major parts of the world we here consider unacceptable behavior is the normal way by which influence is established. So one has to take—it will work best if it is done under the aegis of the IOC rather than as a demand from the United States. And we hope—I speak here for Ken as well, that we cannot change the world but we might be able to make a contribution to changing the atmosphere in which the Olympic Committee operates.

Mr. BILBRAY. I hope we have that sensitivity when we look at that. My family is from Australia. I grew up on the frontier with Latin America. I look at Americans' rather critical review of certain cultural traditions in Mexico but at the same time my cousins in Australia believe that trying to tip a waiter is a bribe and is immoral and is wrong. And we sort of chuckle at that. I think there may be people all over the world that would sort of look at our perception about mordida, about a gift, what we saw as an inappropriate deed and sort of chuckle at that too and I think we just need to desensitize that and try to move into it.

I appreciate that, Mr. Chairman. I just feel as we address this issue, we've got to remember that we are working within a world culture and maybe, maybe we can start the process of helping to influence a world cultural experience in a positive manner. God bless Governor Rufo. He left office frustrated with the fact that he couldn't change something that he saw as a cancer in his culture that he was trying to remove.

But thank you, Mr. Chairman. I yield back.

Mr. UPTON. Thank you. In closing, I'd like to say a couple of things. First of all to both of you we appreciate your time and your very hard work and to those that were not able to come, Senator Mitchell, Senator Baker, we know that their spirit and their work help lend great credence to this hearing. I also want to thank all of the members that participated on both sides of the aisle and the staff who worked countless hours getting documents, doing questions, really helping us understand the issue.

I talked to Senator McCain yesterday with regard to the hearings that he held in the spring and I intend to talk to him yet this evening before he goes to conduct his hearing that he's going to have next week as well. And I guess the reason—and he thanked me for holding this hearing today. And as I see it, this hearing does provide the setting. It initiates the momentum, it helps send a message. It rallies the troops that will be casting these votes later this month and again in December to make sure that the votes will be there so that we are all proud, not only as Americans but as citizens on this planet. And I would hope that in your discussions and

in your work, particularly Dr. Kissinger as a member of that committee and others in this room that will be voting as well, that you will convey that message and that spirit in a constructive way in terms of the work that this committee is trying to do.

I have a daughter who wrote a letter to the local city schools complaining that the gymnastics program was being canceled and that if it was canceled, if indeed they followed through on that recommendation, that they would lose a future Olympian who at some point in the future would be in those Olympics. It is in that spirit that we're all here because we're proud of the Olympics, whether it be a Jesse Owens, whether it be a Mohammad Ali, a Mark Spitz, anyone in the world that can triumph in those world games and what they mean to all of us.

And so it is in that ethics, with that integrity that we urge you to carry on your mission. We appreciate the work that you have done and as they say in Ann Arbor, thanks for coming to the big house today.

Mr. KLINK. Would the gentleman yield for one moment.

Mr. UPTON. The gentleman from Pennsylvania.

Mr. KLINK. Thank you for that. That was a fine closing statement. I see Mr. Carrard is still here. I want to thank you for coming today as well. I see we've got some of our other witnesses that stayed around. I'm not speaking for Chairman Upton but I'm sure he agrees with me. We have doors on the front of our office and they are open. If we can help you to clean this up, if there's something that we can do, I would suggest that you get in touch with us. We want to see this done. There's not a lot of fun in what we did today. We'd rather sit down and talk to all of you about how wonderful these games are and how wonderful they're going to be. We did not enjoy this, and the same to Dr. Kissinger and Mr. Duberstein; if there's some way that you see that we in Congress have the ability to positively impact this plan to clean up the International Olympic Committee, let us know what we can do. We're here to work with you. We have not had fun today.

Mr. UPTON. This hearing is adjourned.

[Whereupon, at 5 p.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows:]

PREPARED STATEMENT OF HON. HOWARD H. BAKER, JR.

Chairman Upton, Ranking Member Klink, and members of the subcommittee, I thank you for inviting me to discuss my views on the International Olympic Committee's response to the many well-publicized allegations of wrongdoing in connection with the site selection process for the Olympic Games.

IOC President Samaranch invited me to become an original member of the IOC Ethics Commission, which was established this past March to strengthen the IOC's ethical guidelines and thereby provide a clear standard of conduct for all members of the Olympic Family. The Ethics Commission was also charged with ensuring that these guidelines are reflected in the policies and practices of the IOC, National Olympic Committees and organizations associated with efforts to host the Olympic Games. Furthermore, the Commission takes responsibility for considering specific allegations of ethical violations by organizations and individuals within the Olympic Family.

I am joined on the Commission by Javier Pérez de Cuéllar of Peru, former United Nations Secretary General; Kurt Furgler of Switzerland, former Swiss President; Robert Badinter of France, former President of the French Constitution Court; and Charmaine Crooks of Canada, a five-time Olympian. Three current IOC members were also appointed to the Commission: Judge Keba Mbaye of Senegal, Chairman of the Commission and former Vice President of the International Court of Justice,

R. Kevan Gosper of Australia, IOC Vice President and Chairman and Chief Executive Officer of Shell Australia; and Chiharu Igaya of Japan. Notably, a majority of the Commission members are not IOC members.

As an indication of the IOC's commitment to actively promoting a culture of ethics within the Olympic Family, the Ethics Commission met twice during the month of May and approved a new Code of Ethics that was adopted by the IOC Executive Board in June. This Code sets forth the basic ethical guidelines to be followed by the entire Olympic Family, including IOC members and those representing cities bidding to host the Olympic Games. It also establishes that the IOC will play an important and ongoing role in monitoring and enforcing these guidelines.

While the IOC did have ethical guidelines in place prior to the adoption of the new Code this year, they were not actively communicated or enforced. Under the new ethics regime, the IOC will aggressively educate members of the Olympic Family about the new Code, exercise an oversight function, fully investigate alleged violations of the Code, and impose sanctions where necessary.

To ensure the active involvement of the IOC in maintaining high ethical standards, I proposed that the Ethics Commission adopt a set of guidelines to govern the implementation, monitoring and enforcement of the Code of Ethics. The Commission accepted my recommendation and asked me to work with a fellow Commission member (Kevan Gosper of Australia) to develop bylaws to the Code that would accomplish this purpose. My intention is to establish permanent mechanisms through which clear standards for ethical behavior will be communicated by IOC leadership to the entire Olympic Family. I would also like to develop the basic infrastructure that will ultimately accommodate the processing of complaints and the regulation of compliance issues, as well as the reporting of same to the Ethics Commission and the IOC. This process is ongoing and will be discussed during the next Ethics Commission meeting on October 28.

As the Ethics Commission has worked toward establishing stronger ethical guidelines for the Olympic Movement, it has also considered individual cases where violations of the existing rules have been alleged. Accordingly, the Commission will review the Atlanta situation as well which of course was the subject of earlier panels. I know that Judge Bell has put together a comprehensive and straightforward report that was submitted to the IOC President, who subsequently asked the Ethics Commission to conduct a review. Since this review will commence during the October 28 Commission meeting, it would be inappropriate for me to comment on the substance of the report at this time.

Concurrent with the efforts of the Ethics Commission, I know that many other steps have been taken in the overall effort to reform the IOC and address prior allegations of unethical conduct. The IOC itself has taken a number of actions during the past several months. After conducting an internal investigation of allegations arising out of the Salt Lake City matter, the IOC expelled and accepted the resignations of several members found to have been engaged in unethical behavior, while sternly warning others. As part of a broad effort to reform the site selection process, the IOC has prohibited visits by IOC members to candidate cities and visits by candidate city representatives to IOC members. It has also banned gift giving, in connection with the bidding process. Ultimately, the IOC plans to develop a permanent site selection process to promote clarity, consistency and, of course, ethical behavior. In addition, the IOC has responded to criticisms about the secrecy of its financial affairs by releasing a financial report that was audited by a major US accounting firm, an action that will now be repeated every two years.

To comprehensively review the IOC's policies and practices and recommend necessary changes, the IOC established the IOC 2000 Reform Commission, with Dr. Henry Kissinger among its members. Dr. Kissinger will no doubt share his thoughts on IOC 2000 during his testimony. In my view IOC 2000 has done an outstanding job. I am happy that the good work done by the Special Bid Oversight Commission chaired by Senator Mitchell and Vice-Chairman Ken Duberstein has been received and given serious consideration. I know that IOC 2000 reported preliminary recommendations this summer and plans to submit a final report to the IOC for its consideration during a special session in December. I am hopeful that the IOC will fully support it.

While I was initially skeptical about whether the IOC would undertake serious ethical and structural reforms in a fairly short period of time, I am now convinced that the IOC and its membership understand and accept the need for meaningful change. The IOC's actions thus far are consistent with my belief It has also become clear to me that all international bodies, National Olympic Committees and individuals that are part of the Olympic Movement must join with the IOC in accepting responsibility for conducting themselves in a manner that will preserve the integrity of the Movement for generations to come. The IOC certainly cannot in any way en-

courage a "culture of corruption" as many have alleged, but a concurrent obligation exists on the part of the entire Olympic Family to recognize and follow the highest ethical standards. Ultimately, we all want the Olympics to be about the athletes and the competition, not about ethical scandals.

Going forward, the IOC must send a very clear message that its members cannot and will not be unduly influenced during the site selection process for the Olympic Games. Those cities and countries bidding to host the Games must correspondingly abstain from any activities that might even be perceived as improper. In my view, this kind of cooperative effort is required if we are to see lasting change and the long term preservation of the integrity of the Olympic Movement.

Thank you for allowing me to express my views.

REPORT

TO THE

INTERNATIONAL OLYMPIC COMMITTEE

BY THE

TORONTO ONTARIO OLYMPIC COUNCIL

ON

THE CANDIDATURE OF

THE CITY OF TORONTO

TO HOST THE GAMES OF

THE XXVIth OLYMPIAD

Samaranch
Pound
Mbaye
Hooker
Gafner
Zwaifel
Garrard

Lausanne
9 January 1991

Paul F. Henderson
Arthur C. Eggleton
Norman M. Seagram

REPORT TO THE INTERNATIONAL OLYMPIC COMMITTEE - 9 JANUARY 1991

INTRODUCTION - N.M.S.

Your Excellency, Members of the International Olympic Committee, Ladies and Gentlemen - Good Afternoon.

My name is Norman Seagram. I am a past member of the Board of Directors of the now disbanded Toronto Ontario Olympic Council (more often known as "TOOC"). With me is His Worship, Art Eggleton, Mayor of Toronto, and Paul Henderson, Olympian, and former President of TOOC.

Over the next few minutes, we wish to recount some of the experiences we gained during Toronto's five year quest to host the 1996 Summer Olympic Games. We also wish to put forth some ideas and proposals, developed as a result of our experiences, whereby the bidding process and the selection procedure might be improved.

While the bidding process in each Olympiad has had its own unique attributes, the Games of the XXVIth Olympiad, celebrating as they will the 100th anniversary of the founding of the modern Games by Pierre de Coubertin, presented an extraordinary challenge to each of the six candidate cities. How to give honour to the glories and traditions of the past. How to respect the deep emotional foundations upon which the history of the Olympic Movement has flourished. And, at the same time, how to provide a brilliant and compelling beacon for the future, a future in which the current furious pace of change will accelerate, a future in which there lurks many unknowns.

TOOC's answer to this challenge was to structure a bid which featured that single critical element common to every Olympic celebration, the athlete. In the athlete was represented the preparation and dedication of the past, the competitive fire of the present, and the hope and confidence of youth for the future. Toronto and the Olympic athlete - that was our primary theme.

We had no doubts about the validity of that theme, about the attractiveness of our city and its people, about the suitability of our multitude of existing venues, about the availability of resources to build a few new venues, about our proven abilities to organize and stage a massive world scale event, and about our capacity to finance a celebration of youth that would allow all competitors to maximize their performances while enjoying a lasting, happy experience in the true spirit of Olympism.

Toronto and the Olympic athlete. We were confident that we would host a superb Summer Games in 1996. We were confident that we had mounted a superb winning bid to host those games.

We were wrong.

On September 18th, 1990, in Tokyo, the decision of the IOC told us that our confidence had been mistaken. Another city had made a better bid.

The Toronto bid team was very disappointed. Bid teams from four other cities were no doubt similarly affected. We quickly realized that not only were there not to be the Summer Games in Toronto in 1996, but also that the years 2000 and 2004 were probably out of the question too. Toronto had expended the energies of nearly 3000 citizens, and over $14.0 million

(U.S.). Had it all been wasted? This and many other questions began to be asked. Most will never be answered nor need they be. But a few do deserve a response, especially those that can provide guidance for the decision making system to be used in the selection of future host cities. These answers and ideas, should they be adopted by the IOC, in whole or in part, will stand as TOOC's legacy to the Olympic Movement.

* * * * * *

To be awarded an Olympic Games, a bid City must achieve four objectives.

1. The City must demonstrate that it is fully capable of staging the Games and organizing a unique and captivating celebration of the youth of the world.

2. The City must demonstrate that it is enthusiastically willing to stage the Games.

3. The City must demonstrate why it is in the interests of the Olympic Movement to have the Games awarded to that City.

4. The City must demonstrate why it is in each IOC Member's personal interest to vote for, and award the Games to that City.

The pursuit of these four objectives encompasses an audience that is, naturally, much broader than the select IOC membership. It includes all sectors of the Olympic Movement (IF's, NOC's, their umbrella organizations, IOC staff, etc.) governments, citizens, and the media, both local and international. The pursuit, without doubt, is an extraordinary

and complex task; and it is riddled with extraordinary and serious problems.

What are those problems? Here, in our view, are the major ones.

1. The official part of the bid process (that is, the period of formal IOC involvement) is too long.

2. The bid process is too costly.

3. The rules governing the activities of the bid Cities are ambiguous or poorly enforced.

4. The process does not appear to lead in all cases to the selection of the best candidate City.

5. The integrity and image of the IOC is often put at risk by the conduct of various parties during the course of the bidding cycle.

Some thoughts on how these five critical problems might be resolved will now be addressed by my two colleagues.

To give the views of the City of Toronto, I now call upon His Worship, Art Eggleton, Mayor of the City of Toronto.

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VIEWS OF THE CITY OF TORONTO - A.C.E.

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INTRODUCTION OF PAUL HENDERSON - N.M.S.

Thank you, Your Worship.

Your Excellency, Ladies and Gentlemen.

We all have visions. But in Toronto, no man's vision has been so intense, so motivating as the one held by Paul Henderson - to bring the Olympic Games to Toronto. His vision is no less bright today than it was back before the fateful decision of September 18th. His views of how the bid process could be improved are indeed worthy of the IOC's consideration. I present the former President, Toronto Ontario Olympic Council, Paul F. Henderson.

* * * * *

HOW THE BID PROCESS COULD BE IMPROVED - P.F.H.

Good afternoon Your Excellency and Ladies and Gentlemen. It is a pleasure to be among my Olympic friends once again.

Today I have much to say, which will not surprise you, and probably too little time to say it in. And so I will try to keep my remarks concise and to the point with hopes that there will be good time for discussion later.

Duration of Bid Process

First, the duration of the bidding process is much too long. For Toronto it was over five years, of which active IOC involvement accounted for four. Here is what we suggest.

Reduce the IOC bid process to two years.

Commence the two years by the formal acceptance by the IOC of a City's declaration of its intent to bid for the Games.

Then, devote the first six months of the bid cycle to the careful evaluation by the IOC of the City's ability to meet the IOC's host city specifications and standards. During this period, the City would undertake no promotional activities directed at either the IOC or its Members.

At the conclusion of six months, designate no more than four cities to proceed with their candidatures. On its designation as a candidate by the IOC, each of the four cities would then sign the Host City Undertaking.

In so signing the Undertaking, each City would previously have had to demonstrate a complete understanding of, and an unqualified ability to abide by, the principles and provisions of the Olympic Charter and the financial and other guarantees of the Host City Agreement.

The advantages of this proposal are several:

- reduced and more productive time; therefore,
- reduced cost;
- reduced number of candidate Cities demanding attention during any one period;
- reduced work load for the IOC and its Members;
- early mutual understanding of the contractual obligations to be entered into by the IOC, the City, the NOC and other levels of government;

- reduced risk of an inappropriate selection decision.

Most of these advantages are common to many of our proposals. I will therefore refrain from repeating them with every point I make.

Zones

To further reduce the likelihood of wasted money, time and effort by well meaning but perhaps naive cities, the IOC should consider dividing the world into three zones for the Summer Games:

- Europe and Africa
- North and South America
- Rest of the World

Then, we suggest, the IOC should accept candidate Cities for a particular Olympiad only if they are resident in a zone in which the preceding Summer Games will not be held.

This rule officially, rather than informally, would exclude, for example, Toronto and Sao Paulo from the bidding for the Games of 2000.

The Winter Games, we would suggest, might someday benefit from a similar rule using two zones:

- Europe
- Rest of the World

Revenues and Expenses

The revenues collected and accounted for to finance Toronto's bid (including contributions-in-kind such as airline tickets, hotel rooms, printing, office space and the like) amounted to $16.8 million (Canadian). The expenses of our bid, as formally accounted for, were likewise $16.8 million (Canadian). But there were other expenses not formally accounted for: hospitality (both formal and informal), personal gifts, and travel to Tokyo personally paid for by most of the 90 members of the Toronto bid team. These would have added at least another $700,000 to produce a total cost of some $17.5 million (Canadian) or $14.0 million (U.S.)

That is too much.

We estimate that two other bid Cities spent considerably more than Toronto, one other spent about the same and two others somewhat less. The total expenditure by all six candidates must have been close to $85.0 million (U.S.). All of it was devoted simply to capturing 44 votes out of the 86 cast by IOC members in Tokyo.

That is too much.

We are pleased to submit to the IOC our draft audited financial statements. From the very beginning the financial affairs of TOOC were open to public scrutiny and to the audit procedures of three levels of government. We would be pleased to answer any questions you might have about them.

Our conclusion is unshakeable. The IOC must work with candidate Cities to ensure that only reasonable and necessary expenditures be made.

We see no reason why the average expenditure of bid cities could not be reduced to $5.0 million (U.S.).

Visits to the Bid City

If an IOC Member is to be convinced to vote for a bid City, it is virtually mandatory for him or her to visit that City. It is here, however, where there exists the greatest opportunity for the rules of the bidding system to be abused, either by the Member or by the bid committee.

It is here, as well, where the IOC runs the greatest risk of its image being tarnished and its integrity eroded especially should there exist a competitive press in that City or its bidding competitors. It is here where exists the Achilles heel of the bid process.

- 69 IOC Members officially visited Toronto
- 18 Members came alone
- 30 Members brought their spouses
- 21 Members brought other guests
- 26 Members broke established rules either by coming with more than one guest, arriving more than once, or staying longer than the allotted time.

The most blatant abuse was the misappropriation of travel expenses and airline tickets or passes advanced by TOOC to IOC Members. Our

personal observations suggest that at least 18 Members and their companions materially benefited from one or other of the following devices:

- obtaining airline tickets from local sources at sometimes discounted prices and demanding hard currency in return for the unused first class passes received from TOOC
- obtaining combination airline tickets to several bid Cities on a single trip and demanding cash equal to return first class tickets between their countries and each bid City
- demanding and receiving full fare tickets, failing to arrive, and cashing in those tickets
- coupling a trip paid by a bid City with a trip to a Session paid by the IOC and converting the City's passes to cash.

It is our estimate that all of the foregoing abuses associated with IOC Member visits may have cost TOOC some $700,000 to $800,000.

On the other hand, there were many excellent experiences where Members were scrupulous in ensuring that TOOC paid only what was justified.

We have some suggestions for reform.

1. Have each bid City deposit with the IOC $500,000 (or some other suitable amount) and charge the IOC with the responsibility for arranging all travel for IOC Members. Allow each bid City to specify which airlines should receive preference. This proposal not only would allow the IOC to eliminate abuses and control

unwarranted costs, it would allow each City to share equally in the travel costs of all IOC Members.

2. Permit only IOC Members to travel at bid City cost. Except where travelling companions are deemed essential by the IOC, there would be no guests.

3. Attempt to have Members visit bid Cities in groups.

4. Limit each Member to a single expenses paid visit to each bid City of a duration of no more than five days.

Other members of the Olympic Family should also be subject to similar restrictions.

Finally, it is sometimes the practice of regional NOC groups and International Federations to coerce bid Cities to host NOC and IF meetings with the bid Cities underwriting the cost of travel, hotels and hospitality. This, we believe, should be discouraged and, we suggest, no bid City should be permitted to host a meeting of an IOC related organization during the two year formal bidding process.

Visits from the Bid City

Many IOC Members feel obligated to welcome bid Cities to their homes as a duty of being a Member. Bid Cities naturally feel compelled to keep their bids in the forefront by visiting each IOC Member.

This process has become onerous and too expensive, for both parties.

One visit should be enough, and the rules should say so. The delivery and presentation of the bid book provides the most suitable occasion.

The practice of inviting IOC Members to various functions at Embassies or High Commissions representing bid Cities seems to be acceptable. IOC Members can avail themselves of an invitation or ignore it at their discretion.

Congresses held by various sectors of the Olympic Movement were often found to be expensive nuisances by bid Cities. Cities were expected to attend, make presentations and offer hospitality. We sometimes found that our presence was an annoyance to Congress participants. It seemed to be just a simple means to augment the financing and the technical content of the Congress by its organizers.

Attendance at these meetings should be curtailed.

Bid City presence at IOC Sessions is another matter, however.

Bid Cities should be permitted a presence at IOC Sessions two years, and one year before the Session at which the selection is to be made.

Let's use the Games of 2000 as an example. At the 1991 IOC Session in Birmingham, Cities would receive formal IOC approval of their declaration to bid for the 2000 Games. Six months hence, having completed its evaluation, the IOC would designate the four final bid Cities. In 1992, at the IOC Session in Barcelona, the four bid Cities would be invited to attend, to make formal presentations, to conduct promotional activities and to provide hospitality. In 1993, at the IOC Session to be held in Monaco, the final presentations would be made, the voting held and the award made to the winning City.

The presence of bid City delegations should not be welcomed at any other IOC meetings during the two year period. Neither should such

delegations attend or be formally recognized at regional National Olympic Committee meetings or at International Federation meetings, or their regional and world championships.

However, we do believe it is reasonable to invite and recognize bid City delegations at the ANOC, ASOIF and AGFIS meetings in the second year of the two year cycle.

Above all, whatever is decided with respect to attendance at meetings of the Olympic Family, bid Cities should be issued with well defined rules governing the extent of their participation and the conduct of their promotional and hospitality activities.

Bid Book

The bid book, in the eyes of bid Cities, represents an incredible waste of money. TOOC, in the end, spent over $750,000 (U.S.) on the Toronto book. Several other Cities must have spent more. And, what is discouraging but completely understandable, less than 25 percent of IOC members admit to having read any of the bid books.

Here are our suggestions.

1. Have the bid book and the bid documents presented six months before the selection vote.

2. Permit the presentation of a publication promoting the City of no more than fifty pages. Prohibit videos, tapes, discs and the like.

3. Call for the technical information to be simply presented in a standard format established well in advance by the Evaluation Commission.

4. Allow the use of only one promotional video of seven minutes duration during the bid cycle. (The audio-visual presentation at the final Session would be an exception to this rule.)

Promotional Material, Mailings and Advertising

A clearly defined set of rules should be established covering the production and presentation of other promotional materials and displays. Mailings of whatever content should also be closely controlled.

In the absence of such rules, the competitive drive for attention causes the expenditure and waste of excessive sums of money and subjects each IOC member to an unnecessary volume of literature and other attention getting material.

Appeals for advertising from various international media, some directly connected to the IOC, were a nuisance to Toronto and, we assume, other bid Cities. Had we taken up all these requests, TOOC would have had to spend in excess of $250,000. Guidance should be provided to the bid Cities by the IOC on this particular matter.

Consultants

Whether they call themselves consultants or anything else, there exist a great number of people on the fringe of the IOC who claim they are capable of exerting considerable influence on the IOC itself and its Members. They include media consultants, management companies,

special interest groups and even members of the IOC organization. Many request or expect fees, free travel and hospitality.

Again, the IOC should provide some guidance on this problem.

Gifts

No single issue is so open to abuse as gifts and other material inducements to individual IOC Members. Perhaps no single issue has the power to undermine the integrity of the IOC as this particular one.

Unfortunately, many IOC Members expect to receive gifts above and beyond what anyone would judge to be courteous and gracious. Cash, jewelry or other items easily converted to cash, were hinted at on several occasions. We were surprised to discover on more than one shopping trip that the bid City host was expected to pay for all the purchases made by not only the Member, but the guests as well.

The exchange of gifts between friends and between hosts and guests is a worldwide custom. In the IOC context, it should not be discouraged, only controlled. Clear rules should be enunciated governing the occasions when gifts of a promotional intent can be offered by the bid Cities, and the type and value of those gifts.

Review Board

Throughout our remarks today, we have referred to the need for rules of procedure and behaviour that are clear, easily understood, not onerous to abide by and enforceable.

During the period of the Toronto bid, there were many occasions when we required clarification or direction on points we considered controversial.

or when we wished to lodge a serious complaint about the activities of a competitor City.

We would therefore recommend that for each bid cycle, the IOC appoint a Review Board to provide the guidance requested by bid Cities (especially in areas not anticipated by the rules), to receive complaints formally lodged by a bid City, and to give direction to bid Cities based on its own observations. The Review Board would, in effect, relieve the IOC Secretariat of this burden.

Decisions which basically are interpretations would be sent to all bid Cities. Findings which imply punitive action would be referred to the Executive Board for decision and action. Penalties would be assessed, as merited, to either the offending Member or the bid City up to and including the loss of voting privileges or the suspension of a candidacy.

The Review Board, we suggest, should consist of seven members drawn from a combination of IOC Members, former members of bid committees from non-active Cities, and representatives of the International Federations.

Modern communication systems would allow this Board to operate without having to meet in person.

Venues

Each International Federation understandably feels that its sport is the premier event in the Olympics and demands that it be granted the centre stage. Thus, the concept of compactness becomes an important issue in the minds of many IOC Members. This can impose a severe constraint on a City that otherwise boasts admirable Olympic resources. The growing

number of Olympic sports and the number of events held for the existing sports only adds to the complexity of the issue.

There are two approaches to be considered to resolve the problem.

1. Move some of the Summer arena sports to the Winter Games. Badminton, volleyball, judo, wrestling and weight lifting are among the examples that could be considered.

2. Adopt the following measure of required compactness:

   - 60% of all finals are to be held within 30 minutes of the Athletes Village by ground transportation,
   - 90% of all finals are to be held within 45 minutes of the Village by ground transportation,
   - finals of those sports held outside the 45 minute range, are to be within 1 hour of the Athletes Village by air transportation.

The advantages of these rules lie in the reduction of competing venue demands by the IF's plus a clear set of standards for the bid City to consider before it declares its intent to bid.

Evaluation Commission

The role of the Evaluation Commission appointed for each bid cycle should be given greater prominence and importance. TOOC took its responsibilities with respect to the Commission's investigation most seriously. We are not convinced that other sectors of the IOC did likewise.

In the bidding process we have outlined for your consideration today, we see the Evaluation Commission operating with a crucial mandate. Some of its more important duties would be as follows:

- to establish the specifications and standards by which a potential bid City can be declared eligible to bid;
- to specify standard reporting formats and methodologies for use by bid Cities in their submissions to the IOC;
- to assess, evaluate, report and make recommendations concerning each potential bid City's ability to meet those specifications and standards;
- to examine and report on each potential bid City's understanding of, and commitment to, the terms of the Olympic Charter and the obligations inherent in the Host City Undertaking and Agreement;
- to assist the IOC, at the six month point in the bid cycle, in designating the four Cities to be permitted to proceed in the bidding competition;
- to provide each IOC Member a concise but comprehensive evaluation and comparison of the qualities (technical and non-technical) of each of the bids;
- to bring to the attention of each IOC Member significant changes to the nature or content of each City's bid during the course of the bid cycle.

We would strongly suggest that there be only one evaluating body, the IOC Evaluation Commission. Accordingly, it should include in its composition not only IOC Members and technical staff, but also representatives of the International Federations.

In summary, then, while we acknowledge that it is the primary responsibility of each City to make known to each IOC Member its qualities and qualifications as a potential host City, we also believe that it should be the responsibility of the Evaluation Commission to ensure that each Member is truly well informed and technically knowledgeable as he or she participates in the selection voting.

The Tokyo Experience

Our Tokyo experience was exhilarating, enervating but, in the end, as you probably will understand, thoroughly and depressingly disappointing. We enjoyed our involvement. We enjoyed the spirit of competition. But we could not easily accept the decision of the IOC and we hated the miserable trip home. That, we know full well, is the essence of any competition in which first place is awarded to someone else.

We do, however, have some observations to make about the part we played at the Tokyo Session.

Hospitality, and the lobbying and promotional activities that accompany it, is the arena where the competition among bid Cities is fiercest. Tokyo was a striking example. To the greatest degree possible, TOOC attempted to operate its hospitality facilities within the known guidelines. IOC Members often made it very difficult for us to do so. Other bid Cities staged functions which clearly were outside the

guidelines. Yet, no IOC Member suggested to us that he thought any bid City had been acting improperly.

No rules should be instituted that would stifle creativity, innovation or promotional flair. But there still must be standards - reasonable standards. They should be well communicated in advance. And they should be strictly enforced.

On another matter, presentation booths and displays are a contentious issue. They are costly to erect and staff (especially in a city such as Tokyo). Yet they are rarely visited by IOC Members. In retrospect, we believe they should be continued, again under strict guidelines. They provide a useful focal point for the news media, plus an effective gathering place for secondary members of the Olympic Family.

With respect to the format of the final bid City presentations to the IOC, we were generally satisfied with the arrangements. Nevertheless, we would like to offer the following suggestions.

1. Allow each City 60 minutes

    - 10 minutes for entry and set up
    - 25 minutes for speeches and audio-visual presentation
    - 20 minutes for questions and answers
    - 5 minutes for a concluding statement from the bid City.

2. Do not permit the use of broadcast presentations received live from outside the hall. (The risk of failure or mistiming is high with consequences that could affect the succeeding presentations).

3. Ask the candidate Cities questions in written form only. Subject all questions to screening to ensure their relevancy and clarity. (This will help eliminate misunderstandings and ensure that each question gets an accurate and complete answer.)

4. Allow a greater number of bid City delegates to be in the hall for their respective City's presentation. The limit in Tokyo was much too restrictive given that this was the finale of a five year journey, and that the hall had the capacity to seat more people.

5. Do not repeat the practice of inviting bid City delegates to luncheon with the Members of the IOC during the day of presentations and voting. The degree of inward discomfort felt by delegates and IOC Members alike must have been very high.

Just as with the presentation facilities, we were also generally pleased with the press conference arrangements following the presentation. Our particular conference was very good humoured, and our panelists were delighted to receive two bursts of applause from the many news reporters present.

Not so pleasing to us, however, was the announcement ceremony at the end of the day. The concept was excellent; its execution was below the standard required for an international television broadcast of an Olympic event watched by millions throughout the world.

The video clips of each of the bid Cities were really little more than six somewhat conventional travelogues. Most were mistakenly understood to have been the video presentations used by the bid Cities to the IOC.

Our view is that the presentation videos, or variations of them, should be used for this telecast.

Also of concern to us was the film which described Olympic history. The film seemed unnecessarily gloomy in its story by dwelling on the trials and tribulations of the Olympic Movement caused by war and other political upsets. More balance would have been provided by giving greater emphasis to the triumphs and successes enjoyed by so many Games and their competitors since 1896.

As Canadians, we also took exception to the only two references to Canada in that film - the so called "disastrous" Montreal Olympics of 1976, and the "scandal" surrounding the Canadian, Ben Johnson, at Seoul in 1988. Again, it was a question of balance, and of fairness.

Notwithstanding the foregoing few negative remarks, our Tokyo experience was, in short, vivid, exciting and never, ever to be forgotten.

Voting Procedure

The voting procedure used by the IOC to select the host City for the Olympic Games will likely always be the subject of heated debate.

Is it possible to design a perfect voting procedure for the IOC? Probably not. That is because any procedure must be based on two guiding principles:

- the voter is knowledgeable and is in command of all the relevant facts
- the voter will vote in an objective, rational manner

But voters are human. Knowledge is often elusive. Subjective decisions cannot be prohibited. And the rational behaviour of one person may easily be seen as irrational by another. Perfection may, in fact, not be the appropriate goal simply because it cannot be described.

This topic is one that is worthy of a separate, lengthy session by itself, at another time. But we do have a few observations to make today about the system employed in Tokyo.

1. The present system, despite its objective of producing decisions that satisfy the majority of IOC Members, appears to produce results that attract more comment and criticism than is warranted.

2. The Member who is fully knowledgeable about the merits of each City's bid has no more and no less influence on the result than has the Member who lacks this knowledge. (This is the problem to be addressed by the Evaluation Commission.)

3. In an all or nothing vote such as the system now employed, a Member has no method by which to grade Cities or to recognize more than one excellent (in his view) bid.

4. While an open vote is considered by some to be the means to encourage more responsible voting, we do not agree. We believe it would remove independent thinking, create bloc voting, and give rise to the herd instinct. Above all, we believe that a Member's vote is a very personal expression of his judgement and that the Member has every right to keep it private.

5. The announcement of the numerical results after each ballot also encourages voting blocs or the bandwagon effect.

6. A voter's desire to please more than one City often causes distortions in the results, ballot by ballot. An aberration in the results of one ballot can influence the results of subsequent ballots thereby causing further distortions.

There is no doubt a multitude of voting alternatives that address some of these weaknesses. Here, for your consideration, is one.

There would be only two rounds of voting.

In the first round, each member would rank the Cities from one to four in descending order.

For example, using three Members and four bid Cities.

CITY	1	2	3	TOTAL
A	3	4	4	11
B	4	2	2	8
C	2	1	3	6
D	1	3	1	5

The two Cities with the least number of points move to the second round, without their point totals being revealed. In our example it would be C and D.

In the second round, Members would vote for their favorite between the two remaining Cities, C and D, in a straight preference ballot.

We have some other ideas to enhance the system.

1. Consideration should be given to allowing a representative of each International Federation to vote in the first round. The voting in the second round would be confined strictly to IOC Members.

2. Vote totals should not be announced after the first round - only the names of the two Cities moving to the second round.

3. There should be no contact between the IOC members and the bid Cities from the time of the City presentations to the announcement of the IOC selection.

We recognize that our proposed procedure would permit a Member to purposely rank a major competing City low so as to enhance the chances of his favorite. The involvement of the IF's in the first round balloting, and the general level of responsibility that is found among IOC Members would seriously diminish the impact of such a tactic.

On the other hand, our proposal has some very attractive features.

- encourages thoughtful and responsible voting
- eliminates the potential for first and second round distortions found in the present system caused by split loyalties or commitments
- permits Members to rank Cities instead of voting to eliminate all but one City with each ballot
- eases pressure from Cities on Members for total support

- allows Members to save face, where required, by saying they ranked a City highly
- diminishes the likelihood and impact of bloc voting
- eliminates the bandwagon effect, and
- it is a fair, simple and equitable system that should produce a widely acceptable decision in a short period of time.

(Concluding sentence by P.F.H.)

CONCLUDING REMARKS - N.M.S.

Your Excellency, Ladies and Gentlemen.

This afternoon, this delegation from Toronto has talked about, and has given its recommendations concerning the duration, cost and regulation of, the bidding process for the Olympic Games. We have suggested ways in which we believe the voting system could be improved. Above all, we have given you the benefit of our ideas on how the integrity of the IOC may be better protected and the lustre of its image maintained.

We have done this in the knowledge that someday - when all of us are older, and the Olympic Spirit is even more powerful - someday, we, as hosts, will indeed provide the youth of the world an enthusiastic and heartfelt welcome to Toronto for the Summer Olympic Games.

NANCIAL STATEMENTS

TOOC 1996 INC.

November 9, 1990

ERNST & YOUNG
DRAFT
FOR DISCUSSION PURPOSES ONLY

AUDITORS' REPORT

To the Directors of
TOOC 1996 Inc.

We have audited the balance sheet of TOOC 1996 Inc. as at November 9, 1990 and the statements of revenue, expenses and surplus and changes in financial position for the period then ended. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at November 9, 1990 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

Toronto, Canada,
•, 1990.

Chartered Accountants

ERNST & YOUNG
DRAFT
FOR DISCUSSION PURPOSES ONLY

TOOC 1996 Inc.
Incorporated without share capital under the laws of Ontario

BALANCE SHEET

	As at November 9, 1990 $	As at December 31, 1989 $
ASSETS		
Current		
Cash	—	466,997
Receivables	163,762	396,759
Prepaid expenses	—	203,451
	163,762	1,067,207
LIABILITIES AND SURPLUS (DEFICIT)		
Current		
Bank indebtedness	38,446	—
Accounts payable and accrued liabilities	125,316	863,381
Prepayment of contributions	—	687,875
Total current liabilities	163,762	1,551,256
Surplus (deficit)	—	(484,049)
	163,762	1,067,207

See accompanying notes

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TOOC 1996 Inc.

STATEMENT OF REVENUE, EXPENSES AND SURPLUS

	Ten months ended November 9, 1990 $	September 8, 1986 to November 9, 1990 $	
REVENUE			
TOOC Brigade	1,801,711	5,086,775	30.9
Provincial government contributions *(note 3)*	1,108,291	3,352,000	20.0
Federal government contributions *(note 3)*	1,195,573	2,638,430	15.7
Other contributions	257,268	257,268	1.5
Interest income	27,592	135,555	0.8
Other income	25,666	36,948	0.2
	4,416,101	11,506,976	68.5
In-kind contributions *(note 4)*	2,134,366	5,294,303	31.5
Total revenue	6,550,467	16,801,279	100.0
EXPENSES *(note 4)*			
Salaries	1,241,551	3,501,041	20.8
Professional fees	461,225	2,115,215	12.6
Travel and entertainment	1,731,279	4,618,945	27.5
Operating	648,500	2,518,922	15.0
Communication material	1,563,924	2,939,186	17.5
Promotional items	393,161	948,691	5.6
Other	26,778	159,279	1.0
Total expenses	6,066,418	16,801,279	100.0
Excess of revenue over expenses for the period	484,049	—	
Surplus (deficit), beginning of period	(484,049)	—	
Surplus, end of period	—	—	

See accompanying notes

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TOOC 1996 Inc.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Ten months ended November 9, 1990 $	September 8, 1986 to November 9, 1990 $
OPERATING ACTIVITIES		
Excess of revenue over expenses for the period	484,049	—
Net change in non-cash working capital balances	(989,492)	(38,446)
Net increase (decrease) in cash during the period	(505,443)	(38,446)
Cash, beginning of period	466,997	—
Bank indebtedness, end of period	(38,446)	(38,446)

See accompanying notes

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TOOC 1996 Inc.

NOTES TO FINANCIAL STATEMENTS

ERNST & YOUNG
DRAFT
FOR DISCUSSION PURPOSES ONLY

November 9, 1990

1. INCORPORATION

TOOC 1996 Inc. ["TOOC"] was incorporated without share capital under the laws of Ontario on September 8, 1986. It was formed to act as an agent for the City of Toronto for the purpose of seeking the suppor. . ' the International Olympic Committee and members of the appropriate sporting federations for the City's application to host the 1996 Summer Olympic Games.

In September 1990 the City was notified that its application to the International Olympic Committee was not successful. TOOC ceased operations on September 18, 1990 and since that date has been in the process of realizing upon its assets and discharging its obligations.

Upon receiving approval at a special meeting of the members of TOOC to be held on November 14, 1990, TOOC intends to take the steps necessary to surrender its charter in accordance with the provisions of Section 319 of the Corporations Act (Ontario).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with generally accepted accounting principles.

As explained in note 1, a decision was made during the current period to wind up the company. Accordingly, the financial statements for the period ended November 9, 1990 are prepared on a liquidation basis. All known and anticipated future liabilities to be incurred in the course of winding up are recorded at November 9, 1990 and all assets of the company at November 9, 1990 are stated at estimated net realizable values.

The other significant accounting policies, which apply equally to the current and prior periods, are as follows:

- Accrual accounting is used to record the effect of transactions or events in the period in which the transaction or event occurs, regardless of whether there has been a receipt or payment of cash. Current expenses that are expected to benefit the future period are deferred and expensed in the appropriate period. Revenues and expenses that are linked to each other in a cause and effect relationship are matched and recorded in the same accounting period.

- Private sector contributions are recognized when they are due and reasonable assurance regarding collectibility exists. Private sector contributions received in advance of the subscription date are deferred until the period to which they relate.

- Government contributions are accrued as receivable at the lower of expenses incurred and government funds allocated to the current fiscal year.

TOOC 1996 Inc.

NOTES TO FINANCIAL STATEMENTS

ERNST & YOUNG
DRAFT
FOR DISCUSSION PURPOSES ONLY

November 9, 1990

- Contributions of materials and services are recorded in the financial statements at fair value, when a fair value can reasonably be estimated, and when the materials and services would have been paid for if they had not been donated. Fair value is determined by what TOOC would have expected to pay for the materials or services, had they not been contributed in-kind.
- The fair value for the use of fixed assets loaned to TOOC is amortized over the period for which the asset is contributed.
- Trademarks are expensed in the year of acquisition.

3. RESTRICTED FUNDS

Under its agreements with the provincial and federal governments, TOOC may only spend government contributions on staffing expenses (subject to certain limitations), office operating costs, and project expenditures related to obtaining the bid to host the 1996 Summer Olympic Games. With certain exceptions, hospitality, entertainment and travel expenses are expressly excluded from eligible expense.

The agreements with the federal and provincial governments also specify that if the bid is not successful, government contributions will be repayable to the extent of any surplus when the company is wound up.

At November 9, 1990 amounts receivable from the federal and provincial governments are recorded so as to reflect the operation of these agreements.

4. REVENUE AND EXPENSES

The statement of revenue, expenses and surplus includes the following cash and in-kind expenses:

	Ten months ended November 9, 1990		September 8, 1986 to November 9, 1990	
	Cash $	In-kind $	Cash $	In-kind $
Salaries	940,573	300,978	2,651,051	849,990
Professional fees	334,397	136,328	1,766,227	348,988
Travel and entertainment	1,042,636	688,643	3,012,739	1,606,206
Operating	226,647	421,853	1,038,380	1,480,542
Communication material	1,064,669	499,265	2,158,954	780,232
Promotional items	305,852	87,309	804,563	144,128
Other	26,778	—	75,062	84,217
	3,932,852	2,134,366	11,506,976	5,294,303

REPORT

of

The Special Bid Oversight Commission

Senator George J. Mitchell, Chair
Kenneth Duberstein
Donald Fehr
Roberta Cooper Ramo
Jeffrey G. Benz

Counsel:
Richard A. Hibey

Michael K. Atkinson
Jared R. Silverman
WINSTON & STRAWN

March 1, 1999

EXECUTIVE SUMMARY

This Commission was created by Bill Hybl, the President of the United States Olympic Committee (USOC). He promised us full support and total independence and he kept his promises. For that we thank him.

Throughout this process, the USOC has demonstrated a deep concern for the problems facing the Olympic Movement and a willingness to learn from the mistakes of the past, including its own. For that we commend them.

The findings and recommendations in our report are exclusively those of the members of this Commission and its counsel. We are unanimous in our conclusions; there is no disagreement among us. Each member of the Commission volunteered many hours of time and effort. Counsel worked exceptionally hard to complete this report in a tight time frame.

The troubling events in Salt Lake City, and other host cities, are attributable to the fact that ethical governance has not kept pace with the rapid expansion of the Olympic Movement. The Olympic Games have become big business for sponsors, host cities, athletes, and the organizations that make up the Olympic Movement.

The intense competition to host the Olympic Games, coupled with the multi-billion dollar enterprise that results from winning that competition, have exposed the weaknesses in the Movement's governing structure and operational controls. Despite the fact

that everyone recognizes the Olympics to be a huge commercial enterprise, the IOC and its constituent organizations lack the accountability and openness in keeping with the role the Olympic Games play in the world today. The commercial success of the Olympic Games creates both the opportunity to better the Games and the potential for abuse. To preserve the integrity of the Olympic Games, especially with the public, there must be reform at every level of the Olympic Movement.

It was wrong for Salt Lake City officials to give money to IOC members and their families to win their votes. But what happened in Salt Lake City was not unique. In 1991, Toronto officials reported to the IOC an experience in the Olympic site selection process. In strikingly prophetic language, they warned of the consequences of such improper behavior. The Toronto prophecy has come true. As a result, credibility of the Olympic Movement has been gravely damaged.

As the organization with exclusive responsibility over the conduct of the Olympic Games when held in the United States, the USOC shares responsibility for the improper conduct of the bid and organizing committees in Salt Lake City. This responsibility stems from its failure to assure that United States candidate cities not seek to influence IOC members in the selection process by improperly providing them with things of value. This responsibility also extends to the USOC by virtue of the admitted recognition by certain USOC personnel that the bid and organizing committees were using the USOC's

International Assistance Fund to influence or pay back IOC members for their site selection votes.

We were asked to review "the circumstances surrounding Salt Lake City's bid to host the Olympic Winter Games," and to make recommendations "to improve the policies and procedures related to bid processes." We have done that. In the process, we have concluded that it will be impossible to improve such policies and procedures unless there is significant change by and within the IOC. That is because the activity in which the Salt Lake committees engaged was part of a broader culture of improper gift giving in which candidate cities provided things of value to IOC members in an effort to buy their votes. This culture was made possible by the closed nature of the IOC and by the absence of ethical and transparent financial controls in its operations.

In each improper transaction, there was a giver and a taker; often the transaction was triggered by a demand from the taker. We do not excuse or condone those from Salt Lake City who did the giving. What they did was wrong. But, as we have noted, they did not invent this culture; they joined one that was already flourishing.

The rationale behind the governance changes proposed by the Commission is that the integrity of the Olympic Movement must be restored and protected. Reform and restoration will be effective only if they reach the entire Olympic Movement. The IOC must be reformed. For too long, it has tolerated the culture of improper gift giving, which affected every city bidding for the Olympic Games.

The Commission's call for reform is rooted in the concept of fair play. Competition should not be weighted in favor of a city that spends the most on IOC members. The selection process should be free of improper influence on IOC members and should be made, instead, on the basis of which city can best stage the Olympic Games.

We believe those concerned about the future of the Olympic Games must recognize that true accountability for this mess does not end with the mere pointing of the finger of accusation at those who engaged in the improper conduct. Those responsible for the Olympic trust should have exercised good management practices, should have inquired into the purpose and propriety of programs, should have followed expenditures, and should have set a proper framework for those competing to host the Games.

In our Report, we make a series of recommendations. Principal among them are:

1. Bid cities should be prohibited from giving to members of the USOC or the IOC anything of more than nominal value, and from directly paying the expenses of members of the USOC or IOC. Travel to bid cities and other expenses should be paid out of a central fund administered by the USOC in the selection of a United States candidate city, and out of a central fund administered by the IOC in the selection of a host city;

2. The USOC must strengthen its oversight of the site selection process by:

(a) establishing an independent Office of Bid Compliance;

(b) prohibiting bid and candidate cities from having or participating in any international assistance program;

(c) strictly applying the criteria for the award and administration of its International Assistance Fund; and

(d) strengthening its Bid Procedures Manual and its Candidate City Agreement.

3. The IOC must make fundamental structural changes to increase its accountability to the Olympic Movement and to the public:

(a) a substantial majority of its members should be elected by the National Olympic Committees for the country of which they are citizens, by the International Federations, and by other constituent organizations. The athlete members should be chosen by athletes. There should be members from the public sector who best represent the interests of the public.

(b) Its members and leaders should be subject to periodic re-election with appropriate term limits;

(c) Its financial records should be audited by an independent firm, and the results of the audit disclosed publicly, at least yearly; and

(d) appropriate gift giving rules, and strict travel and expense rules should be adopted and vigorously enforced.

4. **The USOC should request the President of the United States to consider, in consultation with other governments, naming the IOC "a public international organization" within the meaning of Foreign Corrupt Practices Act, as amended.**

The IOC should not award the Olympic Games to any city whose country has not taken steps to enact a law that applies the principles of the Anti-Bribery Convention of the Organization for Economic Cooperation and Development, signed by 34 governments, including the United States: Of the twenty-one nations that have hosted or are scheduled to host the Olympic Games, nineteen are signatories to the OECD Convention. Only the cities of Moscow and Sarajevo are located in countries that are not signatories to the Convention. The Convention entered into force on February 15, 1999.

Timely, aggressive reform goes hand-in-hand with acceptance of responsibility. It is the true measure of commitment. Each Olympic entity has pledged to reform. The seriousness of that commitment and the credibility of the Olympic Movement turn on the extent to which that reform is undertaken. The Olympic flame must burn clean once again.

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GLOSSARY OF TERMS

The large number of organizations within the Olympic Movement lead to an alphabet soup of acronyms in any description of their activities. To assist the reader, the following is a glossary of organizations, with their acronyms, included in this Report.

FCPA	-	Foreign Corrupt Practices Act
IF	-	International Federations
IOC	-	International Olympic Committee
NGB	-	National Governing Bodies
NOC	-	National Olympic Committee
OCOG	-	Organizing Committee of the Olympics Games
OECD	-	Organization for Economic Cooperation and Development
OTC	-	Olympic Training Center
SLOBC	-	Salt Lake City Olympic Bid Committee for the Olympic Winter Games of 1998 and 2002
SLOC	-	Salt Lake City Organizing Committee for the Olympic Winter Games of 2002
USOC	-	United States Olympic Committee

Report of the Special Bid Oversight Commission to the United States Olympic Committee

I. Introduction

A. Creation and Charge of the Special Bid Oversight Commission

In December 1998, the President of the United States Olympic Committee ("USOC") created an independent Special Bid Oversight Commission (the "Commission") as a result of allegations of widespread gift giving to members of the International Olympic Committee ("IOC") to secure the election of Salt Lake City to be the host city of the 2002 Winter Olympic Games. The USOC charged the Commission to review the circumstances surrounding the bid by the Salt Lake City Olympic Bid Committee ("SLOBC" or the "bid committee") to host those Games, with a view towards improving the policies and procedures relating to the bid process, and to report its findings and recommendations on or before February 28, 1999. *See* Appendix 1 (Letter from William Hybl to Senator George J. Mitchell (Jan. 6, 1999)).

The USOC appointed five persons to the Commission. None served as a member of the Board of Directors of the USOC before 1997, and four of the five members had no relationship to the USOC before 1997. The members of the Commission and its Counsel are set forth in Appendix 2.

From its inception, the Commission has operated independently of any person or entity, including the USOC. The findings, opinions and recommendations in this Report are those of the Commission and are submitted to the USOC for its consideration and action.

B. The Commission's Method of Review

The allegations that prompted the Commission's creation have resulted in several other investigations that affected the Commission's method of review. The Salt Lake City Organizing Committee of the 2002 Winter Games ("SLOC" or the "organizing committee"), the successor to SLOBC, tasked its Board of Ethics to review the allegations of impropriety. The SLOC Board of Ethics issued its report on February 9, 1999 (the "SLOC Board of Ethics Report"). The factual investigation performed by the SLOC Board of Ethics and included in its Report was helpful to the Commission. The Commission has relied, in part, on the facts set forth in the SLOC Board of Ethics Report.

The events of the past few months have been, to say the least, a searing experience for the leadership of SLOC. Thomas Welch and David Johnson, the past President and Vice President, respectively, of the bid and organizing committees, have resigned. Frank Joklik, a past President of the organizing committee and member of the Executive Committee of the Board of Trustees of the bid and organizing committees has resigned. Verl Topham, a member of the Executive Committee of the Board of Trustees of the bid and organizing committees, has resigned. Several individual Trustees of the bid and organizing committees also resigned in the wake of the conflict of interest allegations that have recently been raised.

The USOC also conducted an internal investigation. The USOC's leadership, as well as the USOC's outside counsel conducting that internal investigation, cooperated fully with the Commission.

The IOC formed an *ad hoc* Commission to investigate the conduct of certain IOC members and to consider possible changes in the procedures for the selection of host cities for the Olympic Games. The IOC's *ad hoc* Commission issued its report on January 24, 1999 (the "IOC *ad hoc* Commission's Report"). In large part, the IOC *ad hoc* Commission formed its conclusions and recommendations based upon the factual information the SLOC Board of Ethics had initially developed, but before the SLOC Board of Ethics issued its report, which contained additional facts. In anticipation or as a result of the IOC *ad hoc* Commission's Report, four IOC members resigned, five were recommended for expulsion by the IOC's Executive Board, one was issued a warning and three others remain the subject of further IOC investigation. The IOC has pledged to investigate other members who were named in the SLOC Board of Ethics Report. The IOC membership is scheduled to vote on the recommended expulsions at a meeting on March 17-18, 1999.

There are also two criminal investigations that are either underway or pending. The United States Department of Justice ("DOJ") opened a grand jury investigation. The Office of the Attorney General of Utah has announced that it might initiate a criminal investigation into the allegations. The predictable impact of these criminal investigations on

the Commission's effort has been to make the typical sources of evidence--witnesses and documents--inaccessible in varying degrees.

In the case of witnesses, those with direct knowledge of facts have engaged counsel who have generally advised their clients not to speak with the Commission's Counsel. Thomas Welch, David Johnson and Stephanie Pate, a former assistant to Mr. Welch, through their respective counsel, declined our interview requests. Alfredo LaMont, the former USOC Director of International Relations and Protocol, also declined our interview request through his counsel. The Commission's Counsel did, however, interview Mr. Joklik, and met with SLOC's outside counsel.

The Commission or its Counsel interviewed the two current IOC members from the United States, Anita DeFrantz, a Vice-President of the IOC, and James Easton. The Commission met with Ms. DeFrantz in person and its Counsel interviewed her by telephone. The Commission's Counsel interviewed Mr. Easton by telephone. The Commission's Counsel also interviewed Norman M. Seagram, a former member of the Toronto Ontario Olympic Council, regarding Toronto's experience competing for the 1996 Summer Games.

In the case of documents, the Commission received other materials that have been helpful in understanding the operative facts. The Commission received documents from both the USOC and SLOC. The Commission also reviewed numerous media reports, particularly those detailing events in other host cities or prospective host cities of the Olympic Games.

The Commission derives its right to obtain information from SLOC through the USOC, which received exclusive jurisdiction over the organization of the Olympic Games when held in the United States pursuant to the Ted Stevens Olympic and Amateur Sports Act of 1998, and predecessor legislation going back to 1978. SLOC, through its counsel, recognizes that both the United States Government and the USOC have rights to SLOC's information. Counsel for SLOC have been cooperative under the circumstances, having to respond to the demands of criminal investigations and the Commission's requests. Enforcement of those rights, however, is a materially different matter: The Government has subpoena power; the Commission does not. Therefore, the Commission's access to information was always secondary to the Government's. SLOC's counsel minimized that disparity.

Given the quality of the information it has received, the Commission is satisfied that it has sufficient grasp of the factual situation to meet the exigencies of time and render expeditiously its recommendations. Unlike the investigations by the SLOC Board of Ethics or the USOC, the Commission's mandate was *not* to detail all events--or to resolve discrepancies in recollections of them--surrounding the bid process that resulted in the selection of Salt Lake City as the host city of the 2002 Winter Games. *Instead, the Commission makes factual findings only to the extent necessary to support its principal mandate and goal: to make recommendations that if adopted will help to prevent such abuses in the future.*

II. Governance Related to Expenditures and Gifts in the Olympic Movement

A review of the circumstances surrounding the selection of Salt Lake City to host the Winter Games requires an understanding of the governance applicable to the activities of the Salt Lake City bid and organizing committees.

A United States city bidding to host the Olympic Games must go through a two-step process. *First*, under the Amateur Sports Act of 1978 (collectively, the Ted Stevens Olympic and Amateur Sports Act of 1998 and the Amateur Sports Act of 1978 are referred to as the "Olympic and Amateur Sports Act"), Congress authorized the USOC to select from among a group of bid cities in the United States (the "bid cities) the United States city (the "United States candidate city") that will compete against cities from around the world for the right to host the Olympic Games. *Second*, the Olympic Charter provides that the IOC selects the host city for the Olympic Games from the list of candidate cities submitted to the IOC by the various National Olympic Committees ("NOCs"). Under the Olympic hierarchy, the IOC is the "supreme authority" of the "Olympic Movement." The Olympic Movement includes the IOC, NOCs, such as the USOC, International Federations ("IFs"), and Organizing Committees of the Olympic Games ("OCOGs"), such as SLOC. Under this structure, both the USOC and SLOC are required to abide by the rules and regulations adopted by the IOC.

In addition to the applicable federal and state laws, therefore, the following three entities governed the relationship between IOC members and members of the Salt Lake

City bid and organizing committees: (1) the IOC; (2) the USOC; and (3) SLOBC (and later SLOC).

Because the activities of SLOBC and SLOC expanded over a decade, and because the applicable governance over their activities varied during that time period, an understanding of the chronology of events is useful. Salt Lake City has competed from time-to-time over the past 30 years to host the Olympic Games. Its most serious effort began in March 1989, when the USOC reviewed presentations by bid cities competing to become the United States candidate city for the 1998 Winter Games. The USOC selected Salt Lake City to be the United States candidate city on June 4, 1989. SLOBC campaigned for the right to host the 1998 Winter Games from June 4, 1989 until the IOC's decision to select Nagano, Japan on June 15, 1991. The USOC agreed in June 1989 to support Salt Lake City as the United States candidate city for the 2002 Winter Games. SLOBC, accordingly, campaigned to become the host city for a second time from June 16, 1991 until its selection to be the host city for the 2002 Winter Games on June 15, 1995.

Set forth in Appendix 3 is a time line outlining the milestone events surrounding the selection of Salt Lake City to host the 2002 Winter Games, together with the applicable governance promulgated by the IOC, USOC or SLOC/SLOBC related to the relationship between bid cities or candidate cities and members of the USOC or IOC. Set forth in Appendix 4 is a detailed review of that governance.

Even a cursory review of this governance makes clear that the IOC, USOC and SLOBC failed to promulgate in well-defined terms the rules that governed the relationship between IOC members and candidate cities, even though the leaders of all three entities were aware of the need for such rules. In March 1994, the IOC provided "guidelines" to govern the relationship between candidate cities and IOC members, but they were not adhered to by many IOC members. In November 1997, the USOC issued a set of "guidelines," patterned after those adopted by the IOC, to address the conduct of bid cities during the domestic phase of their competition to become the United States candidate city. SLOBC had no rules governing its relationships with members of the USOC or IOC.

In short, the absence of clearly articulated, binding, and enforced rules governing the relationship between a candidate city and IOC members at various stages of a city's efforts to become the host city of the Olympic Games failed to put a candidate city adequately on notice of its obligations. The failure of the IOC, in particular, to enforce its guidelines or the provisions of the Olympic Charter inevitably encouraged candidate cities to question whether they could compete on a level playing field by following the applicable governance.

III. Factual Findings of the Commission

The Commission is satisfied that there is sufficient evidence to make factual findings. These findings are not conclusive because traditional methods of investigation were not available to the Commission during its fact-gathering activities. In no case,

therefore, does any factual finding express an opinion on the legality of the underlying conduct. The facts included in this Report are cited as a basis for the recommendations for reform that appear herein.

A. Factual Findings Related to the Salt Lake City Bid and Organizing Committees

1. The Salt Lake City bid and organizing committees disbursed things of value in a widespread manner to IOC members, their relatives and others.

According to SLOC's records, the bid and organizing committees expended almost $3 million on IOC members, their relatives and others since 1989. Those expenditures encompassed meals, lodging, living expenses, tuition, books, airfare, medical services, entertainment, gifts, consulting fees and direct payments of money. The SLOC records reflect over 1375 separate expenditures related to IOC members. The Commission intends by its characterization of this practice as "widespread" to convey that the receipt of gifts and other things of value is not limited to those IOC members recommended for expulsion by the IOC's Executive Board or implicated in the SLOC Board of Ethics Report.

That $3 million figure *understates* the actual amount of such expenditures because SLOC's records do not provide a precise accounting of value-in-kind ("VIK") donations. Numerous IOC members received VIK gifts from the bid and organizing committees. The term VIK gift refers to material benefits provided to IOC members or their

designees from third parties, usually at the direction of the bid and organizing committees. These gifts included the following: health care services from medical, dental, and hospital providers; employment opportunities, referrals, wages, and benefits from various Salt Lake City employers; athletic training in the United States for foreign athletes from United States trainers as well as athletic and sporting equipment, including bicycles, shoes, and basketball equipment; attendance at specialized professional athletic clinics; shopping sprees; lodging; airfare; and meals. According to the SLOC Board of Ethics Report, the estimates for the total amount of VIK expended since 1989 by the bid and organizing committees ranged from $1 million to $3 million. The total amount, therefore, expended by the bid and organizing committees (or on their behalf) for IOC members, their relatives and others was between $4 million and $7 million; some of it was appropriate, some not.

SLOC's records in many instances identify gift recipients by name. In a large number of instances, however, those records refer to expenditures made for the benefit of "various IOC" members. According to SLOC, a record refers to "various IOC" if a reimbursement request by an employee of the bid or organizing committees did not specifically reference an IOC member's name. Because SLOC's records identify numerous expenditures for named individuals, the Commission considers it more than likely that some IOC members in addition to those identified in the IOC *ad hoc* Commission's Report and the SLOC Board of Ethics Report received these items, particularly where the expenditure specifically reports the number of items provided to the "various IOC" members.

Not every expenditure to or for the benefit of an IOC member was improper. The IOC does not ban candidate cities from hosting, accommodating or giving gifts to IOC members. The Commission cites the figure of $4 million to $7 million worth of expenditures by the Salt Lake City committees on IOC members and others to confirm that giving and receiving gifts and other things of value in the Olympic Movement have created a culture.

2. The Salt Lake City bid and organizing committees improperly disbursed things of value in a systematic manner to IOC members, their relatives and others to influence or reward a favorable vote.

The Commission intends by its characterization of this practice as "systematic" to convey that the bid and organizing committees provided gifts and things of value in a manner calculated to influence IOC members' favorable votes. The Commission has not seen direct evidence that the bid or organizing committees disbursed things of value to IOC members expressly as a *quid pro quo* for an IOC member's favorable vote. Because the IOC conducts a secret vote in selecting the host cities, there is no record identifying the IOC members who voted for Salt Lake City. While the Commission saw no evidence of a direct solicitation by SLOBC or SLOC to an IOC member, or vice versa, in exchange for a favorable vote, the evidence makes clear that the purpose of many of the gifts and other things of value was for that purpose.

Systematic practices by the bid and organizing committees, on the other hand, lead to the inference that expenditures and gift-giving were inextricably connected to obtaining or rewarding a favorable vote. SLOC's records reflect a conscious effort by the

bid and organizing committees to direct things of value to influential IOC members, particularly those who could influence a "bloc" of votes. With one possible exception, no IOC member had a pre-existing personal or social relationship with the members or staff of the bid committee before Salt Lake City became the United States candidate city. It is appropriate to conclude, therefore, that the bid committee initially gave things of value to IOC members not because of a pre-existing friendship or social relationship, but simply for or because of their voting power.

The sophistication and quantity of these expenditures increased throughout the time period that Salt Lake City competed to become the host city of the Winter Games. During SLOBC's initial (and unsuccessful) campaign between June 1989 and June 1991 to become the host city of the 1998 Winter Games, it expended modest sums on IOC members. SLOBC also retained the services of one so-called consulting group for the ostensible purpose of obtaining information on IOC members. During this initial campaign, SLOBC expended over $750,000 on accommodations, travel, entertainment, gifts and consulting for IOC members, their relatives or others.

After its loss in Birmingham, England in June 1991 to Nagano, Japan, SLOBC's spending habits on IOC members changed dramatically both in terms of type and amount. According to the SLOC Board of Ethics Report, this was a "watershed" event and several representatives from Salt Lake City who attended the vote in Birmingham "described the Nagano bid effort as more sophisticated and extravagant than Salt Lake City's." The

SLOC Board of Ethics Report stated also that "[o]ther witnesses noted that Japanese companies made large donations, reported to be in excess of $15 million, to the IOC Museum in Lausanne, Switzerland shortly before the Birmingham meeting." SLOBC's approach in its second campaign shifted away from giving goodwill gifts to IOC members because of their voting power generally, and toward a process of directing personalized gifts to IOC members specifically for or because of their ability and willingness to cast a favorable vote for Salt Lake City. That is, the nature of the bid committee's expenditures evolved from goodwill gifts to strangers into payments intended to secure favorable votes. In a kind of "gift creep," the expenditures escalated over time from goodwill gifts, to lavish gifts, to money directed to individual IOC members.

SLOBC's increased expenditures on IOC members after 1991 reflect its systematic efforts to establish and maintain long-term, vote influencing relationships with IOC members. In November 1991, SLOBC began expending monies on its National Olympic Committee assistance program (the "NOC Program"). As proposed to SLOBC's Executive Committee of the Board of Trustees, the ostensible purpose of the NOC Program was to assist amateur athletes in foreign countries. None of the NOC Program funds expended by the bid or organizing committees, however, satisfied the criteria for such grants. Instead, as SLOBC's second campaign intensified, the NOC Program transformed from a program to assist amateur athletes into a general assistance fund for IOC members and their

designees. Eventually, the NOC Program took the form of wiring money directly into the bank accounts of some IOC members.

In addition to expenditures directly or indirectly for some IOC members, SLOBC retained consultants to establish and maintain long-term relationships with persons who would influence IOC members' votes. These consultants were to obtain information and intelligence on IOC members. The bid and organizing committees retained three consultants, paying them about $300,000. The bid and organizing committees apparently made no attempt to account for those funds once in the hands of the consultants.

In addition to its own NOC Program, both the bid and organizing committees used the USOC's International Assistance Fund ("IAF") to establish and maintain long-term, vote influencing relationships with the IOC. The USOC provides grants through the IAF to promote amateur athletics in foreign countries. Salt Lake City viewed the IAF as a means to advance its objective of influencing IOC members without expending money from SLOBC's accounts.

3. The conception and use of a National Olympic Committee assistance program by the Salt Lake City bid and organizing committees were improper.

The Commission recognizes the importance of supporting amateur athletics both in the United States and abroad, and favors the continuation of such support in an appropriate manner. But the Commission disagrees with the conclusion reached in the SLOC Board of Ethics Report that the problem with the "scholarship program" of the bid and

organizing committees was in its "application." The fundamental problem with the scholarship program was its *conception* as a means to secure votes of IOC members by providing things of value to their families and designees. Even if the bid and organizing committees construed the scholarship program as an effort to assist the "Olympic Family," no valid basis existed for those committees to have such a program because it simply would not improve or demonstrate the ability of the committee's city to host the Olympic Games.

As initially configured, the NOC Program created by SLOBC included goals and criteria that were attractive on a human level. In January 1992, Tom Welch, President of SLOBC, wrote a memo to the "File" outlining the NOC Program. In that memo, Mr. Welch stated that the NOC Program would provide assistance to National Olympic Committees ("NOCs") to further their objectives of assisting amateur athletes. The memo stated that the NOC Program would provide tuition, food and housing, reasonable living expenses, and travel expenses for persons from other countries.

According to the minutes from a meeting on January 17, 1992, David Johnson, SLOBC's Vice-President, "presented a proposed scholarship program" to SLOBC's Executive Committee of the Board of Trustees. Attached to those minutes was a one-page document that set out the objectives and criteria for the "scholarship program." The criteria for that program required, among other things, that a NOC nominate the scholarship candidates, the candidates obtain full-time enrollment, and the Executive Committee select the scholarship recipients.

But the NOC Program administered by the bid and organizing committees never conformed to those criteria. The Commission is aware of no instance where a NOC nominated a candidate to SLOBC for a scholarship. Nor do the minutes of the Executive Committee's meetings reflect any approval by it of the scholarship recipients. In some cases, the scholarship recipients were not enrolled full-time in academic institutions. In many others, the bid or organizing committees simply wired money or sent checks directly to IOC members or their designees, with no accounting of the proceeds once received by those individuals.

Rather than assisting amateur athletes, the bid and organizing committees directed most of the NOC Program funds to IOC members and their designees, usually their children; little went to assist amateur athletes in foreign countries. The benefits ran to IOC members through their designees who received the funds. The only conclusion the Commission can reach is that the NOC Program was merely a means of influencing an IOC member's vote for Salt Lake City. Although such a program may engender goodwill for those committees and the country as a whole, it will not improve or demonstrate the ability of the committee's city to host the Olympic Games. The most likely outcome, instead, is to introduce a corrupting influence into the site selection process. That potential was realized in the case of Salt Lake City.

4. The members of the Executive Committee and the Board of Trustees failed to exercise adequate oversight of the Salt Lake City bid and organizing committees.

The Executive Committee of the Board of Trustees as well as the Board of Trustees of the Salt Lake City bid and organizing committees failed to exercise adequate oversight and, therefore, bear some responsibility for what transpired. This is not to suggest that the Executive Committee of the Board of Trustees or the Board of Trustees of the bid and organizing committee violated any criminal or civil laws. The public and the athletes, however, have a right to expect more than the minimum from directors of bid or organizing committees.

The bid or organizing committees of the Olympic Games are not typical not-for-profit organizations. A successful bid committee obtains a multi-billion dollar enterprise for its city. Thereafter, the organizing committee becomes responsible for conducting an event that is, for a few weeks every two years, the focus of world-wide attention. The Commission encourages citizens to continue volunteering as directors of bid or organizing committees. But because of the financial implications, public responsibilities and profound impact on athletes attendant to such volunteer organizations, those positions demand more than minimal accountability. Indeed, serving as a director for such powerful and important organizations requires an investment of time and effort commensurate with a private for profit organization.

Given their responsibilities, the Executive Committee and Trustees of the bid and organizing committees failed to exercise adequate oversight of the bid and organizing

committees. The Commission lacks adequate information to conclude that any individual Trustee or member of the Executive Committee actually knew about improper efforts by the bid and organizing committees to secure favorable votes. The SLOC Board of Ethics Report states that the Trustees and Executive Committee members insist that they had no such actual knowledge. Two Trustees claim to have knowledge about scholarships to the relatives of IOC members, and one of those Trustees reportedly shared his knowledge with numerous persons. The Commission does not attempt to resolve these inconsistent positions. Denials of actual knowledge do not absolve those persons from responsibility for the conduct they were charged to oversee.

The Executive Committee and the Boards of Trustees had access to the information necessary to determine the extent of the conduct by the day-to-day managers of the bid and organizing committees *vis-a-vis* IOC members. Both the Executive Committee and the Board of Trustees had access to the documents, including the detailed budget and expense reports, which identified the expenditures on the NOC Program and the gifts to IOC members. The Executive Committee and the Boards of Trustees had access to the managers responsible for the day-to-day operations of the bid and organizing committees both at Board meetings and informal gatherings. It is notable that this is not a case where the day-to-day managers kept their conduct hidden in secret books or files. Much of the evidence included in the SLOC Board of Ethic's 300-page Report apparently was available to members of the Executive Committee or individual Trustees.

Although the SLOC Board of Ethics Report states that the Executive Committee did not approve the practice of undocumented expenditures related to the NOC Program, the Executive Committee acceded to NOC assistance payments that did not comply with the criteria shown to them at the January 17, 1992 Executive Committee meeting. That criteria established that the Executive Committee would select the scholarship recipients. There is no evidence, however, that the Executive Committee selected any scholarship recipients. The Executive Committee should have known from budget reports, both summary and detailed, that the bid and organizing committees were incurring large expenditures through the NOC Program.

Nor does the absence of discussion or a vote by the Executive Committee on the NOC Program criteria relieve it of responsibility. According to the SLOC Board of Ethics Report, there is a difference of opinion about whether the Executive Committee actually discussed the criteria. Even if there was no such discussion, the Executive Committee *should* have discussed the criteria, particularly as the expenditures on the NOC Program increased exponentially over time. Moreover, if the Executive Committee did not approve the criteria shown to them at the January 17, 1992 meeting, it is appropriate to conclude that the Executive Committee allowed the NOC Program to exist and flourish without Executive Committee knowledge of *any* established criteria.

Similarly, the Board of Trustees should have known the extent of the NOC Program. As with the Executive Committee, the SLOC Board of Ethics Report states that

the Trustees were also "given the opportunity to visit SLOBC's offices to discuss the full annual budgets, but that few accepted the offer." Unlike the Executive Committee, which disputes that it discussed the criteria for the NOC Program, the Board of Trustees makes no contention that it discussed that criteria. The Board of Trustees' position appears to be that it allowed its officers to manage the NOC Program without Board knowledge of *any* criteria, knowing that SLOBC and, later, SLOC were expending hundreds of thousands of dollars on that Program. In short, it appears that the sole concern for the NOC Program by the Board of Trustees and the Executive Committee was whether it was under or over budget.

The Executive Committee and the Boards of Trustees should have known that gift giving was an integral part of the efforts by SLOBC and SLOC to influence and reward IOC members. The SLOC Board of Ethics Report states that two local department stores offered shopping sprees, as VIK services, to IOC members on behalf of the USOC. IOC members attended numerous public events held in and around Salt Lake City, including professional basketball games, symphony performances, and recreational excursions. Not all such activities were inappropriate. But it is difficult to believe that the members of the Executive Committee or individual Trustees did not become aware through these encounters that a large number of IOC members and their relatives were visiting, attending schools in and finding employment around Salt Lake City. Further, two members of the Executive Committee and at least one individual Trustee participated in the donative practices and

assisted the bid and organizing committees through internships, employment, job referrals and business opportunities for the benefit of IOC members and their designees.

Given the extensive and lavish gift giving, inquiry into the reasonableness and propriety of those practices was warranted. There is no evidence that members of the Executive Committee or individual Trustees made such inquiries or, if made, that they received satisfactory responses or instigated corrective action. It strains credulity to believe that so many responsible citizens could participate in such a long and highly public campaign to influence IOC members and spend so much money in the process, but that only Messrs. Welch or Johnson were aware of the improprieties surrounding these activities. Rather, it appears that an "everybody does it" attitude took hold and many good people in Salt Lake City got swept up in what was seen as a good civic effort.

The Commission would be remiss, however, if it focused only on the negatives surrounding the bid process that led to Salt Lake City's selection as the host city of the 2002 Winter Games. There are many positive achievements surrounding the efforts by the bid committee, the Executive Committee and the Board of Trustees to bring the Olympic Games to Salt Lake City. It disserves their efforts and their community to suggest that they simply bought the IOC members' vote. It must be remembered that Salt Lake City fell only four votes short of winning the bid in June 1991, and achieved that remarkable result in less than two years, with restrained gift giving and a modest budget reportedly under $5 million. Salt

Lake City rebounded from that bitter and controversial defeat to win the bid in 1995 by an overwhelming majority.

In the end, and especially after Salt Lake City lost to Nagano in 1991, it appears that a great many people in Salt Lake City questioned whether their hard work, their community and their natural surroundings were enough to win the Olympic Games. As detailed in the next two sections, the people in Salt Lake City did not create that culture and should not be held solely responsible for their failure to reject such practices. Above all else, the Commission wants to ensure that future bid cities do not have to compete in such a culture, the bid processes are fair and open, and the decisions are made on merit.

B. Factual Findings Related to the USOC

As the organization with exclusive responsibility over the organization of the Olympic Games when held in the United States, the USOC shares responsibility for the improper conduct of the bid and organizing committees in Salt Lake City. This responsibility stems from its failure to assure that United States candidate cities not seek to influence IOC members in the selection process by improperly providing them with things of value. This responsibility also extends to the USOC by virtue of the admitted recognition by certain USOC personnel that the bid and organizing committees were using the USOC's International Assistance Fund to influence or pay back IOC members for their site selection votes.

In making these findings, the Commission notes that the USOC has not traditionally exercised substantial oversight of a bid or organizing committee's activities. In the past, the United States candidate city has tended to interact directly with the IOC. Those past practices do not excuse the USOC's failure to exercise adequate oversight of the Salt Lake City bid and organizing committees. Those practices, however, assist in placing the USOC's conduct in a proper context and demonstrate the need for change.

1. The USOC failed to exercise adequate oversight of the Salt Lake City bid and organizing committees during the selections of Salt Lake City as the United States candidate city and the host city of the Olympic Games.

The records from the USOC and SLOC demonstrate that the USOC failed to exercise adequate oversight of its own members and the Salt Lake City bid and oversight committees during the bid processes that began in 1989 with the selection of Salt Lake City to be the United States candidate city. According to those records, members of the USOC's Board of Directors accepted things of value from representatives of Salt Lake City's bid committee during that bid process. They also demonstrate that the USOC failed to enact or enforce rules governing the relationship between bid cities and members of the USOC's Board of Directors during that bid process.

In June 1989, the USOC Board of Directors selected Salt Lake City to be the United States candidate city for the right to compete as the host city of the 1998 and 2002 Winter Games. Before making that selection, the USOC appointed a seven-member Site

Inspection Team. The Site Inspection Team traveled to Salt Lake City to review and evaluate its venues and facilities. In analyzing Salt Lake City's bid, the Site Inspection Team cautioned the USOC's Executive Board on Salt Lake City's gift giving practices, stating that representatives of Salt Lake City's bid committee "may have stepped over the line in this area."

Although not clear, the USOC guidelines then in effect appear to prohibit members of the USOC's Board of Directors from accepting gifts in excess of $25. Despite that prohibition, SLOC's records reflect expenditures for the benefit of USOC members, including lodging, meals, car rentals, entertainment, airfare, ski passes and other gifts. The total of those expenditure was less than $5000. Some of those expenditures raised an appearance of impropriety. USOC members should not have accepted gifts in excess of $25 from Salt Lake City or its bid committee's representatives.

Salt Lake City did not prevail in the competition to become the United States candidate city because of improper acts. The overwhelming evidence is that the USOC's Executive Board designated Salt Lake City as the United States candidate city because of its superior bid presentation. The Site Inspection Team recommended Salt Lake City over the other bid cities. Contemporaneous records reflect that the athlete representatives on the USOC's Executive Board overwhelmingly endorsed Salt Lake City as the candidate city.

Following the selection of Salt Lake City as the United States candidate city, the USOC had the authority to exercise control over the activities of the Salt Lake City bid

and organizing committees. The USOC, as the NOC of the United States, is part of the "Olympic Movement." It cannot have escaped the USOC's knowledge that United States candidate cities competing to become the host city of the Olympic Games were caught up in a gift giving culture.

The USOC failed to exercise effectively its oversight authority of the gift giving practices of the bid and organizing committees in Salt Lake City. The Olympic and Amateur Sports Act provides the USOC with "exclusive jurisdiction" over the participation of the United States in the Olympic Games and over the organization of those Games when held in the United States. The primary oversight mechanism employed by the USOC over the activities of the bid and organizing committees' activities was designation of members to sit on the Boards of Trustees for those committees. The By-Laws of Salt Lake City's bid committee as well as the contract between the USOC and the bid committee provided the USOC with the right to request that the bid committee accept three persons designated by the President of the USOC to serve as *ex-officio* members of the bid committee's Board of Trustees. Under that contractual provision, SLOBC accepted three USOC designees as *ex-officio* members on SLOBC's Board of Trustees. The USOC had no designee on SLOBC's Executive Committee of the Board of Trustees. The USOC also had no designee on SLOBC's ethics committee or audit committee.

Likewise, the USOC's primary oversight over the activities of the Salt Lake City organizing committee was through participation on its governing Boards. In the host

city contract entered between the IOC, the USOC and SLOC, the USOC contracted for the right to have the USOC's President and Secretary General sit on SLOC's Board of Trustees. That contract (as well as the Olympic Charter) provided those two persons with the right to sit on SLOC's Executive Committee of the Board of Trustees.

The rationale for these interlocking directorates is grounded in notions of oversight and accountability. Ideally, the bid and organizing committees would benefit from the participation of the USOC's designees because of their experience in other Olympic Games, their unique insights into practical problems that might be of first impression for other Trustees, and their ability to convey the sense and expectations of both the USOC and the IOC to the bid and organizing committees. The USOC, at the same time, would benefit from this arrangement because of its ability to obtain information from the bid and organizing committees and follow their activities on a regular basis.

The Commission questions that rationale. Interlocking directorates may just as readily create conflicts of interest as accountability. Putting aside the questionable wisdom and potential conflict of an interlocking directorate in this context, the USOC did not effectively monitor the activities of the bid committee's Board of Trustees or Executive Committee. According to the minutes from the meetings of the Board of Trustees and Executive Committee of the Salt Lake City bid committee, during the period before June 1995, after the USOC selected Salt Lake City as the United States candidate city, only one senior staff person of the USOC attended a single Board of Trustees meeting. The USOC

had no representation on SLOBC's Executive Committee of the Board of Trustees. The minutes of SLOBC's Executive Committee reflect that the USOC sent representatives to only one of the twenty-three meetings held by SLOBC's Executive Committee during its second campaign to become the host city, *i.e.*, June 1991-June 1995, which was the most critical period for such oversight. As Mr. Joklik told the Commission's Counsel, he had no impression of the USOC exercising oversight of SLOBC's activities.

Nor did the USOC's designees adequately oversee the activities of Salt Lake City's organizing committee when they attended meetings of the Executive Committee and the Board of Trustees. The minutes of such meetings repeatedly report that budgets and financial reports were provided to the members of the Executive Committee and individual Trustees. The SLOC Board of Ethics Report states that budgets setting forth expenditures on the NOC Program and consultants were disclosed to the Board of Trustees of the organizing committee. The USOC appears to have had no independent oversight mechanism to regulate the NOC Program as administered by the bid and organizing committees, except to consider whether it was under or over budget. Despite the information provided to the Boards of Trustees on expenditures by the bid and organizing committees on the NOC Program, consultants and IOC-related activities, the Commission is aware of no inquiry by the USOC's designees into those expenditures.

Other than its designees on the Board of Trustees, the USOC exercised no authority over the day-to-day operations of the bid and organizing committees. The USOC

had no representatives working in the bid or organizing committees' offices. Nor did the USOC ever make any attempt to audit the books or records of either SLOBC or SLOC. Finally, some members of the USOC's senior staff knew that the bid committee had created and maintained a NOC Program, but never questioned the propriety of that Program or audited its activities.

2. The USOC failed to exercise adequate oversight of the USOC's International Assistance Fund.

The USOC operates an International Assistance Fund ("IAF") to enhance the influence of the USOC in the international sports community and to further the USOC's sports philosophy. The objective of this program is to respond positively to requests for assistance from members of the international sports community. The USOC criteria for the IAF required the USOC to coordinate sports-related requests with the respective National Governing Bodies ("NGBs"), which govern their respective sports in the United States, and to coordinate all such other requests by the USOC's International Relations office.

The USOC set "guidelines" to administer the IAF grants. Those guidelines provided that the USOC would consider proposals for IAF grants "[e]xclusively at the request, non-solicited of foreign sports organizations." The IAF grants provided assistance for various programs, including athlete training, coaches training, and seminars/clinics on sports medicine, sports science, doping control, sports administration, marketing, fund raising, sponsorship and licensing. These guidelines provided that the USOC's International

Relations department would review all proposals for IAF grants and present them to the USOC's International Relations Committee for review and approval.

The USOC set the following approval process for IAF grants related to athlete training: (1) request from a foreign sports organization; (2) confirmation by the Olympic Training Center ("OTC") in the United States of space availability; (3) approval of the program by the respective NGB; and (4) coordination of the grant by the USOC's International Relations department. In addition, if a proposal required the USOC to expend funds on the training, the USOC's International Relations Committee had to review the proposal.

The USOC's IAF is a laudable program to promote goodwill between athletes and their countries and the United States. It is in keeping with the highest ideals of the Olympic Movement. The USOC also committed to assist United States candidate cities, such as Atlanta and Salt Lake City, in their efforts to become the host cities of the Olympic Games. That, too, is a laudable goal. *But the problem arose when the IAF program was used, not for sports, but to influence the votes of IOC members on behalf of the United States candidate city.* The USOC awarded two IAF grants at the request of or through SLOBC officials. In addition, Alfredo LaMont's presence at the center of the decision-making of these IAF grants introduced a troublesome element.

The most well-known example of SLOBC's effort to coopt the USOC's IAF grants for SLOBC's benefit involves the training of Sudanese athletes in the United States.

In that case, the Sudanese member of the IOC, General Zein El Abdin Mohamed Ahmed Abdel Gadir, solicited training assistance from a SLOBC official, Tom Welch, in late 1993. Welch, in turn, wrote to Dr. Harvey W. Schiller, then-Executive Director of the USOC, explaining that General Gadir had "personally contacted" Welch and "requested [Welch's] assistance in arranging for Sudan to send three athletes . . . to the United States for training." Welch informed Schiller that "[t]his is the first opportunity [the bid committee] ha[s] had to make progress with General Gadir," and requested that the USOC provide such aid through its IAF. That correspondence set in motion a process that resulted in the USOC providing IAF grants, both before and after Salt Lake City was selected as the host city for the 2002 Winter Games, to train athletes from Sudan.

The USOC allowed the IAF grants for the Sudanese athletes even though those grants did not conform to the USOC's existing criteria. First, except for attending some track and field meets in conjunction with American athletes, the Sudanese athletes did not train with American athletes. Second, the USOC's staff expended amounts in excess of the initial grant amount without seeking or obtaining the approval of the USOC's International Relations Committee. In addition, the Salt Lake City bid committee's involvement in the request for assistance further tainted the request. In the end, the USOC provided IAF grants for the Sudanese athletes that totaled over $40,000.

Throughout that process, members of the USOC's senior staff understood the connection between the IAF grants and Salt Lake City's campaign to host the Winter Games.

In a hand-written note early on in the process, Tom Wilkinson, Assistant Executive Director of the USOC, stated that use of an IAF grant to train the Sudanese athletes "[d]oesn't look . . . like a wise investment *unless* IOC votes are involved!!!" In the course of justifying the IAF grants for the Sudanese athletes, LaMont sent an e-mail to Jim Page, the USOC's Deputy Executive Director for Programs, stating that "[a] lot of promises were made to secure votes." In a related e-mail, Wilkinson agreed that the USOC should cover the expenses, stating that "[s]eems to me a deal is a deal and Sudan delivered . . . . May need Sudan again in future. Don't burn bridges." Near the end of the process, Page complained about the costs related to training the Sudanese athletes and stated that "[t]his is not a good investment of USOC dollars--its a payback for [Salt Lake City] votes." In response, LaMont disagreed with Page's statement, concluding the following:

> Actually, from my point of view this should not be seen as an investment on our side, but more like spending a tiny little bit of the revenue produced when [General] Gadir voted and helped get the Games for [Salt Lake City].

There are several possible explanations for the messages in the communications related to the USOC's decisional process in awarding the IAF grants to the Sudanese athletes. It might be, for example, that the "payback" or "a deal is a deal" rationales expressed in the e-mail traffic are nothing more than a reflection of personal views of USOC personnel who understand the gratitude generated by distribution of the IAF grants. At the same time, it is possible that the language in the communications reflects an official

USOC view that the IAF grants were the *quid pro quo* for a committed vote for Salt Lake City. The Commission addresses the issue because the latter view would be incompatible with the policies of supporting candidate cities properly and providing aid to athletes who meet the existing USOC criteria for IAF grants.

Hard copies of e-mails were found in SLOC's files in Salt Lake City, even though the e-mails were between USOC personnel in Colorado Springs only. The reason may be Alfredo LaMont.

LaMont, until he resigned in January 1999, was the USOC's Director of International Relations and Protocol, and was the highest ranking USOC official responsible for IAF grants. The records demonstrate that an entity called Citius had an agreement with SLOBC, through its former President Thomas Welch. According to SLOC's records, the bid committee entered into a consulting contract in 1990 with Citius. Citius received payments ranging from $2,857.15 to $10,000, covering a period from March 1990 through August 1993. In exchange for these payments, Citius was to provide intelligence to SLOBC regarding Latin American as well as African IOC members to allow SLOBC to maximize the prospect of those members casting their votes for Salt Lake City.

LaMont cashed the checks made out by SLOBC to Citius and deposited them into his personal account. In his capacity as administrator of the IAF grants, LaMont directed assistance to certain countries that had IOC members. In addition, LaMont operated a sporting equipment company, Arca, that had a business relationship with SLOBC and SLOC

pursuant to which Arca received $18,185 in revenues. According to SLOC's records, this relationship extended from February 1992 through October 1995. There is no legitimate justification for LaMont's arrangements with the bid and organizing committees.

LaMont fully understood that these arrangements created a conflict of interest with his position at USOC. In February 1989, LaMont and Welch corresponded regarding an arrangement where LaMont would provide services to SLOBC. LaMont recognized immediately and informed Welch that such an arrangement would be a conflict of interest given LaMont's employment with the USOC. Although LaMont disclosed his connection to Arca on his annual conflict of interest form in 1998, as required by the USOC's conflict of interest policy, he did not disclose Arca's dealings with SLOC.

C. Factual Findings Related to the IOC

We were asked to review "the circumstances surrounding Salt Lake City's bid to host the Olympic Winter Games," and to make recommendations "to improve the policies and procedures related to bid processes." We have done that. But, in the process, we have concluded that it will be impossible to improve such policies and procedures unless there is significant change by and within the IOC. That is because the activity in which the Salt Lake committees engaged was part of a broader culture of improper gift giving in which candidate cities provided things of value to IOC members in an effort to buy their votes. This culture was made possible by the closed nature of the IOC and by the absence of ethical and transparent financial controls in its operations.

In each improper transaction, there was a giver and a taker; often the transaction was triggered by a demand from the taker. We do not excuse or condone those from Salt Lake City who did the giving. But, as we have noted, they did not invent this culture; they joined one that was already flourishing.

If the IOC's recent past is not to be a prologue for the future, the IOC must take affirmative action. The Olympic Charter gives the USOC the right to formulate proposals to the IOC concerning the Olympic Movement in general and the organizing of the Olympic Games in particular. The Commission, therefore, makes its findings in the hope that the USOC will endorse and then communicate them directly to the IOC and that the IOC will act upon them.

1. The IOC's governing structure fails to provide adequate accountability.

Under the Olympic Charter, the IOC is the "supreme authority" of the Olympic Movement. The Olympic Charter explains that Olympism is a philosophy of life that seeks to create "a way of life based on the joy found in effort, the educational value of good example and respect for universal fundamental ethical principles." The IOC is an international, non-governmental, non-profit organization, in the form of an association with the status of a legal person, recognized by decree of the Swiss Federal Council of September 17, 1981. The Olympic Charter obligates "[a]ny person or organization belonging in any capacity whatsoever to the Olympic Movement" to abide by the decisions of the IOC. Those

members must abide by IOC's decisions if they hope to participate in the Olympic Games, which are the exclusive property of the IOC under the Olympic Charter, including the Games' organization, broadcasting and reproduction.

The IOC members select their fellow members. The Olympic Charter states that the IOC "coopts and elects its members from such persons as it considers qualified." Although the various NOCs may make membership recommendations to the IOC, they have no authority to select the IOC members representing their respective countries. Instead, the Executive Board of the IOC submits to the General Session of IOC members the names of the persons whom the Executive Board recommends for election to the IOC. The Olympic Charter gives IOC members the right to participate as voting members of their respective NOCs and *ex officio* voting members of that NOC's executive organ. The executive board of an OCOG must include any IOC member from that country.

The Olympic Charter sets forth general obligations on the IOC members. Upon admission, an IOC member takes an oath obligating each member, among other things, to keep themselves "free from any political or commercial interest." That oath obligates an IOC member to the IOC above all else: "I undertake to serve the Olympic Movement to the very best of my ability, to respect and ensure the respect of all the provisions of the Olympic Charter and the decisions of the IOC, which I consider as not subject to appeal on my part." The Olympic Charter imposes an honor code on its members, obligating them to inform the IOC President, without delay, of all events liable to hinder the application in their country

of the Olympic Charter or otherwise affect the Olympic Movement, whether occurring within the member's particular NOC or outside it.

The IOC alone possesses the authority to reprimand an IOC member whose acts violate the Olympic oath or Charter. The sole remedy available to the IOC for an IOC member who violates that oath or Charter is expulsion from the IOC, which requires two-thirds approval of the IOC members. An IOC member elected before 1966 may serve as an IOC member for life. An IOC member elected after 1966 may serve as an IOC member until the age of 80.

As with the IOC members generally, the IOC members alone elect an IOC President for an initial term of eight years. A candidate for IOC President must be an IOC member. The IOC President may be re-elected for successive four year terms. There is no limit, except for the age limit applicable to IOC members generally, on the number of terms an IOC President may serve. According to the Olympic Charter, the President presides over all activities of the IOC and represents it permanently.

The Olympic Charter and By-Laws do not explain the rationale for the IOC's governing structure and operating controls. That is, the Olympic Charter does not explain the absence of term limits on its members and President (other than the age 80 limit), the absence of authority by non-IOC members to select IOC members, or the need (and propriety) of interlocking directorates between the IOC, NOCs and OCOGS. Despite the massive amounts of money flowing to the IOC from the Olympic Games in recent years, the

IOC does not disclose publicly its financial statements or auditor's reports. Whatever the rationale of such organizational principles may have been a century ago, there is nothing that justifies them today.

2. The IOC's governing structure and policies did not effectively discourage--and as a result may have encouraged--a culture of improper gift giving in the Olympic Movement.

As the "supreme authority" over the Olympic Movement, the IOC bears its share of responsibility for the conduct of the bid and organizing committees in Salt Lake City. The behavior at issue was not the invention of Salt Lake City. Nor was Salt Lake City the sole participant in such activity. Instead, both the number and attitude of recipients suggest a culture in place long before efforts by Salt Lake City to host the Games.

The IOC was explicitly made aware of these issues on January 9, 1991. On that date, representatives of the candidate cities that competed for the right to host the 1996 Summer Olympics, including those from the Toronto Ontario Olympic Council, made a presentation to the IOC leadership about those cities' experiences in that competition. The Toronto representatives stated that a candidate city had to achieve four objectives to host the Olympic Games, including that "[t]he City must demonstrate why it is in each IOC member's personal interest to vote for, and award the Games to that City." As stated in Toronto's report:

> If an IOC Member is to be convinced to vote for a bid City, it is virtually mandatory for him or her to visit that City. It is here, however, where there exists the greatest opportunity for the

> rules of the bidding system to be abused, either by the Member or by the bid committee.
>
> It is here, as well, where the IOC runs the greatest risk of its image being tarnished and its integrity eroded . . . . It is here where exists the Achilles heel of the bid process.

The Toronto representatives concluded their presentation by making recommendations to the IOC to improve the site selection process. A copy of Toronto's presentation is attached at Appendix 5.

The observations by Toronto's representatives proved prophetic. The receipt of gifts and other things of value by IOC members in the context of selecting host cities for the Olympic Games has become widespread, notorious, continuous, unchecked and ingrained in the way Olympic business is done. The IOC's willingness to turn a blind eye to the receipt of things of value by a large number of its members tolerated an improper gift giving culture in which some candidate cities participated. Salt Lake City might have decided that the success of its bid depended on its ability and willingness to meet the expectations of IOC members related to gifts, entertainment and other things of value.

The credibility of the IOC turns on how it responds to this crisis. The IOC's decision to place all of the blame on the candidate cities and on some individual IOC members is inadequate. To restore its credibility, the IOC must change its structure.

3. The IOC's guidelines on expenditures and gifts did not effectively restrain the improper gift giving culture.

The guidelines adopted by the IOC in February 1994 did not effectively address the culture of improper gift giving. Those guidelines continued to allow candidate cities to offer--or IOC members to demand--expenditures and gifts during the selection process. Those guidelines allowed IOC members to visit candidate cities during the site selection process, with no limitations or IOC oversight on the members' travel or accommodation expenses borne by the candidate cities. The IOC further contributed to the culture of improper gift giving by failing to investigate allegations of improper conduct when brought to its attention.

The culture of improper gift giving tolerated by the IOC is potentially illegal and inevitably corruptive. In the context of cities vying for the right to host the Olympic Games, as in the case of athletes competing in the Olympic Games, the competitors should start with a presumption of equality in the minds of the judges. The improper gift giving evidenced in Salt Lake City (and reported in other candidate cities) corrupts that aim by injecting private preferences into such judgments. The IOC should no sooner tolerate improper gifts by candidate cities to its members than it would tolerate such gifts by athletes to judges.

In the case of Salt Lake City, the IOC did not take adequate steps to ensure that candidate cities could compete evenly by following the IOC's guidelines on expenditures and gifts. The bid and organizing committees in Salt Lake City did not create the rules or the system that governed its competition to host the Winter Games. No one has expressed the

view that the people of Salt Lake City invented the process of plying IOC members with gifts, entertainment and other things of value to become a host city. Instead, the evidence supports the conclusion that the people in and around Salt Lake City found themselves in the culture of improper gift giving tolerated by the IOC. Although the representatives of Salt Lake City may have responded to that situation without considering fully the propriety of their actions, there were two parties to every transaction.

The Commission disagrees with the conclusion in the IOC *ad hoc* Commission's Report that IOC members do not request gifts. The SLOC Board of Ethics Report documents several instances where some IOC members initiated the contact with the Salt Lake City bid committee. The Commission accepts those conclusions. In addition, the Report by the Toronto bid committee demonstrates that the culture of improper gift giving predates the experiences of Salt Lake City. *While candidate cities have come and gone in the past decade, the one constant in the culture of improper gift giving has been the IOC.*

IV. Recommendations of the Commission

We believe that candidate cities from all countries should compete on a level playing field for the right to host the Olympic Games. Clearly articulated and enforceable reform is necessary if the integrity and credibility of the Olympic Movement is to be restored.

A. Recommendations for the USOC

1 The USOC should prohibit bid or organizing committees from creating or maintaining assistance programs.

Bid and organizing committees of the Olympic Games should not expend funds on IOC members or international causes that may be perceived as attempts to influence IOC members for a favorable vote on site selection. These committees should not provide scholarships, non-emergency medical assistance, living expenses, or other forms of assistance to IOC members or their designees.

The prohibitions should apply during those periods when the bid and organizing committees might seek to influence or reward an IOC member. These times begin generally upon the selection of a city as the United States candidate city. Before then, the audience a bid committee might seek to influence consists of USOC members. A bid or organizing committee may also seek to reward an IOC member for a favorable vote following that committee's selection as the host city. The Commission, therefore, recommends that the USOC prohibit a bid or organizing committee from participating in any process that provides assistance to IOC members, their designees or international organizations during the following times: (1) when the bid or organizing committee is competing as the United States candidate city, (2) when an organizing committee is operating as the host city of the Olympic Games, and (3) two years after the organizing committee has ceased to operate as the host city of the Olympic Games.

2 The USOC should apply strictly its criteria for providing grants under the International Assistance Fund.

The Commission recommends that the USOC continue to support the development of international athletics through the IAF. The USOC must, however, strictly enforce the criteria and procedures that it has put in place to administer the IAF. To ensure that any benefit to an IOC member's country from an IAF grant is incidental, rather than contrived, the Commission recommends that the USOC erect a wall between United States candidate cities and those entities or officers involved in the expenditure of IAF grants. The Commission also recommends that the USOC enact procedures to audit the IAF grants to ensure that the grants reach the intended beneficiaries.

3 The USOC should create an independent Office of Bid Compliance.

The Commission recommends that the USOC create a new USOC office entitled the "Office of Bid Compliance," with a Director of Compliance in charge of that office. This office should have primary oversight of the bid processes for both bid cities and candidate cities. The Director's duties should include, *inter alia*, providing authoritative interpretation of the bid rules and procedures. The USOC should ensure that the Office of Bid Compliance is appropriately staffed and funded, at such time as needed. The Office of Bid Compliance should report to the Board of Directors on the Office's activities.

4 The USOC should strengthen its Bid City Contract and Bid Procedures Manual.

The Commission recommends that the USOC strengthen the contracts it enters into with bid cities (the "Bid City Contracts") as well as the rules and procedures of the USOC Bid Procedures Manual (the "USOC Manual"), which govern the candidate city selection process. The Commission recognizes a gap in the enforcement mechanisms available to the USOC under the current set of rules and instructions. Future Bid City Contracts should provide the USOC with unambiguous authority to enforce the rules applicable to the bidding process. In addition, the Commission recommends the following:

- Strengthen the language of the USOC Manual to state that the promulgations are "rules." The USOC should ensure that the bid cities understand that the provisions are binding, enforceable rules that must be followed.

- Require each bid city to execute a certification acknowledging the provisions in the USOC Manual and Bid City Contract to be binding obligations and agreeing to be bound by those provisions, including any sanctions arising from a violation of them.

- Make the USOC's rules governing bid cities effective on the date a bid city files with the USOC its letter of intent to bid or executes a Bid City Contract, whichever occurs first. The rules and procedures embodied in the Manual and Contract should remain in effect until the USOC selects a bid city to become the United States candidate city, at which time the candidate city shall enter into a contractual agreement with the USOC.

- Require each bid city to send, at a minimum, the two highest ranking officials of its bid committee, whether volunteer or paid, to a training seminar sponsored and conducted by the USOC where the bid rules and procedures will be reviewed and explained in detail.

- Prohibit a bid city from participating in any NOC assistance program or any other such scholarship or assistance programs. The Manual

should also ban bid cities, and their senior staff and volunteers, from engaging in financial commitments with IOC, IF, or NOC members, officers or employees. All things of value, including services, provided by bid cities or persons acting on their behalf to individual members of IFs, NOCs, or the IOC should be immediately disclosed to the Office of Bid Compliance.

- Prohibit a bid city from paying or reimbursing directly the travel or accommodation costs incurred by the Site Evaluation Task Force. Each bid city would be required to send to the USOC with its application a deposit in an appropriate amount to be determined by the USOC to cover the expenses of (1) the Site Evaluation Task Force that is charged with visiting and evaluating the each city's bid and (2) the technical delegates sent to a bid city for the purpose of evaluating the bid city's facilities. The USOC should cooperate with a bid city and the bid city's sponsors in making travel or accommodation plans for visits to the bid city by the Site Evaluation Task Force or technical delegates during the bid process.

- Prohibit bid cities or persons acting on behalf of bid cities from incurring any expense of more than minimal value, as defined by the Office of Bid Compliance, on behalf of a USOC official or any person accompanying a USOC official during any visit to a bid city during the bid process, even though such a visit may not be connected to the bid.

- Prohibit bid cities or persons acting on behalf of bid cities, without prior approval of the Office of Bid Compliance, from hosting or sponsoring a reception, suite, booth, exhibit or comparable area, or organizing any gathering, event, or banquet, during any official USOC meeting, including the USOC Board of Directors meeting.

- Prohibit bid cities or persons acting on behalf of the bid cities, from giving any gift, service or item of more than minimal value, as defined by the Office of Bid Compliance, to any director, official, employee, agent, or other affiliated person of the USOC or a member organization of the USOC, including any such person's relatives, guests, companions, or blood relation, regardless of the purpose of such gift, service or thing of value.

- Require bid cities to report, in writing, to a designated office within the USOC a request or solicitation by any director, official, employee, agent or other affiliated person of the USOC or one of its member organizations, to the bid city for any gift, service or item of value, regardless of the purpose of such gift, service or thing of value.

- Require a bid city to adopt the USOC's conflict of interest policy, including a requirement that the bid city's officers and staff complete a USOC conflict of interest disclosure form. The bid cities should provide copies of those conflict of interest policies and disclosure forms to a designated office within the USOC. The bid cities must retain the conflict of interest disclosure forms for a period of at least five years after the USOC reaches a final decision on the bid.

- Require the financial books and records of bid cities to be audited by an independent auditor and to disclose publicly a report from the independent auditor.

- Provide the USOC with the right to an independent audit of a bid city's books and records at any time as the USOC reasonably selects, the cost of such an audit to be borne by the USOC.

- Require each bid committee to maintain complete and accurate books and records of all receipts, assets, liabilities and expenditures and to retain such books and records in accordance with applicable state and federal law and for a period of at least five years after the USOC reaches a final decision on the bid.

- Give the USOC a right of access, without subpoena, to a bid city's books, records, documents and other objects in the possession, custody or control of the bid committee regardless of the pendency of any investigation, criminal or otherwise. The cost of such inspection or production is to be borne by the USOC.

The USOC should promulgate parallel provisions prohibiting the receipt of such items.

- Prohibit the directors, officers, staff and volunteers of the USOC as well as its member organizations, including spouses and blood relatives, from receiving anything of value, including services, of more than minimal value, as defined by the Office of Bid Compliance, from a bid or candidate city or persons acting on behalf of a bid or candidate city.

- The directors, officers, staff and volunteers of the USOC as well as its member organizations should be required to disclose, in writing, to the Office of Bid Compliance any gift, service or item of value, regardless of its purpose, provided or offered to such persons, including spouses and blood relatives, by a bid or candidate city or persons acting on behalf of a bid or candidate city.

- The USOC should retain all relevant records regarding gifts or conflicts of interest for a period of at least five years.

5. The USOC should strengthen its Candidate City Agreement for the Olympic Games to conform to the requirements recommended for the USOC Manual and the Bid City Contract.

The USOC and the candidate city enter into an agreement immediately after the USOC selects the candidate city to compete for the right to host the Olympic Games. The Commission recommends that the candidate city contract incorporate all of the applicable recommendations made by Commission related to the Bid City Contract and the USOC Manual. In addition, the candidate city contract should continue to incorporate by reference the rules and procedures embodied in the Olympic Charter and its By-Laws as well as the USOC Constitution and its By-Laws.

In addition, because the Olympic and Amateur Sports Act obligates the USOC to exercise "exclusive jurisdiction" over the organization of the Olympic Games when held in the United States, the candidate city contract must clearly articulate this statutory standard

and provide the USOC with the ability to exercise such exclusive jurisdiction. To fulfill this statutory obligation, the Commission recommends that the USOC include the following provisions in its candidate city agreements as well as any host city agreement entered into between the IOC, the USOC and the OCOG:

- Regular certifications to the USOC by candidate cities that all applicable rules have been and will be followed.
- The candidate or host city contract should require the approval of the USOC in the hiring and firing of the two employees comparable to Chief Executive Officer and Chief Financial Officer of the candidate city's bid committee and the host city's organizing committee. In addition, those contracts should provide the USOC with the right to place a senior staff person on the candidate city's bid committee and the host city's organizing committee. The cost of this senior staff person shall be borne by the USOC.
- The USOC should attach conditions to funds provided by the USOC to the bid committee of a United States candidate city or to an organizing committee to ensure that the funds are used for proper purposes. The USOC should require the bid committee or organizing committee to certify annually the purpose(s) served by those funds.
- The USOC should require the candidate city, with the advice and consent of the USOC, to retain the services of an independent accounting firm. The candidate city must require any such accounting firm to provide management letters on at least an annual basis and to

forward to a designated office within the USOC all such management letters.

B. Recommendations for the IOC

The rationale behind the governance changes proposed by the Commission is that the integrity of the Olympic Movement must be restored and protected. Reform and restoration will be effective only if they include the entire Olympic Movement. For too long, the IOC has tolerated the culture of improper gift giving, which affected every city bidding for the Olympic Games.

The Commission's call for reform is rooted in the concept of fair play. Competition should not be weighted in favor of a city that spends the most on IOC members. The selection process should be free of improper influence on IOC members and should be made, instead, on the basis of which city can best stage the Olympic Games.

1. The IOC should make structural changes to establish its accountability to the Olympic Movement and to the public.

As recent events have made clear, some IOC members have improperly used their positions for personal benefit. This is, in part, a result of the absence of accountability of IOC members to the public, to their national governments, or to their NOCs. Given the absence of accountability inherent in the IOC's governing structure, together with the massive amounts of money generated by the Olympic Movement in recent years, what happened in Salt Lake City and in other host cities is not surprising. The Commission urgently recommends that the IOC institute the following reforms:

- A substantial majority of IOC members should be elected by the NOC for the country of which they are citizens, by the IFs, and by other constituent organizations. There should be athlete members selected by athletes. There should be increased members from the public sector who represent the interests of the public.

- IOC members and leaders should be subject to periodic re-election with appropriate term limits.

- The Olympic Charter should be revised to discontinue the interlocking directorates between an IOC member and the NOC or OCOG of that member's home country.

- The IOC should engage an independent auditor and disclose publicly, at least yearly, the IOC's audited financial statements.

- The meetings of the IOC and its committees should be open to the public whenever possible.

- The IOC should implement and enforce a comprehensive conflict of interest policy.

- The IOC should require IOC members to disclose promptly to the Office of Compliance all gifts (whether in the form of money, goods or services) offered to the member, whether accepted or declined, by anyone acting on behalf of candidate cities, host cities or NOCs.

- The IOC should create an independent Office of Compliance within the IOC to enforce its rules governing the relationship between candidate cities and IOC members. That office should provide authoritative and public interpretations of those rules. The IOC should ensure adequate funding and staff for this office.

2. The IOC should strengthen its Bid Procedures Manual governing the selection of host cities.

The Commission recommends that the IOC strengthen its rules and procedures governing the interaction between IOC members and candidate cities. In particular, the Commission recommends the following changes:

- The IOC should strengthen the language of its Bid Procedures Manual to state that the promulgations are contractually enforceable "rules." That is, the IOC should ensure that the candidate cities understand that the provisions in the Bid Procedures Manual are binding, enforceable rules that must be followed.

- IOC members should be permitted to visit candidate cities during the selection process, *provided that* all expenses of such visits are borne by the IOC or by the IOC member personally.

- The IOC should prohibit candidate cities from paying or reimbursing directly the travel or accommodation expenses of IOC members. The IOC should require candidate cities to include in their bid applications a deposit in an amount to be determined by the IOC sufficient to cover the expenses of the IOC's site selection members, technical delegates and senior representatives to the IFs to travel to and stay in the candidate cities for purposes of inspection and evaluation of proposed Olympic venues. Any amount of the deposit not used by the IOC for such expenses shall be refunded to the candidate cities.

- The IOC should prohibit a candidate city or persons acting on behalf of a candidate city from directly or indirectly giving any gift, service or item of value other than of minimal value, as defined by the Office of Compliance, to any IOC member, official or agent of the IOC or to any such person's relatives, guests, companions, or blood relations, or any third party acting for such person.

- The IOC should prohibit the direct or indirect receipt by any IOC member, official, agent or relative, guest, companion, blood relation or

third party acting for said person, of any gift, service or item of value, other than of minimal value, as defined by the Office of Compliance, from a candidate city or any persons acting on behalf of a candidate city.

- The IOC should prohibit a candidate city or person acting on behalf of a candidate city from participating in any NOC assistance program or any scholarship or other assistance programs during the site selection process and for at least two years after the site selection decision.

C. Joint Recommendations for IOC and USOC

1. We encourage the IOC and the USOC to consider taking the steps necessary to designate the IOC as a "public international organization" pursuant to the Organization For Economic Cooperation and Development's Recommendation on Combating Bribery in International Transactions, and pursuant to the Foreign Corrupt Practices Act.

There is currently no effective law directly applicable to the relationship between candidate cities and the IOC. In the United States, the Foreign Corrupt Practices Act (the "FCPA") is available to law enforcement to combat official corruption in international business transactions. In practically every instance, the IOC members were not acting in the role of a foreign official when they were offered or solicited things of value. Rather, they were acting in their capacities as members of the IOC, a private entity, albeit acting in a quasi-public capacity. If this remains the state of the evidence, their conduct would fall outside the jurisdiction of the FCPA.

In 1994, however, the Organization for Economic Cooperation and Development ("OECD") adopted a Recommendation on Combating Bribery in International Business Transactions. The OECD is based in Paris and is committed to an open market, economic democratic pluralism, and respect for human rights. The OECD provides governments with a setting to discuss, develop and perfect economic and social policy.

This type of interaction between governments led to the OECD Recommendation on Combating Bribery in International Business Transactions. This

Recommendation led to the adoption of a uniform and global approach to deterring foreign corrupt practices. On December 17, 1997, thirty-four nations, including all members of the European Union, adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the "OECD Convention"). Those thirty-four nations are Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, the Republic of Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Switzerland, Sweden, Turkey, the United Kingdom, and the United States. Of the twenty-one nations that have hosted or are scheduled to host the Olympic Games, nineteen are signatories to the OECD Convention. Only the cities of Moscow and Sarajevo are located in countries that are not signatories to the Convention. The Convention entered into force on February 15, 1999.

The OECD Convention calls for the signatories to that Convention to enact in their countries' antibribery laws a definition of "foreign public official" that includes "any official or agent of a public international organization." The United States Congress enacted the OECD's Convention in the 1998 Amendments to the FCPA. Under the FCPA, as amended, the President of the United States may issue an Executive Order designating a "public international organization" as subject to the FCPA's prohibitions. We, therefore, encourage the USOC to consider requesting the issuance of a presidential Executive Order that names the IOC a "public international organization" within the meaning of the FCPA.

Such an Order would make bribery of an IOC member a crime punishable under the FCPA and put United States citizens on notice in unmistakable language that the FCPA applies to improper efforts to influence IOC members during the site selection process.

The Commission recognizes that if the President designates the IOC as a public international organization, without comparable action by other governments, United States candidate cities bidding in the future could be placed at a competitive disadvantage. Accordingly, any action by the President should occur in consultation with other governments to ensure a level playing field.

We also encourage the IOC to consider requiring a prospective host country of the Olympic Games to denominate the IOC as a public international organization under its laws pursuant to the OECD Convention. This proposal will truly level the playing field for all competing cities. It eliminates graft as in indispensable part of the bid process. It says to all countries that improper gift giving will no longer be part of the Olympic Movement. The effect of this recommendation would be limited to a defined subject that is exclusively international and applicable only in the limited context of competitions to host the Olympic Games.

V. Conclusion of the Commission

We are convinced that the integrity of the Olympic Movement can be restored through the acceptance of responsibility and aggressive reform at every level of that Movement. IOC, USOC and SLOC must recognize that true accountability for this mess does not end with the mere pointing of the finger of accusation at the day-to-day executors of the scandalous conduct. Those responsible for the Olympic trust should have exercised good management practices, should have inquired into the purpose and propriety of programs, should have followed expenditures and should have set a proper framework for those competing to host the Games.

Timely, aggressive reform goes hand-in-hand with acceptance of responsibility. It is the true measure of commitment. Each Olympic entity has pledged to reform. The seriousness of that commitment and the credibility of the Olympic Movement turn on the extent to which that reform is undertaken. The Olympic flame must burn clean once again.

William J. Hybl
President

January 6, 1999

George J. Mitchell, Chairman
USOC Special Bid Oversight Commission
c/o Verner, Lippfert, Bernhard, McPherson & Hand
901 15th Street N.W., 7th Floor
Washington, D.C. 20005

Dear Senator Mitchell:

On behalf of the United States Olympic Committee, I want to thank you for agreeing to chair the USOC's Special Bid Oversight Commission (the "Special Commission"). Ken Duberstein, Don Fehr, Roberta Ramo and Jeff Benz have agreed to serve with you. Messrs. Duberstein and Fehr will act as your Vice Chairs. We may name a sixth member of the Special Commission within the next two weeks.

As you know, allegations regarding improprieties in IOC-controlled bid processes have been the subject of significant press coverage and public reaction. Most notably, it has been alleged that the Salt Lake City Bid Committee for the Olympic Winter Games (the "Salt Lake City Bid Committee") provided IOC members with gifts and other personal benefits in order to influence the selection process for the 2002 Olympic Winter Games. The specific allegations include:

- The awarding of "scholarships" and grants totaling over $400,000 to 13 individuals, six of whom are directly related to IOC members who voted in the site selection process for the 2002 Olympic Winter Games.
- Up to $35,000 in healthcare services provided to individuals with IOC connections.
- Gifts in excess of published IOC policies to IOC members by the Salt Lake City Bid Committee, as well as requests for such gifts from IOC members.
- Jobs and favors awarded to relatives of IOC members in Salt Lake City through various government agencies.

The IOC and SLOC have each appointed committees to investigate the allegations. The IOC committee is chaired by Dick Pound, a current IOC officer and Executive Board member. SLOC referred the issue to its existing ethics committee. In addition, the U.S. Department of Justice has also announced that it is investigating.

To a lesser extent, public allegations have also surfaced regarding the process surrounding the USOC's selection of a candidate city for the 2002 Olympic Winter Games. The specific allegations include attempts to influence the USOC Site Selection Task Force during its work in the selection of America's candidate city for the 1998 Olympic Winter Games, and later, the 2002 Olympic Winter Games awarded to Salt Lake City.

The Special Commission has been appointed because the USOC has a number of important interests that must be protected in relation to the alleged bid process improprieties. These include:

- The critical importance of the integrity of the Olympic Movement to the USOC and its ability to develop and train U.S. Olympic athletes.

- Pursuant to the Ted Stevens Olympic and Amateur Sports Act and the Olympic Charter, the USOC is responsible for the conduct of the Olympic Games when held in the United States and has general oversight responsibility for the Olympic movement in the United States.

The USOC wishes to ensure that any Olympic bid process involving an American city is fair and beyond reproach. The Special Commission is charged with the task of reviewing the circumstances surrounding Salt Lake City's bid to host the Olympic Winter Games, with a view to improving the policies and procedures related to bid processes. We ask that you report your findings and recommendations to the President of the USOC on or before February 28, 1999, with your report to include such recommendations as you deem appropriate. We are particularly interested in any recommendations the Special Commission may have concerning the USOC's Bid Procedures Manual and procedures for ensuring compliance therewith.

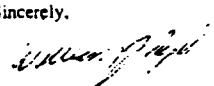
In undertaking your review, you will be free from the control of the USOC, its board of directors, officers and management. You are authorized to make any inquiry which you deem pertinent to the question of whether any U.S. bid city has engaged in inappropriate conduct. We do, however, request that you implement procedures to ensure the confidentiality of your deliberations, findings and recommendations.

As we have discussed, the USOC's General Counsel (Scott Blackmun) has commenced an internal and confidential review of whether any USOC staff members or volunteers have engaged in inappropriate behavior relating to any bid process. If you conclude that you want access to any

information or documents in the possession of the USOC, its staff or volunteers, we ask that you work through Scott in order to avoid duplicative efforts. Scott will also serve as your staff liaison.

Rest assured that you will have our full cooperation, and thank you for your assistance.

Sincerely,



William J. Hybl

cc: Bid Commission Members
USOC Officers
Bill Ide, Esquire/USOC Counselor
Scott Blackmun, Esquire/USOC General Counsel

MEMBERS OF THE COMMISSION AND ITS COUNSEL

Senator George J. Mitchell: The Chair of the Commission is George J. Mitchell, former Majority Leader of the United States Senate. In 1997, Senator Mitchell was appointed to serve as the Chair of the USOC's Ethics Oversight Committee. Senator Mitchell has no other connection to the USOC.

Kenneth M. Duberstein: One of the Commission's Vice Chairs is Kenneth M. Duberstein, Chairman of The Duberstein Group in Washington, D.C., and former White House Chief of Staff for President Reagan. In 1997, Mr. Duberstein was appointed to serve as Co-Chair of the USOC's Ethics Oversight Committee. Mr. Duberstein has no other connection to the USOC.

Donald Fehr: The second Vice Chair of the Commission is Donald Fehr, Executive Director and General Counsel of the Major League Baseball Players Association. In 1997, Mr. Fehr became a member of the USOC's Board of Directors as a representative from the public sector, a position required by the Olympic and Amateur Sports Act. Members from the public sector are individuals with no affiliation or association with any amateur sports organization, who represent the interests of the American public in the USOC's activities.

Roberta Cooper Ramo: Roberta Cooper Ramo, Esquire, is a partner in the law firm Modrall, Sperling, Roehl, Harris & Sisk, P.A., in Albuquerque, New Mexico Ms. Ramo is a former President of the American Bar Association. Ms. Ramo had no prior relationship with the USOC.

Jeffrey G. Benz: Jeffrey G. Benz, Esquire, is an attorney in the San Francisco office of the law firm Coudert Brothers. Mr. Benz is a former national champion figure skater and member of the United States Figure Skating Team. In 1997, Mr. Benz became a member of the USOC's Board of Directors as a representative of the Athletes' Advisory Council. Mr. Benz is the athlete representative on the Commission. Current or former elite athletes must constitute at least 20% of all USOC-affiliated committees.

Richard A. Hibey, Winston & Strawn: The Commission retained Richard A. Hibey, Esquire, a partner in the Washington, D.C. office of the law firm Winston & Strawn to act as its Counsel. Neither Mr. Hibey nor Winston & Strawn had any prior relationship with the USOC.

Document Number: 120218.1

TIME LINE OF MILESTONE EVENTS IN THE SELECTION OF SALT LAKE CITY AND THE APPLICABLE GOVERNANCE

DATE	EVENT	APPLICABLE GOVERNANCE
1998-June 3, 1989	Successful campaign by SLOBC to be the United States candidate city for the 1998 and 2002 Winter Games	IOC: Olympic Charter and By-Laws USOC: USOC Constitution and By-Laws; Memorandum from Baaron Pittenger, then-Executive Director of USOC, to USOC Executive Board members, National Governing Body Presidents and executive Directors, and Office Administrators SLOBC: None
June 4, 1989 - June 15 1991	SLOBC unsuccessful campaign to be the host city for the 1998 Olympic Games	IOC: Olympic Charter and By-Laws USOC: USOC Constitution and By-Laws; June 3, 1989 USOC Executive Board Resolutions; USOC Statement of Principles, Ethical Behavior and Conflict of Interest Policy (adopted Oct. 1990) SLOBC: Candidate city agreement between USOC and SLOBC (March 21, 1990) (incorporates by reference IOC Charter and By-Laws, USOC Constitution and

DATE	EVENT	APPLICABLE GOVERNANCE
		By-Laws, and USOC Executive Board resolutions of November 1988 and June 1989 respecting the bid city selection process designation of the United States candidate city for the 1998 Winter Games)
June 16, 1991 - June 15, 1995	SLOBC successful second campaign to be the host city of the 2002 Winter Games	**IOC:** Olympic Charter and By-Laws, IOC Bid Procedures Manual (effective March 23, 1994) **USOC:** USOC Constitution and By-Laws; USOC Statement of Ethical Principles and Conflict of Interest Policy **SLOBC:** Candidate City Agreement Between USOC and SLOBC, as amended on February 8, 1993 (no material changes from initial Candidate City Agreement); Code of Ethics covering Board Members, Officers and Employees of SLOBC and SLOBC Conflict of Interest Disclosure Statement (1993)
June 16, 1995 - present	Transformation from SLOBC to SLOC and eruption of scandal	**IOC:** Olympic Charter and By-Laws; Recommendations by the IOC's Executive Board on host city selection process.

DATE	EVENT	APPLICABLE GOVERNANCE
		USOC: USOC Constitution and By-Laws; USOC Bid Procedures Manual (effective November 5, 1997) **SLOC:** Host City Agreement between IOC, USOC and SLOC (June 16, 1995); SLOC Code of Ethics; SLOC Board of Ethics recommendations

GOVERNANCE APPLICABLE TO IOC, USOC AND SLOBC/SLOC

I. Rules Applicable During the Site Selection Process to Become the United States Candidate City for the 1998 Winter Games (1988-June 3, 1989)

Between 1988 and June 3, 1989, Salt Lake City competed against four other United States cities to become the United States candidate city for the 1998 Winter Games. Those four cities were: Anchorage, Alaska; Denver, Colorado; Klamath Falls, Oregon; and Reno-Tahoe, Nevada. Other than the Olympic Charter, the International Olympic Committee ("IOC") had no rules governing gift giving by these bid cities. The United States Olympic Committee ("USOC") had such rules, but they may not have been communicated to all members of the USOC's Board of Directors or the bid cities. The Salt Lake Olympic Bid Committee ("SLOBC") had no rules.

A. IOC Governance During USOC's Selection of Salt Lake City as a Candidate City

Before March 23, 1994, the formal source of IOC governance related to limitations on expenditures and gifts by bid cities on IOC members was the Olympic Charter. In general, the Olympic Charter governs the organization and operation of the Olympic Movement, and stipulates the conditions for the celebration of the Olympic Games.

There is no provision in the Olympic Charter that directly governs limitations on expenditures or gifts by candidate cities. Instead, the Olympic Charter contains general pronouncements on the ethical obligations of its members. Upon admission, for example, IOC members take an oath obligating them, among other things,

to remain "free from any political or commercial interest." The Olympic Charter contains a general conflict of interest provision, which states that IOC members "may not accept from governments, organizations, or other legal entities or natural persons, any mandate liable to bind them or interfere with the freedom of their action and vote." The Olympic Charter also imposes an honor code on its members, obligating them to inform the IOC President, without delay, of all events liable to hinder the application in their country of the Olympic Charter or otherwise affect the Olympic Movement, whether occurring within the member's particular National Olympic Committee ("NOC") or outside it. The sole remedy available to the IOC for an IOC member who violates the Olympic oath or Charter is expulsion from the IOC, which requires two-thirds approval of the IOC members. The IOC also possesses the authority to withdraw the Olympic Games from a host city if the host city, its organizing committee or NOC violates any of the IOC's prescribed rules.

B. USOC Governance During USOC's Selection of Salt Lake City as a Candidate City

The USOC provided rules on limitations of expenditures and gifts by bid cities competing to become the United States candidate city. Before June 1989, the USOC's corporate governance addressed the receipt of gifts by USOC members, but did not set forth a detailed conflict of interest policy. With regard to the receipt of gifts, at the June 11, 1988 meeting of the USOC Administrative Committee in Chicago, the USOC adopted the "USOC Corporate Governance and Financial Policies With Respect to the

Corporation and Individuals (officers, members, volunteers and staff)" (the "USOC Policies"). These Policies included a provision that prohibited the receipt of gifts by an individual that exceeded $25 in value, and provided that any gifts in excess of that amount were to be promptly remitted to the USOC's Office of Executive Director. At the same time, the USOC Policies allowed its members to provide gifts of nominal value to IOC members as custom dictated, provided those "gifts were not lavish or given in the expectation of a *quid pro quo*." It is not clear, however, that the USOC effectively communicated the content of these Policies to members of the USOC's Board of Directors.

The USOC also enacted rules related to limitations on expenditures and gift-giving by bid cities competing to become the United States candidate city. To assist the USOC during the site selection process, the USOC appointed a seven-member Site Inspection Team. The materials in the possession of the Site Inspection Team include a document that purports to contain the rules for bid cities, including the following: "The USOC has determined that gifts made by or on behalf of candidate cities to USOC members should be limited to documentation relating to the city's candidature and to souvenirs. Therefore, gifts of value are not permitted." It is not entirely clear, however, that the Site Inspection Team distributed those rules to all of the bid cities or in what manner they were communicated to any bid city.

There is no dispute that the Site Inspection Team communicated to Salt Lake City and other bid cities its intent to recommend resolutions to the USOC Board of

Directors governing gifts by bid cities to USOC members. At a bid city seminar held on March 23, 1989, which representatives from Salt Lake City's bid committee attended, the Site Inspection Team presented proposed rules. The Site Inspection Team informed the bid cities that those proposed rules were "informational only," as the Site Inspection Team lacked the authority to implement them unilaterally. The Site Inspection Team, however, informed the bid cities that it intended to formalize the rules into resolutions for presentation to the USOC's Executive Board at its meeting on June 3, 1989. Among its proposed rules, the Site Inspection Team informed the bid cities that it would propose a resolution requiring disclosure by both bid cities and USOC members of any gifts of value given and/or received.

In addition, during the site selection process, the USOC requested that its members and others not accept gifts of value from bid cities. On April 6, 1989, Baaron Pittenger, then-USOC Executive Director, issued a memorandum that stated, in pertinent part, as follows:

> The Site Selection Committee has done a thorough job of preparing for its task. Among its objectives is a containment of dollars expended by the bid cities as part of their request. The officers applaud that effort, and have asked me to request the membership <u>not</u> to accept paid visits to bid cities between now and the Executive Board meeting in June. The Officers have also specifically requested that members of any USOC organization which [sic] accept a paid trip to a bid city record that fact with my office.

This memorandum is noteworthy for a number of reasons, not the least of which is that it is merely a request and not an order. It is a request not to accept paid visits, but

recognizes that paid visits might very well occur. It is directed to the USOC Executive Board members, National Governing Body Presidents and Executive Directors, and Office Administrators. Although the request does not extend to IOC members, the memorandum evidences that officials within the USOC understood the undue influence that improper gift giving practices might introduce into the site selection process.

C. SLOBC Governance During USOC's Selection of Salt Lake City as a Candidate City

SLOBC had no written Code of Ethics until 1993, and that Code provided only for a ban on the receipt of gifts by SLOBC personnel. There was no rule of any sort regarding limitations on expenditures or the giving of gifts by SLOBC to IOC members, USOC officials or others.

II. Rules Applicable During Salt Lake City's Campaign for the 1998 Winter Games (June 4, 1989-June 15, 1991)

There were few substantive changes to the rules applied by the IOC, USOC or SLOBC to the bid process during Salt Lake City's candidacy to host the 1998 Winter Games. The IOC continued to govern the bid process through the Olympic Charter only, which did not substantively change after Salt Lake City became the United States candidate city.

Although the USOC formally adopted its gift-giving and conflict of interest policies, it enacted no new rules governing the relationships between SLOBC and IOC members. On June 3, 1989, the day before the USOC selected Salt Lake City as the United States candidate city for the 1998 Winter Games, the USOC Executive Board

passed a resolution requiring candidate cities, such as Salt Lake City, to disclose to the USOC Executive Director, in writing, all gifts of value to "Olympic family members." Although as proposed the resolution defined the term "Olympic family members" as Officers, Executive Board, committee members and staff of the USOC and its member organizations, the final resolution adopted by the Executive Board did not define that term. The final resolution defined a gift of value as anything other than commemorative or souvenir items. In proposing and enacting this resolution, the USOC Executive Board recognized that gifts of value from candidate cities to members of the Olympic family undermined the integrity of the USOC and its site selection process. Unlike the rule proposed by the Site Inspection Team in March 1989, the Executive Board limited the reporting requirement to candidate cities only. USOC members did not have to report receiving gifts of value.

In October 1990, the USOC Executive Board approved a statement of Principles, Ethical Behavior and Conflict of Interest policy. This policy required USOC members and key staff personnel to sign conflict of interest disclosure forms. In its policy statement, the USOC Executive Board set forth certain "guidelines" or "signposts" whereby "each individual must find his or her way" in complying with the policy. In the area of gifts, the policy stated that gifts were not to be given or received, except for trading pins or mementos and attending sporting events and social occasions where invitations were open to the public and generally accepted practice. This policy specifically provided that gifts and favors of more than $100 value should not ordinarily

be accepted. If refusal of a gift in excess of $100 value was awkward, the policy instructed USOC personnel to tell the donor that the gift was being accepted on behalf of and will be delivered to the USOC.

In March 1990, SLOBC and USOC entered into an agreement to memorialize obligations to each other during SLOBC's candidacy to host the 1998 Winter Games. In pertinent part, that agreement incorporated by reference the following materials and required SLOBC to comply with their requirements: (1) the Olympic Charter, including its sections on rules, By-laws, instructions, organization of the Olympic games and IOC Commissions; (2) the USOC Constitution and By-Laws; and (3) the resolutions of the USOC Executive Board of November, 1988 (apparently considered as having been passed even though the record on its passage is scant) and June, 1989 respecting the bid city selection process designation of the United States candidate city for the 1998 Winter Games. In that agreement, the USOC obligated itself to support SLOBC for an uncontested second designation as the United States candidate city for the 2002 Winter Games.

III. Rules Applicable During SLOBC's Campaign for the 2002 Winter Games (June 16, 1991-June 15, 1995)

A. IOC Governance During SLOBC's Second Campaign

In addition to the obligations placed upon IOC members by the Olympic Charter, the IOC adopted formal provisions placing obligations upon both IOC members and bid cities during IOC's selection process for determining a host city of the 2002

Winter Games. The IOC distributed these procedures in a publication entitled, "Manual for Cities Bidding to Host the XIX Olympic Winter Games" (the "IOC Manual"). The IOC prepared its Manual "to ease the task of cities bidding to host the Olympic Winter Games in 2002, and to save them unnecessary time and effort." The procedures contained in the IOC Manual took effect on March 23, 1994.

Although the IOC Manual set forth procedures related to expense limitations, it inconsistently referred to them as "guidelines" and "rules." In the Preamble, for instance, the IOC Manual stated that the first Part of the Manual set forth "some guidelines" related to the bid cities' promotional campaigns. In the first Part, however, the IOC Manual stated that the "[i]nstructions" to bid cities on expense limitation contained "basic rules which must be followed."

The IOC Manual provided for two phases in the bid process for the 2002 Winter Games. During Phase 1 of the bid process, the period from March 23, 1994 through January 23, 1995, the IOC selected four finalist cities (the "finalist cities"). During Phase 2 of the bid process, the period from January 24, 1995 through June 16, 1995, the IOC evaluated the bids of the finalist cities and selected the host city for the 2002 Winter Games. Different rules on expense limitations and gifts applied during these two Phases.

During Phase 1, the IOC attempted to limit the contact between IOC members and candidate cities. The IOC prohibited candidate cities from visiting IOC members in their home countries. Likewise, aside from exceptional circumstances, the

IOC prohibited candidate cities from inviting IOC members to visit the cities. If an IOC member made a trip to or spent time in a candidate city during Phase 1, the IOC prohibited bid cities or their supporters from paying the IOC member's travel, accommodation and other expenses. In exceptional circumstances, however, the IOC allowed a candidate city to pay for the travel and accommodation expenses, provided that the candidate city obtained the prior agreement of the IOC's Executive Board.

The IOC applied similar rules to other IOC officials during Phase 1. For example, to assist the IOC members in selecting a host city, the IOC sent an Evaluation Commission to each candidate city. As part of this visit, the IOC agreed to pay for the international travel expenses of the Evaluation Commission, but required each candidate city to bear the costs of room and board for the Evaluation Commission's members during their stays in the candidate cities. The IOC did not place any limit on the amount of these room and board expenditures by candidate cities. The IOC also allowed candidate cities to organize visits during Phase 1 by technical delegates or senior representatives of the International Federations if such visits were necessary to prepare the bids. Although the IOC cautioned that such working visits should not be the occasion of special receptions or social events, it placed no limits on a candidate city's expenditures during such visits.

The IOC Manual set forth a general limitation on gifts during Phase 1. The IOC prohibited candidate cities, as well as third parties acting for them or on their behalf or in their favor, from giving any IOC members, as well as their blood relations, relatives by marriage, guests or companions, any presents, liberalities or direct or indirect benefits,

other than souvenirs or small presents, in excess of $50 (or equivalent, retail price) "per person." The IOC excluded from that $50 limit the following items: the cost of candidature files and accompanying documents; reception expenses; and the international travel and accommodation expenses borne by the candidate cities on the occasion of visits. These gift provisions did not distinguish between voting and non-voting members of the IOC.

During Phase 2, the IOC set a different set of rules for four finalist cities governing expenditures for and gifts to IOC members and other officials. The IOC authorized IOC voting members to make one official visit to each finalist city for the ostensible purpose of evaluating the merits of a particular bid. The IOC allowed the finalist cities to cover the international travel (non-refundable, first-class air fare) and accommodation expenses of each IOC voting member and a single companion for such visits. Other than a limit of three days for any such visit, the IOC set no limit on the expenditures by a finalist city on the international travel and accommodation expenses of the IOC voting members and their companions.

The IOC also authorized candidate cities to send two representatives to the home countries of those IOC members who did not visit the candidate cities. The IOC required the candidate cities to inform the IOC of any such visits. The IOC set no limits on the accommodation or reception expenses a candidate city might expend on an IOC member during this visit.

As with Phase 1, the IOC Manual set forth a general limitation on gifts during Phase 2, except that the limit was raised from $50 to $150 "per person." The gift provisions during Phase 2 did not distinguish between voting and non-voting members of the IOC.

B. USOC Governance During SLOBC's Second Campaign

The USOC made no pertinent changes to its rules governing the bid process by United States candidate cities seeking to host the Olympic Games during Salt Lake City's second campaign to host the Winter Games. In February 1993, SLOBC and the USOC amended their candidate city agreement to incorporate the 1992 edition of the Olympic Charter as well as the 1992 Edition of the USOC Constitution and Bylaws. Neither of those revised editions materially changed the rules related to the bid process.

C. SLOBC's Governance During Its Second Campaign

In 1993, SLOBC enacted a "Code of Ethics Covering Board Members, Officers, and Employees of the Salt Lake City Bid Committee for the Olympic Winter Games" (the "SLOBC Code of Ethics") as well as the "Salt Lake Olympic Organizing Committee for the Olympic Winter Games of 2002 Conflict Disclosure Statement" (the "SLOBC Conflict Disclosure Statement"). The SLOBC Code of Ethics covers numerous issues, including, *inter alia*, impartiality, the treatment of confidential information, duties of disclosure, the avoidance of various conflicts of interest, and the creation of a Board of Ethics. According to the SLOBC Code of Ethics, SLOBC designed it to uphold the principles of the Olympic Movement, ensuring that all members, officers and employees

act impartially, not for private gain, and with full disclosure of any potential conflicts of interest.

The SLOBC Code of Ethics also includes a section on "Gifts and Favors." This section prohibits Board Members, Officers and employees of SLOBC from accepting a gift if it tended to influence such persons in the discharge of their duties. This gift-receiving policy excepted from its coverage an occasional non-pecuniary gift having a value of less than $250.00. Thus, the SLOBC Code of Ethics applies only to the receipt of gifts; it does not address the giving of gifts or favors to others, including IOC members, members of the USOC's Board of Directors, NGB officials, or IF officials.

IV. Rules Applicable to Future United States Bid and Candidate Cities

A. IOC governance related to future candidate cities

On January 24, 1999, the IOC's *ad hoc* Commission issued its Report to the IOC Executive Board. That Report contained recommendations on reform for IOC's bid process to select the host city of the Olympic Games. The primary recommendation in that Report focused on eliminating visits by IOC voting members to candidate cities and by representatives of candidates cities to IOC members. Additionally, the IOC *ad hoc* Commission's Report generally recommended that the IOC Executive Committee "immediately adopt new procedures for the selection of the host city for the 2006 Winter Olympic Games."

The IOC Executive Committee accepted the recommendation to eliminate visits by IOC members to candidate cities and vice versa. The IOC Executive Committee

also proposed another reform, namely the creation of a fifteen member "Election Committee" to select the host city for the 2006 Winter Games. The Election Committee would consist of eight IOC members elected by the IOC Session, three athletes designated by the Athletes' Commission, one representative of the International Winter Sports Federations designated by the Association of Winter Sports Federations, one representative of the National Olympic Committees designated by the Association of National Olympic Committees, the dean of the IOC, and the chair of the IOC Evaluation Committee. The Election Committee would be chaired by the President of the IOC, who will not be permitted to vote. The proposal also suggests that no member of the Election Committee shall be an Executive Board Member, an Evaluation Commission member, or an individual from the country of a candidate city. The Executive Committee stated that the use of an Election Committee for the selection of the 2006 Games should be an experiment, with the permanent process for selection of a host city to be determined immediately after the selection of the host city for the 2006 Olympic Games.

B. USOC governance related to future bid and candidate cities

On November 5, 1997, the USOC issued a Bid Procedures Manual (the "USOC Manual"), which set out "guidelines" for cities competing to become the United States candidate city to host the 2012 Summer Olympics. As with the IOC Manual, the USOC Manual separates the applicable rules into two phases: (1) the preliminary phase; and (2) the finalist phase.

During the preliminary phase, the USOC will send a Site Evaluation Task Force to bid cities to review prospective venue sites. In the USOC Manual, the USOC obligated itself to provide air transportation for each member of the Site Evaluation Task Force expected to visit the bid city. The Site Evaluation Task Force's visit in any city may not extend beyond four days. During the Task Force's stay in the bid city, the USOC Manual requires the bid city to provide lodging, meals and ground transportation for each member of the Task Force. The USOC Manual sets no limits on those expenditures by a bid city.

The USOC Manual sets limits on paid visits to bid cities by the USOC Board of Directors. It prohibits the USOC Board of Directors from receiving paid visits to bid cities during the preliminary phase. It also prohibits a bid city from paying for any expense incurred by a member of the USOC Board of Directors in a bid city, even those unconnected to the bid.

During the preliminary phase, bid cities are forbidden from giving members of the USOC Board of Directors any gifts that exceed $50 in value. In the finalist phase of the selection of a bid city to be the United States candidate city, gifts to a USOC Board member may not exceed $150 in value.

C. SLOC governance related to future conduct

In 1995, the IOC, USOC and SLOC entered into a host city agreement. That agreement had no rules related to gift giving by SLOC to IOC members. The contract obligated SLOC to provide a car and driver to each IOC member as well as

guaranteed accommodations, with rates not to exceed $150 for a single room or $200 for a double room, including breakfast.

The SLOC Board of Ethics Report makes nine recommendations for reform. Five of those recommendations are targeted toward SLOC and its attendant operations. The SLOC Board of Ethics Report recommends that SLOC create an ombudsman position to receive employee concerns, undertake a review of SLOC's policies, procedures, and expenditures as well as attempts by the IOC and the USOC to police the interaction with IOC members, and ensure SLOC's compliance with its own proper ethical procedures in the future.

The SLOC Board of Ethics Report also makes four recommendations regarding the bid process generally. First, that Report recommends that the IOC promulgate and enforce rules governing interaction between candidate cities and IOC members. Second, that Report recommends that the USOC promulgate and enforce rules governing the interaction between United States candidate cities, the USOC and the IOC. Third, the Report recommends that candidate cities file expenditure reports with the IOC that detail all expenses paid on behalf of IOC members. Finally, that Report recommends that the IOC and the USOC prohibit candidate cities from participating in assistance programs during the bid process.

Document Number: 118767.1

KING & SPALDING

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DIRECT DIAL:

September 16, 1999

The Honorable Thomas Bliley
Chairman, Committee on Commerce
U.S. House of Representatives
Room 2125
Rayburn House Office Building
Washington, DC 20515-6115

The Honorable Fred Upton
Chairman, Subcommittee on Oversight & Investigations
U.S. House of Representatives
Room 2125
Rayburn House Office Building
Washington, DC 20515-6115

Dear Chairman Bliley and Chairman Upton:

On May 6, 1999, you wrote to William P. Payne, Esq., Co-Chairman of the Georgia Amateur Athletic Foundation ("GAAF"), requesting information regarding GAAF's efforts to win for Atlanta the right to host the 1996 Centennial Olympic Games (the "'96 Games"). On June 1, 1999, Mr. Payne and the Honorable Andrew Young, GAAF's other Co-Chairman, responded to your request with a letter that pledged full cooperation with your investigation and attempted to address the Committee's specific questions. At that time, GAAF also provided the Committee's staff with full access to all documents under the control of GAAF or the Atlanta Committee for the Olympic Games, Inc. ("ACOG"). In their June 1 response, Mr. Payne and Mr. Young noted that GAAF had not completed a comprehensive review of all records. Indeed, in your June 2, 1999 press release you recognized the "preliminary" nature of GAAF's June 1 response. A copy of that press release is attached as Exhibit A.

Members of the Committee's staff subsequently reviewed relevant documents and brought a number of records and questions to GAAF's attention that were not addressed in its initial response. We appreciate the assistance that the Committee's staff has provided in relating to us their concerns and questions regarding information reflected in the documents. On August 2, 1999, we requested an opportunity to file a supplemental response based on a thorough review of relevant documents relating to the bid period between May 1988 when Atlanta was chosen as the U.S. candidate city and September 1990 when Atlanta was chosen to host the '96 Games. As part of our continuing coordination and discussions with the Committee's staff, we also have attempted to collect relevant information from some of the many volunteers who were associated with GAAF during the bid period.

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Based on this document review and series of interviews, we have compiled the supplemental response that is set forth below. The record search and interviews were conducted by lawyers in King & Spalding's Washington office.[1] The records identified in conjunction with your staff as most relevant to the Committee's inquiry were carefully scrutinized.[2] The volunteers whom we interviewed were also selected in conjunction with your staff, and we contacted no IOC members and only a limited number of third parties who may have relevant information about incidents that we identify in this response. Given the volume and difficulty of identifying and interpreting relevant documents, the number of volunteers involved in the bid effort, and the fact that these events took place ten years ago, this is our best effort to describe Atlanta's bid activities. The lawyers who reviewed the records and conducted the interviews remain available to work with the Committee and its staff to attempt to answer any additional questions that may arise.

This supplemental response clarifies and expands upon the initial response, and includes much information over and above the Committee's specific requests.

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1 The lawyers from King & Spalding's Washington office involved in this effort included Theodore M. Hester, J. Sedwick Sollers III, Eleanor Hill, Michael E. Meece, M. Alexander Koch, Anne R. Schott, Thomas A. Monheim, Lynn P. Bailey, and Edward White. Mr. Hester, Mr. Sollers, and Ms. Hill are partners in the Washington office who oversaw this effort. I did not participate in the document review or interviews, but I have discussed the results of these efforts with the lawyers, and I believe that the effort was thorough and accurate, given the necessary time constraints involved. I did structure the reporting format.

2 GAAF and ACOG currently store approximately 4,400 bankers boxes of Olympic-related documents at Pierce Leahy record management company and approximately 1,300 bankers boxes and 160 archive boxes of Olympic-related documents at the Atlanta History Center. All but eight of these boxes have been available to the public since July 19, 1999. One of those eight boxes was subsequently made available to the public on or about August 19, 1999, and the remaining boxes are being released in conjunction with the submission of this response. King & Spalding has worked with GAAF and ACOG employees, the Atlanta History Center archivists, and members of your staff to identify the documents most relevant to the Committee's investigation. In this manner, King & Spalding has identified and reviewed approximately 27 bankers boxes and 49 archive boxes of GAAF and ACOG documents from Pierce Leahy and the Atlanta History Center. The Committee staff has had access to and appears to have reviewed this same set of documents.

1. OVERVIEW

Your May 6 letter states that the Committee seeks to ascertain "whether the regrettable events surrounding the IOC's selection of Salt Lake City were an aberration, or part of a broader pattern or practice associated with other Olympic site selection bids, [or] the structure or operation of the IOC...." As you reflect on that question, we commend to your attention the Salt Lake Olympic Committee's Board of Ethics Report (the "SLOC Board of Ethics Report"), the Report of the Special Bid Oversight Commission (the "Mitchell Report"), the Report to the International Olympic Committee by the Toronto Ontario Olympic Council (the "Toronto Report"), and the Report on the Independent Examination of the Sydney Olympics 2000 Bid (the "Sydney Report"). Those reports, along with this supplemental response, confirm that the system within which the bidding for the Games awarded to Atlanta, Sydney, and Salt Lake City took place encouraged a practice of lobbying IOC members in which excess was inherent.

Quite simply, the competition for the right to host these Games was, in large part, about out-lobbying the competition for the totally independent, subjective votes of IOC members in a system known to welcome generous gifts and travel allowances, lavish hospitality, and personal accommodations. The written rules were often ignored, never enforced, and all the participants knew it. The prize was enormous: hosting the Olympics brought incalculable prestige and potentially billions of dollars in economic impact to the winning city. This was a recipe for trouble, and through what the Mitchell Report referred to as "gift creep," the expenditures escalated in Salt Lake City to money being directed to individual IOC members.

The evidence we have found does not suggest that Atlanta's bid activity involved conduct as excessive as Salt Lake City's. We found no evidence of direct payments of money to IOC members or their relatives or associates that were unrelated to travel reimbursements. What the evidence does show is that Atlanta volunteers gave many gifts and were eager to accommodate IOC members. Furthermore, simple common sense suggests that Atlanta's generous travel program presented a temptation to aggressive IOC members to convert travel benefits to cash. The Toronto Report was particularly noteworthy in its observation that the greatest opportunity for the rules of the bidding system to be abused came in the visits of IOC members to a bid city. The Toronto Report stated:

> The most blatant abuse was the misappropriation of travel expenses and airline tickets on passes advanced by TOOC to IOC members. Our personal observations suggest that at least 18 members and their companions materially benefitted from one or other of the following [four devices pursuant to which cash was derived from or in lieu of airline tickets.]

It is particularly significant that Toronto was a competitor of Atlanta to win the opportunity to host the '96 Games, and that one of the devices described in The Toronto Report could well have involved Atlanta, the other North American bid city. That is the practice of "obtaining combination airline tickets to several bid Cities on a single trip and demanding cash equal to return first class tickets between their countries and each bid City." It is possible that the airline ticket reimbursement process could have been abused in the Atlanta bid. GAAF did not challenge expense reimbursement requests from IOC members whose votes they were trying to secure. Travel benefits that were extended by GAAF to IOC members and related parties are discussed in more detail later in this report.

Atlanta's approach was simply one of marketing, sometimes called "boosterism" in Atlanta, a city that in the late 1980's was only aspiring to be what it has now become -- an "international city." Atlanta, of all the competing cities, had the best technical bid and was ranked by the IOC Evaluation Committee as the best among the competing cities. Most importantly, GAAF firmly believed that it was prepared to offer the best accommodations and support to the athletes. On its merits, Atlanta should have won, but that was not the system. The votes were not necessarily cast on the merits.

2. THE IOC "RULES"

The IOC had specific gift and travel rules relating to bid competitions that are summarized in the document attached as Exhibit B. The stated purpose of those rules was to level the playing field between candidate cities by reducing their overall expenditures. More significantly, within the IOC culture, the rules were widely disregarded. Certainly, if the written IOC rules had been the standard for measuring the propriety of a bid city's expenditures during the 1990 competition, many of Atlanta's expenditures would have been improper. Instead, GAAF volunteers believed during the bid process and continue to believe today that their expenditures were within the bounds of acceptability under the circumstances and were the minimum required to remain competitive with the other bid cities. This was a competition governed by the IOC; the IOC had the responsibility to both write and enforce the rules. While the IOC distributed the written rules, and at various times during the competition admonished the IOC members and candidate cities to follow them, no city or IOC member was disqualified or sanctioned for exceeding the written gift or travel rules. Atlanta was competing against Athens, Belgrade, Manchester, Melbourne, and Toronto. The several cultures of the bidders and the more than 70 cultures of the voting IOC members was the market place. In that market place, Atlanta competed according to its understanding of the IOC's expectations, was policed by the IOC, and was judged to be the winner by the IOC. This was the system employed in 1990 to select the host city for the '96 Games. We do not believe that the so-called IOC rules can be

used as the standard today to determine whether Atlanta's expenditures were proper within that system.

3. ATLANTA'S APPROACH

In your May 6 letter, you asked for information regarding the IOC rules (Question 1), GAAF expenditures related to IOC members, relatives or associated third parties (Question 2), GAAF associates' expenditures of the same nature (Question 3), information regarding each such expenditure (Question 4), and information regarding consultants retained by GAAF (Question 5). The rules and the lack of evidence of direct payments of money (Question 2(a)) have been addressed above. Information regarding consultants is addressed in Section 4.

This section and referenced attachments address questions 2(b), 3, and 4 consistent with our discussions with your staff. To the extent possible, given the lapse of time and the volume of the documents, the attachments to this supplemental response identify expenditures made by GAAF and GAAF associates,[3] as well as the recipient IOC member or members and their relatives or associates.[4] This narrative provides examples of expenditures in various categories but is not intended to be exhaustive. Finally, in keeping with our goal of providing a full picture for the Committee and in line with our discussions with the Committee staff, we have also described some benefits provided to IOC members and related parties that did not result in expenditures by GAAF or any third party related to GAAF.

We have not attempted to catalog all of the many instances in the documents where GAAF volunteers or third parties discussed among themselves providing gifts or services to IOC members or related parties unless we have reason to believe that these suggestions were acted upon or were discussed with the IOC member or related party. To cite just one example that has been sensationalized in the press, in several documents GAAF volunteers recorded comments by third parties suggesting that bid committees could ingratiate themselves to certain IOC members by extending sexual favors. We found no evidence from our interviews or document review

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[3] Please note that we have not attempted to catalog all instances where meals and other forms of hospitality were provided to IOC members. Such items were frequently provided. For example, on more than one occasion in Savannah, representatives of the Atlanta bid committee hosted IOC members aboard a yacht. Also, numerous receptions and dinners were held on behalf of IOC members. These events were frequently funded by the hosts without reimbursement from GAAF.

[4] Please note that we have not attempted to contact any IOC member and we recognize that their recollection of events or other evidence may contradict our references to them.

suggesting that GAAF paid for or promoted the provision of sexual favors to IOC members, or that volunteers were aware of any such effort.

What we distilled from all the documents we reviewed is that GAAF volunteers were told that lobbying for the votes of IOC members was intensively competitive and that each member should be approached on a targeted basis. We believe the GAAF volunteers converted that advice into an aggressive strategy to market Atlanta to IOC members one by one and do anything within reasonable bounds to cultivate winning relationships. A description of their actions follows.

a. Healthcare services

Our review indicates that offering healthcare services to IOC members and their relatives was occasionally contemplated by GAAF officials as a means of attracting IOC members to Atlanta. GAAF volunteers do not believe that GAAF ever incurred any expenditures relating to the provision of these services, nor did we find any evidence of such payment. A GAAF volunteer once offered to arrange to fly an IOC member from Libya to Atlanta for medical treatment. In similar fashion, GAAF volunteers may have offered an IOC member from Morocco and his wife the opportunity to come to Atlanta to receive various surgical services. Likewise, a GAAF volunteer once suggested that GAAF offer an IOC member from Togo the opportunity to visit a heart specialist in Atlanta.

Our review also indicates that healthcare expenditures related to IOC members were incurred or absorbed by third parties. For example, we understand that on at least two occasions, area hospitals and physicians provided necessary medical treatment to IOC members or relatives on a complimentary basis. On another occasion, an IOC member from Russia visited GAAF's President's personal doctor on a complimentary basis during a visit to Atlanta.

Finally, during our review, we identified documents indicating that other healthcare-related expenditures were incurred that were not identified in our initial response. For example, GAAF paid $93.48 for medication taken by an IOC member from Swaziland who went to the hospital after suffering symptoms of heart failure (the $20 worth of x-rays he received while there was discussed in the initial response). These and other similar healthcare services that were discussed with or given to IOC members and related parties are identified in the Healthcare Chart attached as Exhibit C.

b. Employment opportunities

There is no evidence that GAAF ever offered to provide funds to a potential employer of IOC members or related parties, and we did not identify any jobs that were actually filled as a result of efforts by GAAF volunteers. As part of their attempt to develop relationships with IOC members, however, GAAF volunteers were eager to facilitate their job hunting efforts. Instances where it appears from the documents that job referrals or other types of job assistance were discussed with or offered to IOC members or related parties are identified in the Employment Opportunities chart attached as Exhibit D.

c. Athletic training / clinics

GAAF's initial response noted that GAAF made expenditures related to training in the United States for athletes from foreign countries. In one instance described in the initial response, GAAF paid for a swimmer from Mauritius to live and train in Atlanta. This training was arranged by Mayor Andrew Young, who traveled to Mauritius in late 1989. While there, Mr. Young learned of two impressive young swimmers and their need for proper training. Mr. Young agreed to help. GAAF ultimately paid for travel, school, training, healthcare, and other expenses on behalf of one of those swimmers. The school provided a tuition break to the swimmer, and the training facility and host family may also have absorbed or incurred expenses. An IOC member from Mauritius was informed of GAAF's assistance, but did not initiate the arrangement. An itemization of the expenses we believe GAAF incurred in connection with this swimmer's training, and in the training of two teenage tennis players from the Republic of Congo (also described in our initial response) is attached as Exhibit E. These and other training-related GAAF expenditures are reflected in the Athletic Training Chart attached as Exhibit F.

As stated in GAAF's initial response, GAAF volunteers made additional offers to assist foreign athletes who were identified by IOC members. For example, GAAF volunteers offered to send a tennis player associated with an IOC member from Turkey to the same camp attended by the Congolese players, but the tennis player opted not to attend.

In addition to direct expenditures on behalf of athletes from foreign countries, GAAF facilitated efforts by foreign athletes to obtain financial assistance for their training from other sources. This is consistent with Olympic tradition. For example, in response to a personal request by an IOC member from Peru, GAAF helped a team of Peruvian cyclists obtain entry into a USOC training program in Colorado, and similar assistance was provided to a Peruvian shooter. These items are reflected in the Athletic Training Chart.

d. *Sports equipment*

GAAF's initial report described a gift of sports equipment to the Republic of Congo for use in connection with the School and University Games in that country. An itemization and clarification of two separate gifts of sports equipment to the Congo totaling $20,633.88 is attached as Exhibit G. GAAF volunteers also recall that they may have facilitated a donation by a shoe company of 1,500 pairs of shoes to the Congo for use in connection with the School and University Games, but GAAF volunteers do not believe, and we have found no records that indicate that GAAF incurred any expenditures in connection with that donation. Other such items we have identified are reflected in the Sports Equipment Chart attached as Exhibit H.

GAAF received and discussed other requests for assistance obtaining sports equipment from organizations relating to IOC members. However, we have not identified any other equipment-related expenditures by GAAF.

e. *Scholastic assistance*

We have discovered no evidence that scholarships were actually provided to IOC members or related parties during the bid period. During the bid process, however, GAAF volunteers did discuss educational opportunities in the United States with IOC members and related parties. In some cases, GAAF volunteers simply provided information. There are several instances where GAAF volunteers assisted relatives and friends of IOC members in obtaining admission to schools in the United States. In other instances, GAAF volunteers may have offered or attempted to secure financial assistance from U.S. schools for relatives or friends of IOC members. For example, Andrew Young made a spontaneous offer of a scholarship to the daughter of an IOC member from Nigeria. This offer, which apparently was made without prior discussion or arrangement with GAAF or with the school in question, was not accepted. Likewise, GAAF volunteers told an IOC member from Hungary that they could help arrange a tennis scholarship to the University of Georgia for his daughter. The member's daughter ultimately accepted a tennis scholarship to the University of Southern California where she became an All-American. Our review indicates that in another case the son of an IOC member from Mauritius was admitted to and given in-state tuition rates[5] at the Georgia Institute of Technology. The instances we have identified in which it appears that GAAF provided

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[5] Within the University System of Georgia, school Presidents are specifically authorized to grant in-state tuition to a certain number of international students per year. Policy Manual of the Board of Regents of the University System of Georgia, Section 700, Finance and Business (1998).

assistance to IOC members or related parties regarding schools are reflected in the Scholastic Assistance Chart attached as Exhibit I.

f. Travel

While the IOC rules limited members to one official visit to a candidate city, GAAF's strategy for lobbying IOC members relied heavily on encouraging them to visit Atlanta and other parts of the American South. To encourage these visits, GAAF followed customary practice and purchased first class airplane tickets for IOC members and their guests, reimbursed the IOC members for tickets they had purchased themselves, and provided transportation on private aircraft.[6] GAAF also paid for all necessary hotel accommodations. This section of our report provides further information about travel and clarifies several statements in our initial response. It should be noted that as many as twenty IOC members never visited Atlanta.

GAAF's initial response noted that it was a common practice for IOC members to purchase their own plane tickets for visits to Atlanta and then ask to be reimbursed by GAAF for the cost of those tickets. The initial response correctly described GAAF's policy of requiring proper backup documentation before reimbursing an IOC member for airfare. Documents reflecting that policy are attached as Exhibit J. In reviewing the documents, we have found ten instances where GAAF reimbursed an IOC member who visited Atlanta for airfare with a direct cash, check, or wire payment, but where no backup documentation for the payment can now be located in GAAF's files. A GAAF volunteer with primary responsibility for approving reimbursement requests considers it unlikely that reimbursement would have been provided without backup documentation. Nevertheless, we wish to call these instances to the attention of the Committee. These items, along with other instances where GAAF paid for the travel expenses of IOC members and related parties during the bid period, are reflected on the Travel Chart attached as Exhibit K.

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[6] A number of entities donated the use of aircraft and crew to GAAF during the bid period. We located records indicating that these entities included Coca-Cola Enterprises, Cox Enterprises, AT&T, C&S National Bank, Savannah Foods, Watkins Associated Industries, Contel, Fuqua Enterprises, Inc., Gulfstream Aerospace Corp., Georgia Power Company, and the State of Georgia. GAAF typically used these donated planes and helicopters to transport IOC members and their guests to places like Savannah, Augusta and Sea Island, but also used several of them to bring IOC members and guests from San Juan to Atlanta following a meeting in September 1989. GAAF's initial response estimated the value of the use of private aircraft at $25,000 per plane. This figure was originally generated in 1991 for internal GAAF purposes. We have not attempted to determine the actual value of the use of these aircraft, but are confident that in some cases the value exceeded $25,000.

In its official bid submission to the IOC (the "Official Bid"), Atlanta emphasized the attractions of the entire American South -- not just Atlanta -- in an effort to win the Games. For example, Atlanta highlighted the fact that "[b]eyond the numerous attractions and points of interest in Atlanta, the [American South] is rich with places of entertainment and enlightenment" such as "the enchantments of Disney World in Florida," "the delightful country music of Nashville, Tennessee," "The Kennedy Space Center in Cape Canaveral, Florida," and the islands along Georgia's coast. Excerpts from the Official Bid are attached as Exhibit L. The Official Bid envisioned sending Olympic athletes to Disney World after they had completed their events, and GAAF invited every visiting IOC member and guest to Disney World as part of a bid period trip to Atlanta. A number of IOC members took Atlanta up on that offer and stayed at Disney World with their guests or families at GAAF's expense.

GAAF further promoted the potential for IOC families to enjoy attractions throughout the American South should Atlanta win the '96 Games through a booklet that was given to all IOC families and the press in Tokyo in September 1990. This booklet, a copy of which is attached as Exhibit M, was entitled "Your Passport To Atlanta" and promoted the "Atlanta 1996 Spouse & Guest Programme" (the "Passport"). The Passport offered IOC spouses and guests full use of a separate private car and hostess (in addition to their official IOC car and hostess) for their individual travel accommodations during the '96 Games. The Passport stated:

> Private flights on corporate jets will be available each day, giving you the opportunity to tour such prominent Southern cities as **Charleston, New Orleans, Orlando or Savannah**. Through these specially arranged flights, you may enjoy a leisurely afternoon tour in historic **Savannah** or a day of entertainment excitement at **Walt Disney World**.
>
> Daily shopping tours will also give you the opportunity to make some exceptional purchases of local wares, as area merchants offer unique services and discounted merchandise to Olympic Family Members.

We have been told that due to a lack of resources, ACOG ultimately abandoned its proposal to send Olympic athletes to Disney World, as well as the Spouse & Guest Programme that was promoted in the Passport. Moreover, we were told that ACOG never facilitated an organized "discount" program. The one trip during the '96 Games that was available to spouses was a day trip via private jet to Washington for a luncheon hosted by the First Lady at The White House.

GAAF arranged for visiting IOC members to play golf at the Augusta National Golf Club on several different occasions. Most notably, in early May of 1989, GAAF arranged for five IOC members to fly to Augusta on a private jet, play golf, and stay overnight with their spouses or guests in a cabin on the course.

GAAF also arranged for several IOC members to stay at The Cloister at Sea Island, Georgia during visits to the United States. These and other trips to destinations outside of Atlanta, including some trips to locations in the United States outside the South, are listed in the Travel Chart.

GAAF also arranged for some IOC members to visit Atlanta more than once. For example, an IOC member from Ecuador and his wife visited Atlanta three times during the bid period at GAAF's expense. The first of these trips was in May 1989, the second was around Labor Day 1989, and the third was in March 1990. The third trip was at the invitation of a local organization known as the Atlanta Downtown Partnership. While this group was supposed to reimburse GAAF for the member's travel expenses, we have been unable to determine whether this reimbursement occurred. An IOC member from Ireland also visited twice at GAAF's expense -- first by himself in early May 1989 and again in March 1990. During this second visit, GAAF also paid the travel expenses of the NOC representative from Ireland; the two visited Atlanta, Savannah, and Sea Island, and GAAF paid for all travel associated with their trip.

Travel expenses paid by GAAF for the IOC members from the United States deserve special mention. While it is true that the IOC rules did not include a special provision for travel by members representing the candidate cities' countries, these individuals essentially were *de facto* members of the Atlanta bid team. In fact, Atlanta's bid was submitted as a joint application with the USOC. GAAF therefore wanted, and paid for, the IOC members from the United States to travel to Atlanta and to international IOC gatherings as often as possible to assist GAAF's own lobbying efforts.

We have identified instances where GAAF paid for more than one guest to accompany an IOC member to Atlanta and to other parts of the American South. In some instances -- such as when an IOC member from Australia and his wife were accompanied by their daughter and when an IOC member from Finland and her husband were accompanied by their two sons -- the additional guests were minor children.

On other occasions, GAAF paid for independent travel by the children of IOC members. For example, when an IOC member from Czechoslovakia and his wife visited Atlanta in August 1989, GAAF paid for their son to fly from Gainesville, Florida, where he was living, to visit them in Atlanta. GAAF also paid for the son to fly to Atlanta in November of 1989 to meet his

wife's intercontinental flight, paid for Atlanta hotel accommodations for them, and then paid for the two of them to fly on to Gainesville. On several occasions, GAAF also provided airfare for the children of an IOC member from the Congo. In early September of 1989, GAAF purchased tickets for his two daughters to fly from Atlanta back home to Montreal. In May of 1990, GAAF provided tickets to his two sons for travel between Atlanta, Montreal, and Toronto. These and other such trips that we have documented are identified in the Travel Chart.

In addition, on several occasions GAAF paid for a third guest to travel to Atlanta with an IOC member and his spouse, or paid for two tickets, neither of which was for the IOC member. For example, an IOC member from Morocco and his wife were accompanied by their son during their visit to Atlanta. A memorandum from the American consulate in Morocco indicated that the son served as his father's interpreter on trips abroad and stated that the IOC member did not expect reimbursement for his son's airfare. Nevertheless, it appears from the documents that GAAF did pay for the son's round trip airfare.

GAAF paid the airfare for the spouse and minor child of an IOC member from Western Samoa to join the member in Barcelona, accompany him to Atlanta and a side trip to Disney World, and then back to Western Samoa. We did not find a record that GAAF paid for any of this member's travel other than the trip to Disney World.

GAAF also paid airfare and hotel expenses for the IOC President's wife and a friend when they visited Atlanta, Savannah, and Charleston in April 1990. Records indicate that GAAF reimbursed the IOC for those round trip tickets between Barcelona and Atlanta. These and other such expenditures that we have documented are also set forth in the Travel Chart.

In addition to these expenditures for travel to Atlanta and other points in the American South, GAAF paid for at least one trip for an IOC member and her family outside the South. In late July and early August 1990, an IOC member from Finland and her family flew between various points in Illinois and Massachusetts before staying at the Maine vacation home of a GAAF volunteer and then returning home to Finland. GAAF paid for the family's hotel in Boston, and split the cost of their airfare with the Amateur Softball Association.

The Committee's staff has questioned whether the costs of IOC members' airfare that was paid by GAAF were higher due to stops en route by the members and their guests. We are aware of at least one instance where GAAF specifically paid an additional amount to accommodate a side trip by an IOC member and his wife on their return home from Atlanta to Japan. This expenditure is reflected in the Travel Chart. In general, GAAF did not scrutinize the particulars of an IOC member's airfare itinerary or question backup documentation. To avoid the unpleasant prospect of dickering with an IOC member over reimbursement, GAAF largely

ignored the form of backup documentation as well as the itinerary as long as the overall price seemed to be in line with the cost of a direct trip.

g. Other gifts / shopping

The Olympic culture of gift giving has been widely documented in the SLOC Board of Ethics Report, the Mitchell Report, the Sydney Report, and the Toronto Report. Similarly, GAAF incorporated the giving of gifts to IOC members and their spouses into its overall marketing strategy. In general, these gifts fell into one of three categories: (1) group gifts; (2) individual gifts; and (3) shopping trips.

First, GAAF gave a large number of identical "group gifts" to all, or substantially all, of the IOC members. These group gifts were typically sent as bulk mailings[7] to the IOC members, presented when an IOC member visited Atlanta, or presented when a GAAF volunteer visited an IOC member in his or her home country. GAAF's initial response listed 47 such group gifts, ranging from inexpensive items such as decals and souvenir tee-shirts to more costly items such as electronic organizers, compact disc players, and handcrafted bowls. Some items from the group gifts were given to friends and supporters of GAAF who had no association with the IOC.

In addition to the group gifts reported in the initial response, we have identified documents relating to other group gifts given by GAAF to IOC members and their spouses. For example, GAAF received two donations of Cabbage Patch Dolls from Original Appalachian Artworks, a Georgia company. These Cabbage Patch dolls were then presented as gifts to many of the IOC members. GAAF purchased 100 Gardens of Georgia books, valued at $75 per book. GAAF mailed these books to each of the IOC members with an invitation to visit Atlanta during the Spring of 1990. GAAF also purchased 30 globe-shaped bookends for a total of $754, which were then given as gifts to various IOC members. Group gifts we have identified, including those listed in the initial response, are identified in the Gift Chart attached as Exhibit N.

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[7] As discussed with your staff, we have not documented all costs associated with gifts given to IOC members, such as shipping and other charges relating to preparation and transport. Shipping charges, for both group and individual gifts, were substantial. In addition, we are aware that GAAF incurred other preparatory costs, such as those relating to otherwise inexpensive videotapes given to IOC members. In some cases, those tapes had to be converted into a format useable in the recipient's country, and the cost of converting at least three of the tapes appears to have been $146 each. We were advised that the typical cost was less than $20 per tape. These costs are not documented in this response.

Second, GAAF also gave a large number of individual gifts that were carefully selected to please the tastes of an individual IOC member or that member's relatives or friends. The giving of such gifts was a part of GAAF's strategy to develop strong relationships with individual IOC members through personalized attention. These gifts were generally presented during an IOC member's visit to Atlanta or during a GAAF volunteer's visit to the member's home country. In addition, GAAF volunteers presented many such gifts to IOC members in Tokyo around the time of the vote.

In its initial response, GAAF identified 36 gifts valued at $200 or more that were given to specific IOC members, and two such gifts that were given to members who could not be identified. We have since identified additional gifts exceeding $200 that were given to individual IOC members or their spouses or children, and several gifts to non-IOC members. They are listed in the Gift Chart. One of these gifts was a shotgun purchased by a GAAF volunteer for a National Olympic Committee member that could not have been purchased by the member himself in the United States. The shotgun cost $359.99, and an accompanying case cost $39.99. Certain other gifts, including a carburetor kit and a set of brakepads given to an IOC member from Libya and a bulldog given to an IOC member from Cuba, may have violated U.S. export regulations relating to transactions with Libya and Cuba.

Examples of other gifts exceeding $200 include an engraved silver bowl purchased by GAAF for $202.39 as a wedding gift to the daughter of an IOC member from the Ivory Coast; a $408.10 magnolia sculpture for an IOC member from Venezuela; a $264.95 camera for an IOC member from Algeria; and a $222.60 Chanel scarf for the wife of an IOC member from Swaziland. In addition, we know of one occasion when a volunteer hostess in Atlanta purchased a Georgia pine bowl valued at $1,000 as a gift to an IOC member from Sweden. The cost of this gift was paid by the hostess.

In addition to these and other individual gifts exceeding $200, the documents indicate that GAAF paid for many personal gifts valued under $200 to IOC members and their relatives or guests. For example, an IOC member from Panama received a blazer and two dress shirts that were custom-made by a tailor in Seoul, South Korea for $172; an IOC member from Mauritius received diving equipment valued at $167.42; an IOC member from India received a tie carrier and Hermes tie valued at $174.90; and an IOC member from Bulgaria received a $150 framed picture. By agreement with the Committee staff, we have attempted to identify and list gifts of this nature over $100. These gifts are also included in the Gift Chart.

Third, GAAF hosts or hostesses would sometimes take visiting IOC members or spouses or guests on shopping trips and pay for items they purchased. The practice of hostesses with respect to paying for items varied across the board by hostess and by IOC member. GAAF's

written policy on reimbursement of expenses, a copy of which appears as Exhibit J, called for approval of expenditures in advance. In practice, if hostesses sought reimbursement for the cost of items purchased for an IOC member or family or friend, payment was made. The training of hostesses focused on issues of protocol, suggestions about places to visit, and the like, and did not appear to have routinely addressed buying items for IOC members and other guests. The hostesses certainly received the message that their successful hosting was a critical part of Atlanta's effort and they should be gracious, accommodating, and hospitable. It is clear that some hostesses interpreted that charge to include paying for items purchased by their IOC guests. In cases where hostesses sought reimbursement from GAAF, most of the individual items that were purchased cost under $100, but the total cost of these items sometimes exceeded $100. Two GAAF volunteers hosted two IOC members from Russia and a delegate to the Goodwill Games who also served as an interpreter. The hostess for one of the members was reimbursed for purchases totaling $470.91, and the hostess for the other two was reimbursed for purchases for the two of them totaling $1,493.71. Except for a $273 sport coat that was purchased by the first hostess, the purchases consisted of numerous items including clothing, cosmetics, and toiletries.

On another occasion, a volunteer hostess was reimbursed $331.99 for numerous items selected at various Atlanta stores by an IOC member from Ecuador and his wife during their visit to Atlanta in March of 1990. All instances we have identified where shopping trips resulted in the purchase by GAAF of gifts exceeding $100 in the aggregate appear on the Gift Chart.

In addition to gifts that were actually given, the files GAAF compiled on IOC members are replete with additional gift suggestions that were never acted upon. The Gift Chart does not include suggestions and ideas referred to in the IOC member files or other documents unless we have been able to obtain some confirmation from the documents or interviews that these items were actually given.

h. Other Accommodations

GAAF volunteers sometimes offered or provided assistance to IOC members and related parties that did not result in an expenditure, but that nevertheless may have benefitted the member or related party. This section includes several examples of this type of activity. For example, in one case two volunteers transported money into the United States that an IOC member from Jamaica could not have brought in himself without addressing certain reporting requirements.

In addition, individual GAAF volunteers sometimes responded to requests from IOC members for political assistance. An IOC member from Tunisia was an exiled former Prime

Minister who requested assistance from Andrew Young in obtaining an appointment with someone in the State Department to discuss the possibility of the U.S. assisting him in his efforts to return to Tunisia. Mr. Young recalls that this member did get a meeting in the State Department. Additionally, GAAF attempted to facilitate the approval by the U.S. Government of an ABC Television contract to televise the Pan American Games that were held in Cuba.

GAAF facilitated a gift of a used MARTA bus to the city of Lima, Peru. The bus was presented by the Mayor of the City of Atlanta, but its acquisition and its shipment to Lima was financed by Del Taco. GAAF also facilitated an effort to enable Lima to purchase at least fifty additional used buses for MARTA. We found no evidence, however, that the purchase or delivery of these additional buses took place.

GAAF also sought at times to provide business assistance to IOC members. For example, in March of 1989 GAAF assisted an IOC member from the Netherlands, who was affiliated with the Philips Lighting company, by sending a letter to the Executive Director of the World Congress Center on behalf of Philips, and asking the Executive Director to contact executives at Philips regarding "lighting considerations" at the Georgia Dome, which was then a proposal pending approval by the Atlanta City Council. At that time, Philips Lighting was a worldwide Olympic sponsor.

A GAAF volunteer once agreed to help an IOC member from Kenya in his efforts to identify a U.S. distributor for fishing flies. GAAF volunteers discussed the prospect of assisting two IOC members get books published in English. We have no evidence that these discussions were acted upon. Likewise, GAAF employees discussed, suggested or offered numerous other types of business assistance. For example, GAAF's President offered to introduce an IOC member from Hungary to U.S. golf course designers who could travel to Hungary and consult regarding the development of golf courses in that country. Again, we do not believe this suggestion was carried out. These and other examples of such accommodations that were provided, offered, or discussed with IOC members or related parties by GAAF volunteers are identified on the Other Accommodations Chart attached as Exhibit O.

Finally, GAAF volunteers and staff members assisted IOC members in obtaining required visas for entry into the United States. For example, a GAAF volunteer who was in Switzerland accompanied an IOC member from Libya and his wife to the American embassy where they obtained visas. They then flew to the U.S. together. That same GAAF volunteer appears to have accompanied the son of an IOC member from Mauritius to the U.S. embassy in Mauritius and to assist with obtaining a visa to study in the United States.

GAAF officials also assisted the children of IOC members who sought visas in connection with jobs they held or had been offered in the United States. In one case, a GAAF volunteer assisted the son of an IOC member from the Congo by contacting an immigration lawyer who volunteered to assist the son in filling out forms relating to a visa. At the time this assistance was provided, the son had been offered a job in Atlanta. GAAF volunteers do not believe that the son ever took the job or obtained a visa.

GAAF also offered to assist the daughter of an IOC member from South Korea with her visa application. We understand that she had attended college and law school in the United States; that in September 1989, the U.S. Department of Labor approved her application for Alien Labor Certification to work at a Los Angeles law firm; that in August of 1990, a GAAF employee contacted a Senate office to request help in expediting the daughter's permanent visa paperwork before her temporary visa expired in May 1991; and that GAAF volunteers do not believe they provided any additional assistance to the daughter who they think eventually received her permanent visa. These and other efforts to assist IOC members obtain visas are reflected in the Visas Chart attached as Exhibit P.

4. CONSULTANTS

As referenced in the initial submission, in 1988 GAAF hired Evans/Kraft Bean Public Relations firm in Seattle, Washington, to provide a number of bid-related consulting services. That work was principally performed by Dick Angell, who had developed expertise in this area as a result of his involvement in Anchorage, Alaska's failed effort to host the Winter Olympics. The services provided by Mr. Angell included providing GAAF with information about the IOC and profiles of individual IOC members. Examples of the profiles Mr. Angell prepared, which contain personal information and suggestions on how to best approach the IOC members, are found throughout the detailed files GAAF compiled on each member. In addition, Mr. Angell was in Seoul in 1988 principally as a representative of the Anchorage Bid Committee. While there, he helped GAAF volunteers by introducing them to IOC members, and GAAF paid for $450 of his hotel charges. We also understand that Mr. Angell advised GAAF on how to best organize its internal committee structure and procedures for the bid period. Based on an invoice in the files, GAAF paid Evans/Kraft Bean $19,321.77 for Mr. Angell's services between September 1988 and December 1988.

GAAF also employed other public relations consulting firms during the bid period. Based on our investigation, however, it appears that Mr. Angell was the only consultant retained and paid by GAAF to provide information regarding IOC members during the bid period. In fact, GAAF members appear to have rebuffed a number of offers made by individuals claiming to have inside information or influence on IOC members that they were willing to sell to GAAF.

Moreover, while Mr. Angell's name is referenced in several memoranda and letters describing events that took place after December 1988, we have found no evidence indicating that he was paid by GAAF for his services after 1988 or that he was retained to act on GAAF's behalf after 1988.

Nevertheless, while GAAF does not appear to have retained any consultants to provide information on IOC members other than Mr. Angell, a review of the files makes clear that collecting information and speculation about voting IOC members was an important part of GAAF's efforts. Beginning after Atlanta was selected by the USOC as the candidate city from the United States, GAAF volunteers began to collect information from third parties regarding IOC members. These efforts continued throughout the bid process.

Some of these sources included the IOC members themselves. The files contain numerous memoranda by GAAF volunteers detailing conversations they had during visits with IOC members. In addition to information concerning the member, these memoranda often include information that the member provided concerning other IOC members.

GAAF also collected information from other third parties who had insights concerning IOC members and the bid process. For example, the files contain memoranda prepared by GAAF volunteers recounting their conversations with, among others, a Spanish journalist with experience in covering the Olympics, an official of a sporting goods company, and the head of Barcelona's successful bid to host the 1992 Summer Olympic Games. These memoranda often recount very blunt, personal, and sensational statements made by those third parties concerning individual IOC members.

While we have discovered no evidence that GAAF retained these third parties as consultants or paid them for the information they provided, some were given gifts and travel accommodations. GAAF paid for the Spanish journalist referenced above to vacation at Disney World in February 1990. The former head of Barcelona's bid effort apparently received several gifts from GAAF members during the bid period, visited Atlanta in November 1990 at GAAF's expense with his wife and two guests, and in the wake of the Tokyo vote was invited to be a guest of honor at the Opening Ceremonies in Atlanta.

5. POST-VOTE ACTIVITIES

We have confined our effort to the bid period, which ended on September 18,1990, but we can confirm that Atlanta's generosity toward IOC members did not end following the vote in Tokyo. Atlanta continued to provide gifts, travel, and other accommodations to IOC members and their families from the time they secured the bid through the time of the '96 Games.

By way of example, it appears that in its exuberance following the vote in Tokyo, GAAF invited a number of IOC members to visit Atlanta, and records confirm that airfare, hotel accommodations, and other expenses were paid for some of them and related parties. We were told that it was customary to invite IOC members back to the victorious city. In documents relating to an attempt to bring one such IOC member to Atlanta, we found the only reference detected in our document review to exchanging airline tickets for value.

In the view of GAAF's President, one of the IOC members from Russia particularly fit into the group of IOC members who should have been invited back because he had the potential to help Atlanta prepare for the '96 Games based on his personal involvement in staging the Moscow Games. Anticipating that he would want to encourage this member to visit should Atlanta win, GAAF's President brought to Tokyo two open, round-trip Pan Am tickets between Moscow and Atlanta that were acquired from a travel agency on August 31, 1990 at a price of $2,451 each. GAAF's President told us that he gave the tickets to the IOC member at Atlanta's victory party on September 20, 1990, two days after Atlanta's victory.

Pan Am filed a petition for bankruptcy, dated January 8, 1991, before the tickets were used. On January 14, 1991, GAAF's President wrote the IOC member assuring him "that the airline tickets are usable for one year through September 1991. They can be taken to any Pan Am ticket office in the United States for their value...." GAAF's President does not recall, but assumes that he was responding to an inquiry from the IOC member about the Pan Am bankruptcy. We do not know the final disposition of the tickets.

6. CONCLUSION

Atlanta bid for the '96 Games. It won. This was a momentous event for Atlanta. GAAF, ACOG and the hundreds of volunteers who participated took and take great pride in their hosting of the '96 Games. Those involved believed then and still believe today that they conducted their bid within the bidding culture of the time and that their conduct was within the bounds of that culture. In hindsight, their effort can be viewed as excessive in some respects.

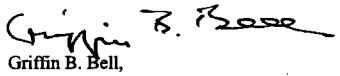
There were only 86 voters and their votes were being solicited by the cities of Athens, Belgrade, Manchester, Melbourne and Toronto, as well as Atlanta. The meager showing of Atlanta in the IOC's single elimination balloting process despite its top ranking by the IOC Evaluation Committee and its intensive marketing speaks volumes about the IOC culture. Atlanta got only 19 of the votes on the first ballot, 20 on the second ballot, 26 on the third ballot, and it was not until the fourth ballot that Atlanta moved into the lead with 34 votes. Atlanta finally won a head-to-head vote with Athens on the fifth ballot when it received 51 votes.

In the end, it is only the IOC that can prevent excesses in competition for staging the Games. No travel expenses should be paid except by or through the IOC. Members of the IOC should not be allowed to receive gifts from bidders and all offers should be reported to the IOC. The bidders should be disqualified from bidding by the IOC in the event of gift or travel violations. The definition of gifts should be explicit in IOC regulations. All bidders should agree to the restrictions as a condition of bidding.

A number of years ago, I had the opportunity to witness the defense industry of our country as it dealt with a similar problem. Its experience is instructive. Giving by defense contractors was difficult to control until the Defense Department mounted an aggressive enforcement effort which included prohibiting its own personnel from soliciting or taking gifts. The IOC alone can insure against excesses in the bidding war. Then no bidder would be embarrassed by an investigation ten years after the fact.

In closing, let me reiterate that in preparing this supplemental response we have used our best efforts to identify and address hundreds of incidents that occurred nine or ten years ago. There undoubtedly will be additional questions, and we will be available to help you answer them.

Sincerely,



Griffin B. Bell,
as Counsel for the
Georgia Amateur Athletic Foundation, Inc.

EXHIBITS

A. Committee Press Release, June 2, 1999

B. Summary of IOC Rules (1987 - 1990)

C. Healthcare Chart

D. Employment Opportunities Chart

E. Itemization of Expenses for Training of Swimmer and Tennis Players

F. Athletic Training Chart

G. Itemization of Expenses for Equipment Donated to the Congo

H. Sports Equipment Chart

I. Scholastic Assistance Chart

J. GAAF Reimbursement Policies

K. Travel Chart

L. Official Bid excerpts regarding the American South

M. Passport to Atlanta

N. Gift Chart

O. Other Accommodations Chart

P. Visas Chart

EXHIBIT A

Menu
Home
News
Action
Feedback
Search
Site Map
Contact
Christina Gungoll,
Peter Sheffield
(202) 225-5735
Also See
Oversight
Olympics

The House Committee on Commerce

News Release

Bliley and Upton Release Response To Atlanta Olympics Inquiry. Congressmen Plan to Send investigators to Atlanta to Review Documents

WASHINGTON (June 2) -- The Georgia Amateur Athletics Foundation ("GAAF") today responded to a request made by Chairman Tom Bliley (R-VA), and Representative Fred Upton (R-MI) for information regarding the bid process for the 1996 Summer Olympics.

Bliley and Upton today released GAAF's thirteen page preliminary response to their inquiry. The Congressmen also announced plans to send investigators from the Committee within the week to Atlanta to review boxes of documents, pertaining to the inquiry, but not included in GAAF's preliminary response.

GAAF's preliminary response raised a number of concerns about GAAF's conduct during the bidding process that Bliley and Upton believe need to be further investigated. For example, the response points to instances in which GAAF assisted athletes with training opportunities: "In July of 1990, GAAF arranged for the training of two teenaged tennis players from the Republic of Congo at the Nick Boliteri training camp in Florida. The total expenditure by GAAF was $14.099.40." This expenditure was made at the request of an IOC member.

"While I am pleased that GAAF is cooperating fully, I think that this preliminary response to our inquiry raises a number of issues that need to be fully investigated," Bliley said today. "We need to ensure that the years of hard work and training athletes spend in pursuit of the Olympic dream won't be tarnished by any ethical lapses in the site bidding process."

"The Georgia Amateur Athletics Foundation has been very cooperative in our investigation so far. While I have read their initial report, I am anxious to further review the facts," Upton stated. "In coming weeks, today's letter will help guide us through the thousands of pages of documents that record Atlanta's bid history."

"Recent revelations in Salt Lake City have left the Olympic rings tarnished. It is important for athletes and fans to know if these problems are unique to the 2002 Winter games or if they're common practices amongst bid cities."

"The Olympics celebrate cooperation, sportsmanship, and fair

competition -- I want to make sure that applies not just to those athletes on the field but the organizers as well," Upton concluded.

Response from Georgia Amateur Athletics Foundation

This document requries the free Adobe Acrobat Reader

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This document was last edited on 06/02/99 02:41:08 PM EDT

The Committee on Commerce
2125 Rayburn House Office Building
Washington, DC 20515
(202) 225-2927
Feedback

EXHIBIT B

IOC RULES

SUMMARY

1987

SOURCES: June 16, 1987 and September 25, 1987 Letters from Raymond Gafner, IOC -- Attached as Appendix A

1. Purpose

a. "A working group has drawn up additional stipulations ... to limit candidate cities' financial commitments."

b. "We trust that you all understand and support the IOC's policy with respect to reduction of expenses incurred by candidate cities bidding to host the Olympic Games."

2. Visits

a. The IOC "has no objection to the possibility of IOC members visiting candidate cities should members feel this necessary" to judge the feasibility of the city staging the games.

b. The IOC "requires" that members stay no more than three days, and members should not be accompanied by more than one person.

3. Gifts

a. Gifts to IOC members "should be limited to documentation relating to a city's candidature and to souvenirs. Hence, gifts of value are not permitted."

4. Receptions

a. Candidate cities for 1996 Summer Olympics "may host a joint reception" at the IOC's 1989 meeting in Puerto Rico and 1990 meeting in Tokyo.

b. "[N]o other receptions for either IOC members and/or International Federation, National Olympic Committee officials are authorized."

5. Exhibitions

a. Exhibition or meeting area for IOC members and IF/NOC delegates may be set up only during the sessions in which elections are held (i.e., 1990 meeting in Tokyo).

1988

SOURCE: December 16, 1988 Letter from Raymond Gafner, IOC Re: "limitation of candidate cities' financial commitments" -- Attached as Appendix B

1. Visits

a. The Olympic Charter 1985 is cited to the effect that apart from three official commissions of inquiry comprised of IOC members, IF delegates, and NOC delegates, "the IOC requests the candidate committees not to invite any other persons taking a direct part in the election of the host cities for the Olympic Games."

b. Recognizing the Charter provision, nonetheless, the IOC Executive Board "is of the opinion that IOC members should, for their own personal information, be able to visit the candidate cities." The length of stay should not exceed three days, IOC members should not be accompanied by more than one guest, and "[t]he IOC must be informed of such visits."

2. Gifts

a. Gifts "should be limited to documents or other items intended for information and/or souvenir articles. Gifts of a value exceeding US$ 200 are not permitted."

3. Receptions

a. Candidate cities "shall not organize individual receptions for IOC members."

b. Rules do not exclude "private invitations to hotel rooms and suites."

4. Exhibitions

a. No exhibitions by the candidate cities.

1989

1. **Visits**

   a. Expressly modifies December 16, 1988 letter from Raymond Gafner:

   b. "IOC members undertaking intercontinental flights in order to visit your city may extend their stay to 5 days. The first day would be considered as the day of arrival, the second to the fourth days would be devoted to the visit and the fifth reserved for departure. . . . [T]he IOC must be informed of such visits."

   SOURCE: March 2, 1989 Letter from Raymond Gafner, IOC -- Attached at Appendix C

   c. "IOC members may visit your city once only. We should be grateful if you would kindly inform the IOC of the dates of such visits."

   SOURCE: May 30, 1989 Letter from Raymond Gafner, IOC (emphasis in the original) -- Attached at Appendix C

2. **Receptions**

   a. Candidate cities may not organize any receptions, even for small groups, at December 1989 IOC meeting in Lausanne.

   SOURCE: November 10, 1989 Letter from Francoise Zweifel, IOC -- Attached at Appendix C

1990

1. **Gifts and Visits**

   a. "We also trust that the rules concerning gifts and visits of IOC Members to Candidate Cities will be fully respected."

SOURCE: April 27, 1990 Letter from Francois Carrard, IOC -- Attached at Appendix D

2. **Receptions**

   a. Receptions other than one jointly held by all Candidate Cities are prohibited.

   b. Invitations for private individual receptions may not exceed 20 persons.

SOURCES: April 27, 1990 Letter from Francois Carrard, IOC; May 2, 1990 Letter from W.P. Payne; May 8, 1990 Letter from W.P. Payne; August 14, 1990 Letter from Francois Carrard, IOC -- Attached at Appendix D

3. **Purpose and Admonitions**

   a. "[A] set of rules has been introduced with the aim of helping Candidate Cities to avoid unnecessary and exaggerated expenditure and at the same time provide equal chances for all competing Cities independently from their financial situation. These rules were brought to your Commission's attention at the beginning of your campaign. To our great regret, on some occasions and in several ways, the rules have not been fully respected by the Candidate Cities and their Committees."

SOURCE: April 27, 1990 Letter from Francois Carrard, IOC -- Attached at Appendix D

   b. "[A] few years ago, the IOC introduced a set of rules aiming at avoiding unnecessary expenditures and achieving considerable reduction of overall costs [incurred by Candidate Cities]. Please find enclosed a copy of such rules for your information.

   From experiences reported in connection with the present bids for the Games of the XXVIth Olympiad in 1996, the IOC Executive Board has noted, with regret, that the determination to abide by these rules appears to be deteriorating.

   The Executive Board therefore decided to call on the assistance of all Members of the IOC and to kindly ask them to actively and strongly support the implementation of the above mentioned rules by strictly refusing all initiative by Candidate Cities which are or might prove to be in contradiction with such rules."

SOURCE: May 11, 1990 Letter from Juan A. Samaranch -- Attached at Appendix D

APPENDIX A

COMITÉ INTERNATIONAL OLYMPIQUE
CHÂTEAU DE VIDY, 1007 LAUSANNE, SUISSE
☎ 25 32 71/72/73 ▣ 24 084 CIO ✆ CIO LAUSANNE
BANQUE: UNION DE BANQUES SUISSES CH.-POST. 10-2282

U.S. OLYMPIC COMMITTEE
RECEIVED
JUN 22 1987
SECRETARY GENERAL

To: National Olympic Committees
cc: Members of the International Olympic Committee
Candidate cities for the XVIIth Olympic Winter Games

Lausanne, 16th June 1987
Ref. no. C/87 /87/jeg

Re: XVIIth Olympic Winter Games, 1994
Games of the XXVIth Olympiad, 1996

Dear Sir/Madam,

Further to the IOC's circular letter reference C/M/1/87 dated 7th January 1987, a working group has drawn up additional stipulations, which have been approved by the 92nd IOC Session, in order to limit candidate cities' financial commitments.

Receptions

As previously stated, candidate cities for the XVIIth Olympic Winter Games may organize a joint reception on the occasion of the 93rd IOC Session in Calgary, and the 94th IOC Session in Seoul in 1988.

Candidate cities for the Games of the XXVIth Olympiad may host a joint reception at the 95th IOC Session in Puerto Rico in 1989 and at the 96th IOC Session in Tokyo, 1990.

Please note that no other receptions for either IOC members and/or IF, NOC officials are authorized.

Exhibitions

An exhibition or meeting area for IOC members/IF/NOC delegates may be set up only during the Session at which elections are held in order to determine the site of the Olympic Winter Games or Games of the Olympiad, and only by the cities concerned in the vote.

However, we would point out that the candidate cities for the XVIIth Olympic Winter Games have decided that exhibitions should not be set up either at the Session in Calgary or in Seoul. Nevertheless, 3 - 4 square metres of space will be allocated per candidate city during the 94th IOC Session in order to display pictures/documents relating to the bid. Furthermore, at the 94th IOC Session in Seoul, the IOC requests candidate cities for the Olympic Winter Games in 1994 to refrain from organizing reception areas where food and drink might be served in an atmosphere typical of the country in which the bidding city is situated.

COMITE INTERNATIONAL OLYMPIQUE

Lausanne, 16th June 1987
Ref. no. C/87 /87/jeg
Page 2

2

Visits

The IOC has no objection to the possibility of IOC members visiting candidate cities should members feel this necessary in order to form their own judgement of the feasibility of a city staging the Olympic Games. In the event of members visiting candidate cities, the IOC requires that their stay should not exceed three days, and that members should not be accompanied by more than one person.

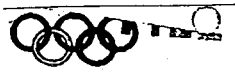
Gifts

The IOC requests that gifts made by or on behalf of bidding cities to IOC members should be limited to documentation relating to a city's candidature and to souvenirs. Hence, gifts of value are not permitted.

We thank you in advance for taking note of these instructions, and trust that you understand and support the IOC's concern to reduce expenses incurred by cities bidding to host the Olympic Games.

Yours faithfully,

Raymond GAFNER
Administrateur délégué



CITIUS · ALTIUS · FORTIUS.

COMITÉ INTERNATIONAL OLYMPIQUE
CHÂTEAU DE VIDY, 1007 LAUSANNE, SUISSE
☎ 28 32 71/72/73 ▣ 24 036 CIO ✉ CIO LAUSANNE
BANQUE: UNION DE BANQUES SUISSES CH. POST. 10-2202

To: National Olympic Committees
cc: Members of the International Olympic Committee
International Federations
Candidate cities for the XVIIth Olympic Winter Games

Lausanne, 25th September 1987
Ref. no. M/C/~~P/155~~ /87/jeg

Re : XVIIth Olympic Winter Games, 1994)
Games of the XXVIth Olympiad, 1996) - limitation of candidate city ex

Dear Sir/Madam,

With reference to the IOC's circular letters dated 7th January 1987 and 16th June 1987, we should like to remind all members of the Olympic family of the stipulations, approved by the IOC Session, drawn up in order limit candidate cities' financial commitments.

Receptions

Candidate cities for the XVIIth Olympic Winter Games may organize a joint reception on the occasion of the 93rd IOC Session in Calgary, and the 94th IOC Session in Seoul in 1988.

Candidate cities for the Games of the XXVIth Olympiad may host a joint reception at the 95th IOC Session in Puerto Rico in 1989 and at the 96th IOC Session in Tokyo in 1990.

Please note that no other receptions for either IOC members and/or International Federation, National Olympic Committee officials are authorized.

Exhibitions

An exhibition or meeting area for IOC members/IF/NOC delegates may be set up only during the Session at which elections are held in order to determine the site of the Olympic Winter Games or Games of the Olympiad, and only by the cities concerned in the vote.

However, we would point out that the candidate cities for the XVIIth Olympic Winter Games have decided that exhibitions should not be set up either at the Session in Calgary or in Seoul. Nevertheless, 3-4 square metres of space will be allocated per candidate city during the 94th IOC Session in order to display pictures/documents relating to the bid. Furthermore, at the 94th IOC Session in Seoul, the IOC requests candidat

COMITÉ INTERNATIONAL OLYMPIQUE

Lausanne 15th September 1987
Ref. no. JC/F/155 787/jag
Page 2.

(4)

cities for the Olympic Winter Games in 1994 to refrain from organizing reception areas where food and drink might be served in an atmosphere typical of the country in which the bidding city is situated.

Visits

The IOC has no objection to the possibility of IOC members visiting candidate cities should members feel this necessary in order to form their own judgement of the feasibility of a city staging the Olympic Games. In the event of members visiting candidate cities, the IOC requires that their stay should not exceed three days, and that members should not be accompanied by more than one person.

Gifts

The IOC requests that gifts made by or on behalf of bidding cities to IOC members should be limited to documentation relating to a city's candidature and to souvenirs. Hence, gifts of value are not permitted.

We thank you once again for taking note of and for adhering to these instructions. We trust that you all understand and support the IOC's policy with respect to reduction of expenses incurred by candidate cities bidding to host the Olympic Games.

Should you have any queries relating to the above stipulations, please do not hesitate to contact the IOC secretariat.

Yours faithfully,

Raymond GAFNER
Administrateur délégué

APPENDIX B

CITIUS - ALTIUS - FORTIUS

COMITÉ INTERNATIONAL OLYMPIQUE
CHATEAU DE VIDY, 1007 LAUSANNE, SUISSE
☎ 26 32 71/72/73 ✉ 454 094 CIO FAX 24 15 63 ✈ CIO LAUSANNE
CASE POSTALE 366 1001 LAUSANNE CH POST 10-2202-7

To: Candidates cities for the
- Games of the XXVIth Olympiad in 1996
- XVIIIth Olympic Winter Games in 1998

cc: IOC members in and NOCs of the respective countries

Lausanne, 16th December 1988
Ref. No.: CAN/197 /88/jmg

Re: limitation of candidate cities' financial commitments

Dear Sir / Madam,

At its meeting in Vienna on 8th December last, the IOC Executive Board confirmed its policy regarding the limitation of candidate cities' expenses.

* In this regard, you will find attached a document detailing these restrictions. We should be grateful if you would kindly take due note of these.

With best Season's greetings,

Yours faithfully,

Raymond GAFNER
Administrateur délégué

* enc.

CAN/197/88 (5)

LIMITATION OF FINANCIAL COMMITMENTS OF CANDIDATE CITIES (1996 & 1998)

1. Receptions

Candidate cities shall not organize individual receptions for IOC members and/or the delegates of National Olympic Comittees and International Federations.

Group receptions organized and financed by all the candidate cities concerned may take place, but only with the prior agreement of all the candidates:

before the Games of the XXVIth Olympiad are awarded in Tokyo in September 1990;

before the XVIIIth Olympic Winter Games are awarded in June 1991 in Birmingham.

Countries presenting a candidature for the Games shall also refrain from opening restaurants, inns and other establishments of traditional character (such as "Chalet Suisse", "Swedish House" etc.).

If, as in the past, such establishments have to be set up by other organizations, they shall under no circumstances be put at the disposition of the candidate cities.

This decision does not however exclude private invitations to hotel rooms and suites.

2. Exhibitions

No exhibition by the candidate cities is to be organized.

3. Visits by IOC members to candidate cities

The fourth paragraph of rule 1 of the conditions imposed on candidate cities (Olympic Charter 1985, page 76) stipulates:

"The IOC wishing for all candidate cities to be considered on an equal footing and having decided to send three official commissions of enquiry (one composed of IOC members, another of IFs and the third of NOCs), the IOC requests the candidate committees not to invite any other persons taking a direct part in the election of the host cities for the Olympic Games."

(6)

The Executive Board is of the opinion that IOC members should, for their own personal information, be able to visit the candidate cities. The length of these visits should not exceed three days. IOC members should not be accompanied by more than one person. The IOC must be informed of such visits.

- Gifts to IOC members

Gifts offered to IOC members by and on behalf of candidate cities should be limited to documents or other items intended for information and/or souvenir articles. Gifts of a value exceeding US$ 200 are not permitted.

60-363

APPENDIX C

SENT BY:ACOG/GAAF ; 5-17-89 ; 2:07PM ; GAAF/ACOG FAX 4086815151;#15

CAND.CITIES/LAUS/04.12.1989

(9)

COMITÉ INTERNATIONAL OLYMPIQUE
CHATEAU DE VIDY, 1007 LAUSANNE, SUISSE
CASE POSTALE 356, 1001 LAUSANNE, SUISSE
T. 41 21 311 22 73 TLX 454 084 CIO FAX 311 40 62

CITIUS ALTIUS FORTIUS

9

To: Candidate cities for the
- Games of the XXVIth Olympiad in 1996
- XVIIth Olympic Winter Games in 1998

cc: IOC members

Lausanne, 2nd March 1989
Ref. No.: CAN/41 /89/jmg

Re: IOC members' visits to candidate cities

Dear Sir / Madam,

Further to our circular letter of 16th December 1988, CAN/197/jmg, may we inform you that point 3 of the document "Limitation of financial commitments of candidate cities" has been slightly modified.

It has been agreed that IOC members undertaking intercontinental flights in order to visit your city may extend their stay to 5 days. The first day would be considered as the day of arrival, the second to the fourth days would be devoted to the visit and the fifth reserved for departure.

May we remind you that the IOC must be informed of such visits.

Thank you for your attention to the above.

Yours faithfully,

Raymond GAFNER
Administrateur délégué

CAND.CITIES/LAUS/04.12.1989

COMITÉ INTERNATIONAL OLYMPIQUE
CHÂTEAU DE VIDY, 1007 LAUSANNE, SUISSE
CASE POSTALE 356, 1001 LAUSANNE, SUISSE
☎ 25 32 71/72/73 TX 454 024 CIO FAX 24 15 52

CITIUS · ALTIUS · FORTIUS

To: Candidate cities for the
Games of the XXVIth Olympiad in 1996

cc: IOC members
National Olympic Committees

Lausanne, 30th May 1989
Ref. No.: CAN/77 /89/AFB/dfs

Re: IOC members' visits to candidate cities

Dear Sir / Madam,

Further to our circular letter of 2nd March 1989, CAN/41/89/jmg, may we inform you that IOC members may visit your city once only.

We should be grateful if you would kindly inform the IOC of the dates of such visits.

Thank you for your attention to the above.

Yours faithfully,

Raymond GAFNER
Administrateur ~~délégué~~

CITIUS · ALTIUS · FORTIUS

COMITÉ INTERNATIONAL OLYMPIQUE
CHÂTEAU DE VIDY, 1007 LAUSANNE, SUISSE
☎ 25 32 71 72 73 TX 484 024 CIO FAX 24 18 82 ✈ CIO LAUSANNE
CASE POSTALE 356 1001 LAUSANNE CH POST. 10-2282-7

by telefax

7

To: Candidate cities for the Games of the XXVI Olympiad in 1996

Lausanne, 10th November 1989/jmg

Re: Meetings in December

Dear Sirs,

May I remind you of the conditions laid down by the IOC whereby no official reception may be organized for members of the IOC, IFs and NOCs, with the possible exception of a joint reception on the occasion of the Session during which the host city of the Games of the XXVI Olympiad will be chosen.

Similarly, may I draw your attention to the fact that the programme of meetings in Lausanne this December is very full. As a result, the candidate cities may not organize any kind of reception, even for small groups, during this period.

Your co-operation in this respect is much appreciated.

I look forward to seeing you in Lausanne, and remain,

Yours faithfully,

Françoise ZWEIFEL
Secretary General

APPENDIX D

CITIUS · ALTIUS · FORTIUS

LE DIRECTEUR GÉNÉRAL

COMITÉ INTERNATIONAL OLYMPIQUE
CHÂTEAU DE VIDY, 1007 LAUSANNE, SUISSE

Guide
Bids
Tours
Hosts
Clerk
Pers

TO: Candidates Cities for the Games
of the XXVIth Olympiad in 1996

Belgrade, 27th April 1990
Ref. no CAN/59 /90/ebc

Mr. Chairman,
Ladies and Gentlemen,

For some years, the escalation of costs incurred by Candidate Cities in connection with the preparation, promotion and presentation of their bids has become a matter of serious concern for the International Olympic Committee. It is our wish to encourage Candidate Cities to put their best cases forward in support of their bids, but without incurring unreasonable costs.

Consequently, a set of rules has been introduced with the aim of helping Candidate Cities to avoid unnecessary and exaggerated expenditure and at the same time provide equal chances for all competing Cities independently from their financial situation. These rules were brought to your Commission's attention at the beginning of your campaign. To our great regret, on some occasions and in several ways, the rules have not been fully respected by the Candidate Cities and their Committees.

At the request of the International Olympic Committee Executive Board, we enclose herewith an additional copy of the above rules together with a strong request to strictly abide by them in the future.

We draw, in particular, your attention to Rule 1 which prohibits all kinds of invitations to receptions in favour of Members of the International Olympic Committee, the National Olympic Committees and International Federations. Only one reception jointly offered by all Candidate Cities will be permitted. These rules also exclude receptions by other hosts acting for or on behalf of Candidate Cities or countries, such as Embassies, Consulates or other public or private institutions, organizations or persons.

We also trust that the rules concerning gifts and visits of IOC Members to Candidate Cities will be fully respected.

We thank you for your assistance in connection with the control of these rules and extend our best wishes for the success in your endeavours.

Sincerely yours,

François CARRARD
Director General

Encl. ment.

LIMITATION OF FINANCIAL COMMITMENTS OF CANDIDATE CITIES (1996 & 1998)

14

1. Receptions

Candidate cities shall not organize individual receptions for IOC members and/or the delegates of National Olympic Comittees and International Federations.

Group receptions organized and financed by all the candidate cities concerned may take place, but only with the prior agreement of all the candidates:
before the Games of the XXVIth Olympiad are awarded in Tokyo in September 1990;
before the XVIIIth Olympic Winter Games are awarded in June 1991 in Birmingham.

Countries presenting a candidature for the Games shall also refrain from opening restaurants, inns and other establishments of traditional character (such as "Chalet Suisse", "Swedish House" etc.).

If, as in the past, such establishments have to be set up by other organizations, they shall under no circumstances be put at the disposition of the candidate cities.
This decision does not however exclude private invitations to hotel rooms and suites.

2. Exhibitions

No exhibition by the candidate cities is to be organized.

3. Visits by IOC members to candidate cities

The fourth paragraph of rule 1 of the conditions imposed on candidate cities (Olympic Charter 1985, page 76) stipulates:
"The IOC wishing for all candidate cities to be considered on an equal footing and having decided to send three official commissions of enquiry (one composed of IOC members, another of IFs and the third of NOCs), the IOC requests the candidate committees not to invite any other persons taking a direct part in the election of the host cities for the Olympic Games."

The Executive Board is of the opinion that IOC members should, for their own personal information, be able to visit the candidate cities. The length of these visits should not exceed three days. IOC members should not be accompanied by more than one person. The IOC must be informed of such visits.

Gifts to IOC members

Gifts offered to IOC members by and on behalf of candidate cities should be limited to documents or other items intended for information and/or souvenir articles. Gifts of a value exceeding US$ 200 are not permitted.

MODE	CONNECTION TEL	CONNECTION ID	START TIME	USAGE T.	PAGES
TX	0114121241552	6-3	05/02 11:16	01'56	03(00)

Atlanta
1996

May 2, 1990

F A X

Madame Francoise Zweifel
Secretary General
International Olympic Committee
Château de Vidy
CH-1007 Lausanne
SWITZERLAND

Dear Madame Zweifel:

Thank you for your letter of April 26 concerning the IOC session in Tokyo, Japan in September, 1990.

I was extremely surprised and disappointed to see that you had decided to severely restrict the amount of exhibition space which will be available to each of the candidate cities. Our previous planning and discussions had assumed that each of the candidate cities would have an exhibition space roughly equivalent in size to the one you are now dividing by six to serve that purpose. I know I speak for my counterparts in all the candidate cities that we had intended to use the exhibition area to greet and meet our friends from the International Olympic Committee in an orderly and organized fashion thereby negating the need to over crowd the lobbies and corridors of the hotel complex in an effort to speak to our friends. Regrettably, the allocation of such a small exhibition area makes this organized approach impossible and I implore upon you to reconsider the assignment of exhibition area.

Given the relative importance of the announcement of the 1996 Host City to this session, it seems to me only fair that the candidate cities be accorded a reasonable opportunity to organize their exhibition areas.

Additionally, if I calculate correctly, the cost for the exhibition areas is approximately $3,500 per day U.S. and is extraordinary even by Tokyo standards. Is this fee standard or are we subsidizing use of other areas of the hotel complex?

Atlanta Organizing Committee
Suite A-501, One Atlanta Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone--404-874-1996
fax--404-874-9824

I have directed these comments only to you in the hope that an equitable resolution of these issues can be attained. The matter of the election of the 1996 Host City is simply too important to negate each bid city's opportunity to make its final presentation in an organized and convenient manner. I hope you agree and I look forward to hearing from you soon.

With kindest regards, I am

Sincerely,

Billy

William Porter Payne
President

Atlanta
1996

May 8, 1990

F A X

Mr. Francois Carrard
Director General
Chateau de Vidy
CH-1007 Lausanne
SWITZERLAND

Dear Francois:

I received your recent letter regarding clarification of the rules and regulations concerning the Candidate Cities for the Games of the XXVIth Olympiad. We appreciate the desires of the International Olympic Committee Executive Board to help us to avoid any unnecessary and exaggerated expenditures. However, these latest rule clarifications seem to present a significant problem for the upcoming meeting in Barcelona. Specifically, and inasmuch as the Candidate Cities have apparently been totally excluded from any official presence in the IOC hotel, I was wondering if you might rethink the hotel assignment policy in order to allow each Candidate City to establish an official presence and continue to put their best case forward to members of the International Olympic Committee and the National Olympic Committees. In short, I would very much appreciate your favorable consideration to allow all of the Candidate Cities to have some presence other than being relegated to the hotel lobby and other public areas of the hotel.

We assume that private breakfasts, lunches or dinners with our IOC friends in very small numbers are still permitted. If this too has changed, please let me know immediately.

Looking forward to your response and thanking you in advance for your attention to these matters, I am

Sincerely,

William Porter Payne
President

Atlanta Organizing Committee
Suite 3450, One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309 USA
Phone--404-874-1996
Fax--404-874-9124

CITIUS ALTIUS FORTIUS

COMITÉ INTERNATIONAL OLYMPIQUE
CHATEAU DE VIDY, 1007 LAUSANNE, SUISSE

THE PRESIDENT

TO THE MEMBERS OF THE INTERNATIONAL
OLYMPIC COMMITTEE

Lausanne, 11th May 1990
Ref. No. M / 54 /90/FCD/fog

Re : Candidate Cities

Dear Colleague and Friend,

As you remember, the escalation of costs incurred by Candidate Cities in connection with the preparation, promotion and presentation of bids for the Olympic Games raised serious concern with the Members of the International Olympic Committee. These have been clearly expressed on the occasion of recent IOC Sessions. The situation also produced criticism by the Mass Media and public opinion.

Consequently, a few years ago, the IOC introduced a set of rules aiming at avoiding unnecessary expenditure and achieving considerable reduction of overall costs. Please find enclosed a copy of such rules for your information.

From experiences reported in connection with the present bids for the Games of the XXVIth Olympiad in 1996, the IOC Executive Board has noted, with regret, that the determination to abide by these rules appears to be deteriorating.

The Executive Board therefore decided to call on the assistance of all Members of the IOC and to kindly ask them to actively and strongly support the implementation of the above mentioned rules by strictly refusing all initiative by Candidate Cities which are or might prove to be in contradiction with such rules.

I thank you very much for your attention as well as for your active contribution to our endeavours and remain with best regards,

Yours sincerely,

Juan Antonio SAMARANCH

* Enclosure

LIMITATION OF FINANCIAL COMMITMENTS OF CANDIDATE CITIES (1996 & 1998)

1. Receptions

Candidate cities shall not organize individual receptions for IOC members and/or the delegates of National Olympic Comittees and International Federations.

Group receptions organized and financed by all the candidate cities concerned may take place, but only with the prior agreement of all the candidates:
before the Games of the XXVIth Olympiad are awarded in Tokyo in September 1990;
before the XVIIIth Olympic Winter Games are awarded in June 1991 in Birmingham.

Countries presenting a candidature for the Games shall also refrain from opening restaurants, inns and other establishments of traditional character (such as "Chalet Suisse", "Swedish House" etc.).

If, as in the past, such establishments have to be set up by other organizations, they shall under no circumstances be put at the disposition of the candidate cities.
This decision does not however exclude private invitations to hotel rooms and suites.

2. Exhibitions

No exhibition by the candidate cities is to be organized.

3. Visits by IOC members to candidate cities

The fourth paragraph of rule 1 of the conditions imposed on candidate cities (Olympic Charter 1985, page 76) stipulates:
"The IOC wishing for all candidate cities to be considered on an equal footing and having decided to send three official commissions of enquiry (one composed of IOC members, another of IFs and the third of NOCs), the IOC requests the candidate committees not to invite any other persons taking a direct part in the election of the host cities for the Olympic Games."

The Executive Board is of the opinion that IOC members should, for their own personal information, be able to visit the candidate cities. The length of these visits should not exceed three days. IOC members should not be accompanied by more than one person. The IOC must be informed of such visits.

4. Gifts to IOC members

Gifts offered to IOC members by and on behalf of candidate cities should be limited to documents or other items intended for information and/or souvenir articles. Gifts of a value exceeding US$ 200 are not permitted.

SENT BY:ACOG/GAAF ; 5-17-99 ; 2:03PM ; GAAF/ACOG FAX→ 4046581313;# 2

(10) 366

CITIUS · ALTIUS · FORTIUS

COMITÉ INTERNATIONAL OLYMPIQUE
CHÂTEAU DE VIDY, 1007 LAUSANNE, SUISSE

LE DIRECTEUR GÉNÉRAL

Mr. William Porter PAYNE
President
Atlanta Organizing Committee
One Atlantic Center, Suite 3450
1201 West Peachtree Street

ATLANTA, Georgia 30309

U.S.A.

Lausanne, 14th August 1990
Ref. No. 3829 /90/FCD/fog

Re : 96th IOC Session

Dear Mr. Payne,

In answer to your fax dated August 10, 1990, for which I thank you, this is to inform you that the applicable regulations to all candidates cities for the Games of the XXVIth Olympiad are as confirmed in my circular letter dated April 27, 1990. I also understand that at the briefing meeting held on June 4, 1990, in Barcelona, Mrs. Zweifel indicated that for invitations for private individual receptions, the maximum limit was set at 20 persons.

The size of permitted functions has not been increased.

Thanking you for bringing this matter to my attention, I remain,

With best personal regards,

Yours very truly,

François CARRARD

EXHIBIT C

HEALTH CARE SERVICES

Member [Country]	Description	Date	Total Value	Check #
Attarabulsi [Libya]	Offered to arrange a medical examination for Mr. Altarabulsi in the United States (We found no evidence Mr. Altarabulsi ever received this examination)	5/30/90	NA	NA
Benjelloun [Morocco]	Discussed with Mr. Benjelloun arranging for him to visit Emory Medical Center for heart problems, and throat and salivary gland problems potentially related to his cancer (We found no evidence Mr. Benjellown ever received such treatment)	9/26/88	NA	NA
Benjelloun [Morocco]	Discussed with Mr. Benjelloun arranging for his wife to visit Emory medical center for eye problems (We found no evidence Mrs. Benjelloun ever received such treatment)	9/26/88	NA	NA
Ganga [Congo]	Paid for medical care for Congolese tennis player training at tennis academy in Florida	12/19/90	101.00	3843
Ganga [Congo]	Paid for prescription eye medicine for Mr. Ganga	12/3/90	22.45	3780
Guirandou [Ivory Coast]	Paid for dental care provided to Mr. Guirandou	9/1-2/89	600.00	1025 1136
Sibandze [Swaziland]	We believe that a local hospital provided complimentary emergency care to Mr. Sibandze after he suffered a heart attack during a visit to Atlanta	9/89	Unknown	NA
Sibandze [Swaziland]	Paid for prescription medication for Mr. Sibandze	7/30/90	93.48	3640
Smirnov [USSR]	Complimentary medical examination given to Mr. Smirnov by Atlanta-area doctor	7/24/90	Unknown	NA
Zerguini [Algeria]	We believe that a local hospital provided complimentary treatment to Mr. Zerguini's son relating to an infection the son suffered while in Atlanta	7/30/90	Unknown	NA

EXHIBIT D

****EMPLOYMENT OPPORTUNITIES****

Member [Country]	Description	Date
Essomba [Cameroon]	Provided a letter of recommendation to Johns Hopkins for Mr. Essomba's son, who sought additional training in thoracic surgery (we have found no evidence that the son received training at Johns Hopkins)	7/9/90
Ganga [Congo]	Assisted Mr. Ganga's son in obtaining job offer from C&S Bank (we believe the son did not go to work at C&S bank)	5/90
Isava [Venezuela]	Arranged for Ms. Isava's son to interview with officer of Robinson-Humphrey Co. brokerage firm (the son did not gain employment with the firm)	2/28/90
Ramirez [Mexico]	Offered Mr. Ramirez' son unspecified career assistance (the son declined the offer)	2/24/89
Smirnov [Russia]	Assisted Mr. Smirnov's son in effort to obtain employment with Vail Associates, a Colorado ski resort (we found no evidence the son obtained employment with Vail Associates)	4/17/90
Troger [Germany]	Offered to introduce Mr. Troger's daughter to representatives of Atlanta-area universities for possible teaching position (the daughter declined the offer)	7/15/90
Zerguini [Algeria]	Arranged for Mr. Zerguini's son, a doctor, to observe surgical techniques during visit to Atlanta. Son stayed with GAAF volunteer in Atlanta and AOC paid for airfare to U.S.	7/90

EXHIBIT E

EXPENSES RELATING TO MAURITIAN SWIMMER

GAAF's preliminary response identified certain expenses totaling $6,805 that were incurred in connection with this swimmer's training. Our review identified the following GAAF expenses relating to this individual:

		3,000.00	tuition*
		2,065.00	airfare
		1,800.00	living expenses
		1,500.00	housing for mother
		475.00	training facility charges
		235.00	books
		70.00	testing fee
Total:	$	9,145.00	

* A $3,200 tuition discount was received from the Atlanta International School.

EXPENSES RELATING TO TENNIS PLAYERS FROM THE REPUBLIC OF CONGO

GAAF's preliminary response also noted that it paid $14,099.40 for two teenage tennis players from the Republic of Congo to attend tennis camp in Florida. GAAF incurred the following expenses relating to the training of these tennis players:

		10,398.40	airfare
		3,600.00	training facility charges
		484.00	insurance
		101.00	medical bill
Total:	$	14,583.40	

EXHIBIT F

** ATHLETIC TRAINING / CLINICS**

Member [Country]	Description	Date
Arroyo [Ecuador]	Offered to arrange for Mr. Arroyo's grandson to attend tennis academy in Florida (we have been advised that he never attended)	8/22/90
Dibos [Peru]	Facilitated acceptance of Peruvian cyclists into USOC-sponsored training program in the U.S.	2/23/90
Dibos [Peru]	Facilitated acceptance of Peruvian shooter into USOC-sponsored training program in the U.S.	3/12/90
Ganga [Congo]	Arranged and paid for two Congolese tennis players to attend a tennis academy in Florida (see itemization at Exhibit E)	7/17/90
Ruhee [Mauritius]	Arranged and paid for Mauritian swimmer to live, train, and study in Atlanta for academic year (see itemization at Exhibit E)	5/8/90
Erdem [Turkey]	Offered to arrange for tennis player identified by Mr. Erdem to attend a tennis academy in Florida (we have been advised that he never attended)	4/27/90

EXHIBIT G

EQUIPMENT TO THE REPUBLIC OF CONGO

GAAF's preliminary report described a gift of sports equipment valued at $19,294 to the Republic of Congo. During our review, we identified the following expenditures incurred by GAAF in connection with donations of equipment to athletes in the Congo.

Item	Check#	Date	Amount ($)
Shorts	3005	Unknown	3,954.00
T-shirts	2155	2/19/90	2,625.00
Soccer balls, volleyballs, basketballs	2406	3/7/90	2,538.66
Handballs	2100	3/8/90	1,455.00
Shipping (clothing, handballs)	2444	3/9/90	2,600.40
Shipping (soccer balls, volleyballs, basketballs)	2095	3/8/90	2,549.12
Socks, shorts, etc.	3558	8/15/90	2,295.45
Shipping	3250	8/21/90	2,616.25
		Total:	**20,633.88**

EXHIBIT H

SPORTS EQUIPMENT

Member [Country]	Description	Date	Total Value
Ganga [Congo]	Coca-Cola offered to contribute $10,000 to the Ungold Brazzaville Lions Club for use towards the purchase of a new scoreboard for the National Sports Stadium in Brazzaville **(We have been advised that the Coca-Cola Foundation never incurred any expenditure in connection with this offer)**	3/90	NA
Ganga [Congo]	Provided equipment and clothing for use by amateur athletes in the Republic of Congo (see itemization at Exhibit G)	3/90	20,633.88
Ganga [Congo]	Discussed facilitating donation of 1,500 pairs of shoes to participants in School & University Games in the Congo	Unknown	Unknown
Ganga [Congo]	Discussed facilitating donation of track clothing to the Congo Sports Ministry	3/9/90	Unknown
Various	Discussed facilitating equipment grants for "All African NOCs" (we found no evidence that these equipment grants were made)	9/10/89	Unknown
Unknown	Discussed providing sports equipment as requested by NOC member from Costa Rica (we found no evidence that any equipment was provided)	11/3/89	Unknown

EXHIBIT I

SCHOLASTIC ASSISTANCE

Member [Country]	Description	Date
Adefope [Nigeria]	Without consulting the Georgia Institute of Technology, Andrew Young apparently offered Gen. Adefope's daughter a scholarship to the school's MBA program (Gen. Adefope declined)	12/5/89
Keita [Mali]	Provided Mr. Keita's daughter with information regarding Atlanta-area schools (we found no evidence she ever attended school in Atlanta)	7/2/90
Kumar [India]	Provided assistance regarding Mr. Kumar's daughter's entry into Harvard summer school	5/11/90
Kumar [India]	Offered help regarding financial assistance, and communicated with the admissions office at the University of Illinois, on behalf of the son of the Assistant Secretary of the Indian Olympic Committee, an associate of Mr. Kumar	5/90
Ruhee [Mauritius]	Mr. Ruhee's son obtained in-state tuition rates at the Georgia Institute of Technology	7-8/90
Schmitt [Hungary]	Offered to assist Mr. Schmitt's daughter obtain a tennis scholarship to the University of Georgia (she attended the University of Southern California where she was an All American tennis player)	7-8/90
Wallwork [W. Samoa]	Jointly with USOC, assisted Mr. Wallwork's son with efforts to gain admission to University of Michigan wrestling program	3/90

EXHIBIT J

Atlanta Organizing Committee

Expenditure Control Procedures

March 1989

1. Each disbursement must be supported by an original invoice which adequately documents the nature of the expenditure. Vendor statements should not be used as support.

2. Expenditures over $10,000 must be approved by the Executive Committee of the Board prior to procuring the product or service. This approval should be documented using the separate purchase order approval form. Expenditures are over $1,000 but under $10,000 must be approved by two members of the Administrative Committee. Expenditures under $1,000 must be preapproved by the Executive Director. The approval should be documented on the Purchase Order Pre-Approval form.

3. The check number and date paid should be indicated on the supporting invoice and submitted to the appropriate check signers. The invoice reference number should be indicated on the check.

4. Each disbursement will require two check signers consisting of the Executive Director and an officer. The check signers should review the supporting documentation for propriety prior to signing the checks.

5. The supporting invoices should be filed by vendor (payee).

6. Expenditures under $25.00 may be made from the petty cash fund. Supporting receipts should be obtained for all petty cash disbursements. Reimbursement of the petty cash fund should follow the normal disbursement approval procedures outlined above.

7. Personal expense reimbursements (including travel and entertainment) must be supported using the separate expense reimbursement form.

8. Contributions in-kind can be recognized using the personal expense reimbursement form. Detail the expenses incurred by the donor on the form with the appropriate documentation. The amount to be contributed should be reflected on the labeled line.

9. Estimated expenditures related to an IOC member visit should be pre-approved by the Administrative Committee using the separate form.

GAAF - INTERNAL ACCOUNTING CONTROL PROCEDURES

Disbursements

1. All disbursements should be supported by an invoice. The vendor's statement may have to be used as support in certain instances; however, the vendor invoice should be required as a general policy.

2. The invoice should be approved for payment by the GAAF representative purchasing the goods or services. All purchases over $_____ should require the approval of the GAAF Board of Directors. This approval should be documented on the invoice itself. The nature of the goods or services should also be documented if not readily apparent from the invoice itself.

3. The approved invoice should then be forwarded to the GAAF administrator having responsibility for preparing the checks. The supporting invoice should be marked "Paid" by documenting the check number and amount on the invoice. The invoice should also be checked for clerical accuracy and this check should also be documented on the invoice.

4. The prepared check and supporting invoice should then be forwarded to the appropriate GAAF representatives for signature. Two signatures should be required on all checks with one of the signers being independent with regard to the particular invoice being paid.

5. A petty cash fund may be established for small expenditures for which the two signature procedure is not feasible. Petty cash disbursements should be limited to $_____. Supporting invoices or other documentation should still be maintained for the petty cash disbursements and be submitted when replenishing the fund.

6. The approved and cancelled invoice should be filed alphabetically by vendor.

Receipts/Contributions

1. A lock box arrangement should be considered with a financial institution whereby donations are sent directly to the bank and would therefore not be required to be handled by a GAAF representative.

2. The lock box receipts should be recorded when the notice from the bank is received. The periodic statements should be marked as "recorded" and filed chronologically.

3. Deposits received at the GAAF office should be restrictively endorsed "For deposit only" immediately and deposited in the bank the same day. A detailed listing of contributions by donor should be maintained which supports the deposit amounts.

General

1. If possible, the bank statements should be reconciled by someone other than the preparer of the checks. The bank statement should be reconciled on a timely basis as soon as possible after receipt.

2. The supply of blank checks and the checkbook should be kept in a secure area, preferably a locked drawer or safe.

MEMORANDUM

Norm Green

TO: All AOC Office Staff and Volunteers

FROM: Ginger T. Watkins GTW

DATE: December 15, 1989

SUBJECT: REIMBURSEMENT FOR EXPENDITURES

This is to clarify the AOC policy regarding purchases and reimbursement.

Any and all purchases for which you expect reimbursement must be approved in advance of purchase by submitting a "Purchase Order Preapproval" form (copy attached). These forms may be obtained from the AOC work room.

The only persons authorized to approve AOC purchases/expenditures are Billy Payne, Ginger Watkins or Doug Gatlin. Requests for office supplies should be submitted to office manager Mary White for consolidation. This will alleviate any duplication and purchases for items/supplies which might already be available.

Likewise, submission of expense reports for reimbursement should go to either Billy Payne, Ginger Watkins, or Doug Gatlin for approval before an expense reimbursement check will be issued.

You will not be reimbursed for any expenditures not authorized by an approved "Purchase Order Preapproval" form.

Atlanta Organizing Committee
Purchase Order Preapproval

Requested by: _____ **Date:** _____

Amount of Expenditure _____

ITEMS TO BE PURCHASED:	AMOUNT:
_____	$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL AMOUNT	$ _____

Approved by: _____ **Date:** _____

EXHIBIT K

[Chart includes travel expenses that appear to be confirmed by GAAF's records, unless otherwise noted, and may not reflect subsequent adjustments.]

**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Adefope [Nigeria]	Airfare: San Juan - Atlanta on corporate jet	Adefope (2)	9/2/89	Unknown	Donated
Adefope [Nigeria]	Hotel	Adefope (2)	9/2-6/89	*0.00	1501 MM
Adefope [Nigeria]	Airfare: Atlanta - Zurich - Barcelona (we have been advised that Mr. Adefope had IOC approval for his wife and daughter to make this trip)	Adefope, Dorothy (wife) Adefope, Toyin (daughter)	9/6/89	5,014.00	1325
Adefope [Nigeria]	Airfare (IOC Evaluation)	Adefope	5/17-21/90	0.00	NA
Adefope [Nigeria]	Hotel (IOC Evaluation)	Adefope	5/17-21/90	*62.21	2915 MM
Albert [Monaco]	Airfare: Toronto - Atlanta on corporate jet	Albert of Monaco (4)	8/24/89	Unknown	NA
Albert [Monaco]	Airfare: Atlanta - San Juan (unclear whether AOC reimbursed)	Albert of Monaco (4)	8/28/89	Unknown	NA
Albert [Monaco]	Hotel	Albert of Monaco (4)	8/24-28/89	*0.00	1501 MM
Alexander [Kenya]	Airfare reimbursement: Nairobi - Atlanta - Nairobi	Alexander (2)	2/20-23/90	3,426.80	Wire
Alexander [Kenya]	Hotel	Alexander (2)	2/20-23/90	330.32	2415

MM = Marriott Master Account *VIK = Value In Kind*
** = Values are for incidental expenses. Room subject to Atlanta Organizing Committee-negotiated group rate or paid by third party.*

[Chart includes travel expenses that appear to be confirmed by GAAF's records, unless otherwise noted, and may not reflect subsequent adjustments.]

***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Arroyo [Ecuador]	Airfare: San Juan - Atlanta on corporate jet	Arroyo (2)	9/2/89	Unknown	Donated
Arroyo [Ecuador]	Hotel	Arroyo (2)	9/2-6/89	*0.00	1501 MM
Arroyo [Ecuador]	Airfare: Atlanta - Guayaquil, Ecuador	Arroyo (2)	9/2-6/89	1,746.00	1325
Arroyo [Ecuador]	Airfare reimbursement (cash; no backup documentation found in GAAF's files): Guayaquil -Miami-Atlanta-Miami-Guayaquil	Arroyo (2)	5/13-18/89	4,476.00	657
Arroyo [Ecuador]	Hotel	Arroyo (2)	5/13-18/89	*73.07	744 MM
Arroyo [Ecuador]	Airfare reimbursement (cash): Guayaquil, Ecuador-Miami-Atlanta-Miami-Guayaquil	Arroyo (2)	3/27-31/90	4,608.38	2200
Arroyo [Ecuador]	Hotel	Arroyo (2)	3/26-30/90	*324.84	MM
Attarabulsi [Libya]	Airfare reimbursement (cash): Tripoli - Zurich - Geneva - Zurich - Tripoli	Attarabulsi (2)	7/19/90	2,806.44	2981
Attarabulsi [Libya]	Airfare: Tripoli - Zurich - Geneva - Zurich - Atlanta - Chicago - Atlanta - Zurich - Malta - Tripoli	Attarabulsi (2)	7/15-28/90	11,987.38	3483
Attarabulsi [Libya]	Hotel	Attarabulsi (2)	7/22-28/90	986.66	3308

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Bello [Portugal]	Airfare: Lisbon-New York-Atlanta-New York- Lisbon	Bello	4/3-9/90	3,840.10	2237
Bello [Portugal]	Hotel	Bello	4/3-9/90	*17.78	2601 2915 MM
Bello [Portugal]	Hotel (Savannah)	Bello	4/5-6/90	139.25	2323
Benjelloun [Morocco]	Hotel	Benjelloun (3)	6/16-21/90	1,169.84	3049
Benjelloun [Morocco]	Airfare reimbursement (cash): Casablanca -- Paris -- Atlanta -- New York -- Paris -- Casablanca	Benjelloun (3)	6/90	12,204.39	2821
Benjelloun [Morocco]	AOC offered to pay for Benjellouns' hotel in New York during their stay en route	Benjelloun (3)	6/90	NA	NA
Bridge [Jamaica]	Airfare reimbursement (no backup documentation found in GAAF's files)	Bridge (2)	10/2-3/89	1,450.00	1335
Bridge [Jamaica]	Hotel	Bridge (2)	10/2-3/89	Unknown	MM
Carlgren [Sweden]	Airfare reimbursement: Stockholm - Amsterdam - Atlanta -New York - Amsterdam - Stockholm	Carlgren (2)	4/3-9/90	11,130.70	Wire
Carlgren [Sweden]	Hotel	Carlgren (2)	4/3-9/90	*103.10	1501 MM

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Carlgren [Sweden]	Hotel (Savannah)	Carlgren (2)	4/5-6/90	204.98	2323
Carlgren [Sweden]	Day-trip to attend Masters golf tournament	Carlgren Herzog	4/6/90	Unknown	NA
Cernusak [Czechoslovakia]	Airfare: Atlanta-San Juan	Cernusak (2) Mr. and Mrs.	8/28/89	806.00	Donated
Cernusak [Czechoslovakia]	Airfare: Gainesville - Atlanta - Gainesville	Cernusak, Ivan (son)	8/23-27/89	509.00	1325
Cernusak [Czechoslovakia]	Hotel	Cernusak (3)	8/24-28/89	*0.00	1501 MM
Cernusak [Czechoslovakia]	Airfare: San Juan-Frankfurt-Vienna	Cernusak, Maria (wife)	9/2-3/89	1,625.00	1325
Cernusak [Czechoslovakia]	Airfare: Gainesville-Atlanta-Gainesville	Cernusak, Ivan (son)	11/17/89	230.00	VIK
Cernusak [Czechoslovakia]	Airfare: Atlanta-Gainesville	Cernusak, Danica (wife of IOC Member's son, Ivan)	11/17/89	241.00	VIK
Cernusak [Czechoslovakia]	Hotel (Atlanta)	Cernusak, Ivan (son)	11/23-26/89	181.84	1782

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Coles [Australia]	Airfare reimbursement/2 itineraries: 1) for all 3 Coles: Toronto - Detroit - Atlanta - Orlando - Los Angeles from 7/1-11/89; and 2) for Mrs. Georgiana and Miss Samantha only: Los Angeles - Sydney on 7/12/89	Coles (3)	7/1-11/89 for Mr. Coles; 7/1-12/89 for Mrs. and daughter	10,223.83	811 870 Wire
Coles [Australia]	Hotel	Coles (3)	7/1-6/89	454.88	945
Coles [Australia]	Hotel (Grand Cypress Resort)	Coles (3)	7/6-12/89	2,649.00	1328 1405
Coles [Australia]	Airfare (NOC Visit)	Coles	8/24-27/89	0.00	NA
Coles [Australia]	Hotel (NOC Visit)	Coles	8/24-27/89	*0.00	1501 MM
de Merode [Belgium]	We do not believe Prince de Merode ever visited Atlanta during the bid period. To encourage him to visit, a letter was obtained from the head of the Emory Health Science Center encouraging Prince de Merode, who was President of the IOC Medical Commission, to visit Atlanta for medical and drug testing inspection.	de Merode	2/28/90	NA	NA
de Stefani [Italy]	Airfare/ 2 itineraries: 1) Rome - Frankfurt - Atlanta - Frankfurt - Rome and 2) Atlanta - New York - Toronto	de Stefani (2)	4/1-8/90	12,523.56	2408 2550

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** TRAVEL **

Member [Country]	Description	Recipient	Date	Total Value	Ch#
de Stefani [Italy]	Hotel	de Stefani	4/1-8/90	*237.32	2601 2915 MM
Defrantz [USA]	Airfare: Los Angeles - Atlanta - Los Angeles	Defrantz	4/5-6/88	1,030.00	180
Defrantz [USA]	Airfare: Los Angeles - Atlanta	Defrantz	2/14-15/89	443.00	999
Defrantz [USA]	Hotel	Defrantz	2/14-15/89	*4.75	522 MM
Defrantz [USA]	Airfare: Los Angeles - Atlanta - Washington - Los Angeles	Defrantz	6/16-18/89	1,405.00	999
Defrantz [USA]	Hotel	Defrantz	6/16-18/89	*0.00	792 MM
Defrantz [USA]	Airfare: San Juan - Atlanta - San Juan	Defrantz	9/1-3/89	563.20	Donated
Defrantz [USA]	Hotel	Defrantz	9/1-3/89	Unknown	MM
Defrantz [USA]	Airfare: New Haven - Atlanta - New York - Los Angeles	Defrantz	4/4-8/90	1,146.00	2652

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Defrantz [USA]	Hotel	Defrantz	4/4-8/90	*0.00	2601 2915 MM
Defrantz [USA]	Hotel (Savannah)	Defrantz	4/5-6/90	159.18	2323
Defrantz [USA]	Airfare for LA-Atlanta-Detroit	Defrantz	5/16-20/90	907.00	2764
Defrantz [USA]	Airfare: LA - Barcelona - LA	Defrantz	6/2-8/90	5,492.00	3140
Dibos [Peru]	Airfare: San Juan - Atlanta - San Juan	Dibos (2)	8/25-27/89	1610.40	Donated
Dibos [Peru]	Hotel	Dibos (2)	8/25-27/89	*0.00	1501 MM
Elizalde [Phillippines]	Airfare: New York - Atlanta - New York	Elizalde (1)	10/24-25/89	1010.00	VIK
Elizalde [Phillippines]	Hotel	Elizalde	10/24-25/89	287.77	1592
Erdem [Turkey]	Airfare: San Juan - Atlanta on corporate jet	Erdem	9/2/89	Unknown	Donated
Erdem [Turkey]	Hotel	Erdem	9/2-5/89	*0.00	1501 MM

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Erdem [Turkey]	Airfare: Atlanta - Nashville	Erdem	9/5/89	Unknown	NA
Ericsson [Sweden]	Airfare: Stockholm - Atlanta - Stockholm	Ericsson (2)	5/1/89	9,736.00	538
Ericsson [Sweden]	Hotel	Ericsson (2)	4/30-5/5/89	*127.07	744
Ericsson [Sweden]	Augusta trip (Value reflects total expenditure benefitting all recipients)	Ericsson (2) Holst-Sorenson (2) Igaya (2) O'Flanagan Tallberg (2)	5/4/89	5,291.23	731 679 678
Ericsson [Sweden]	Hotel (IOC Evaluation)	Ericsson	5/17-21/90	*91.28	2915 MM
Ericsson [Sweden]	Offered trip to Disney World	Ericsson family	8/20/90	NA	NA
Essomba [Cameroon]	Airfare/3 itineraries: 1) Essomba/Juliene: Douala, Cameroon - Frankfurt - Zurich - Atlanta - New York - Paris - Douala; 2) Essomba/Rene Prof: Yap, Caroline Island, Pacific Ocean - Douala - Brussels - Geneva - Zurich -Atlanta - New York - Paris - Douala - Yap; and 3) Essomba/Arthur: itinerary not listed on invoices paid by check nos. 2408, 3133, and 3483	Essomba (3)	7/90	20,481.71	2408 3133 3483

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Essomba [Cameroon]	Hotel	Essomba (3)	7/10-13/90	672.22	3455
Ferrer [Spain]	Hotel (Correspondence indicates San Juan - Atlanta - New York was Ferrer's itinerary; unclear whether AOC reimbursed airfare)	Ferrer (2)	9/2-3/89	*0.00	1501 MM
Filipovic [Yugoslavia]	Airfare reimbursement (no backup documentation found in GAAF's files): New York - Salt Lake City - Atlanta - Frankfurt	Filipovic (2)	7/25-29/90	9,804.00	3024
Filipovic [Yugoslavia]	Hotel	Filipovic (2)	7/25-28/90	818.77	3308
Filipovic [Yugoslavia]	Hotel (Savannah)	Filipovic (2)	7/28-29/90	82.15	3338
Gafner [Switzerland]	Airfare: Zurich - Atlanta - San Diego	Gafner (2)	12/19-23/89	5,882.94	Wire
Gafner [Switzerland]	Hotel	Gafner (2)	12/19-23/89	237.55	1924
Ganga [Congo]	Airfare: San Juan - Atlanta on corporate jet	Ganga (4)	9/2/89	Unknown	Donated
Ganga [Congo]	Airfare: Atlanta - Montreal	Ganga, Danielle (daughter) Ganga, Victoire (daughter)	9/4/89	881.28	1325

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Ganga [Congo]	Airfare reimbursement (cash; no backup documentation found in GAAF's files): Brazzaville - Paris (Round-trip) and Paris - Atlanta (Round-trip)	Ganga (Mrs.)	9/2/89	7,313.75	1134
Ganga [Congo]	Airfare: Atlanta - NY	Ganga (2)	9/4/89	1,010.00	VIK
Ganga [Congo]	Hotel	Ganga (4)	9/3-8/89	*0.00	1501 MM
Ganga [Congo]	Hotel (New York)	Ganga	4/26-28/90	2,663.50	2603
Ganga [Congo]	Airfare: Montreal - New York	Ganga	4/26-28/90	1,643.92	Donated
Ganga [Congo]	Airfare: Montreal - Atlanta - Montreal [The records are unclear with respect to the use of two sets of overlapping tickets issued for this trip]	Ganga, G. (son) Ganga, J. (son)	5/17/90 (ticket issue date)	1,357.30	VIK
Ganga [Congo]	Airfare: Montreal - Toronto	Ganga, G. (son)	5/23/90 (ticket issue date)	160.48	3133
Ganga [Congo]	Hotel (Atlanta)	Ganga, J. (son) Ganga, G. (son)	5/23-27/90	675.87	2905
Geesink [Netherlands]	Hotel	Geesink	3/25/89	*75.00	597 MM

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Member [Country]	Description	Recipient	Date	Total Value	Ch#
Geesink [Netherlands]	Private car (during visit to Atlanta with Philips representatives)	Geesink	3/27/89	327.50	596
Geesink [Netherlands]	Offered to pay costs of travel to Atlanta when Geesink visited with Philips representatives	Geesink	3/30/89	NA	NA
Geesink [Netherlands]	Airfare: San Juan - Atlanta on corporate jet	Geesink (2)	9/2/89	Unknown	Donated
Geesink [Netherlands]	Hotel	Geesink (2)	9/2-5/89	*0.00	1501 MM
Geesink [Netherlands]	Airfare: Atlanta - Orlando - Atlanta	Geesink (2)	9/2-10/89	1,420.00	VIK
Geesink [Netherlands]	Hotel (Grand Cypress Resort)	Geesink	9/6-10/89	727.30	1698
Geesink [Netherlands]	Airfare: Atlanta - Savannah	Geesink (2)	3/16/90	566.00	VIK
Geesink [Netherlands]	Hotel (Savannah)	Geesink (2)	3/16-18/90	500.00	2091
Geesink [Netherlands]	Hotel (Sea Island, Ga.)	Geesink (2)	3/18-21/90	1,202.17	2356
Geesink [Netherlands]	Hospitality and meals (Sea Island); value reflects total expenditures benefitting two members and a guest	Geesink (2) O'Flanagan Hickey	3/18-21/90	1,655.64	2356

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Glen-Haig [Great Britain]	Airfare: San Juan - Atlanta on corporate jet	Glen-Haig	9/2/89	Unknown	Donated
Glen-Haig [Great Britain]	Airfare: Atlanta - London	Glen-Haig	9/7/89	1,878.00	VIK
Glen-Haig [Great Britain]	Hotel	Glen-Haig	9/2-7/89	*0.00	1501 MM
Gosper [Australia]	Airfare reimbursement: Los Angeles - Atlanta - London (shared with Toronto)	Gosper	8/28-30/90	2,944.12	Wire
Gosper [Australia]	Hotel	Gosper	8/28-30/90	403.33	3628
Gramov [USSR]	Airfare: San Juan - Atlanta on corporate jet	Gramov	9/2/89	Unknown	Donated
Gramov [USSR]	Offered to reimburse airfare from Atlanta	Gramov	9/2-5/89	NA	NA
Gramov [USSR]	Hotel	Gramov	9/2-5/89	*0.00	1501 MM
Guerra [Cuba]	Airfare: San Juan - Atlanta on corporate jet	Guerra	9/2/89	Unknown	Donated
Guerra [Cuba]	Airfare: Atlanta - Miami	Guerra	9/5/89	449.00	1331

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Guerra [Cuba]	Hotel	Guerra	9/2-6/89	*0.00	1501 MM
Guirandou [Ivory Coast]	Airfare: San Juan - Atlanta on corporate jet	Guirandou (2)	9/2/89	Unknown	Donated
Guirandou [Ivory Coast]	Airfare: Atlanta - New York	Guirandou (2)	9/2-7/89	1,010.00	VIK
Guirandou [Ivory Coast]	Hotel	Guirandou (2)	9/2-7/89	*0.00	1501 MM
Haggman [Finland]	Airfare: Sault Ste. Marie, Canada - Toronto - Atlanta - Toronto - Sault Ste. Marie, Canada	Haggman (4)	11/2-5/89	2,786.10	1548
Haggman [Finland]	Hotel	Haggman (4)	11/2-5/89	973.28	1736
Haggman [Finland]	Trip to University of Georgia football game	Haggman (4)	11/89	Unknown	NA
Haggman [Finland]	Airfare -- 2 itineraries: 1) for Pirjo (Member), Anders, and Anton: 7/19/90: Chicago - Bloomington; 7/23: Peoria - Chicago - Boston; 8/4: Bangor - Newark - Toronto; 8/5: Toronto - Helsinki; and 2) for Bjarne: 7/19/90: Toronto - Chicago - Bloomington; 7/23: Peoria - Chicago - Boston; 7/27: Bangor - Newark - Toronto (Airfare split with Amateur Softball Association)	Haggman (4)	7/19-8/6/90 for Pirjo, Anders, and Anton and 7/19-27/90 for Bjarne	2,339.55	3413

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Member [Country]	Description	Recipient	Date	Total Value	Ch#
Haggman [Finland]	Hotel (Boston)	Haggman (2)	7/22-26/90	2,455.03	3124
Haggman [Finland]	Stay at vacation home of GAAF member (Maine)	Haggman (4)	7/26-8/4/90	Unknown	Donated
Hay [Mexico]	Airfare: San Juan - Atlanta on corporate jet	Hay (2)	9/2/89	Unknown	Donated
Hay [Mexico]	Airfare: Atlanta - Mexico City	Hay (2)	9/2-4/89	686.00	VIK
Hay [Mexico]	Hotel	Hay (2)	9/2-4/89	*0.00	1501 MM
Hay [Mexico]	Offered plane tickets: Mexico City - Atlanta, Delta's maiden non-stop flight	Hay (2)	12/8/88	NA	NA
Heinze [E. Germany]	Airfare: Atlanta - San Juan	Heinze (2)	8/24-28/89	806.00	VIK
Heinze [E. Germany]	Hotel	Heinze (2)	8/24-28/89	*0.00	1501 MM
Helmick [USA]	Airfare: Des Moines - Chicago - Atlanta	Helmick (1)	7/16-18/88	886.00	223
Helmick [USA]	Hotel	Helmick (2)	7/16-18/88	175.47	NA

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Helmick [USA]	Airfare (does not appear to have been paid by AOC)	Helmick (1) Helmick (2) Helmick (2)	2/14-15/89 9/2-7/89 4/4-6/90	Unknown	NA
Helmick [USA]	Hotel	Helmick (1)	2/14-15/89	*0.50	522 MM
Helmick [USA]	Hotel	Helmick (2)	9/2-7/89	*0.00	1501 MM
Helmick [USA]	Hotel	Helmick (2)	4/4-6/90	*0.00	2601 2915 MM
Herzog [France]	Airfare: Paris - Washington, D.C. - Atlanta - Frankfurt - Paris	Herzog (2)	4/1-8/90	10,354.92	2408
Herzog [France]	Hotel	Herzog (2)	4/4-8/90	*60.97	2601 2915 MM
Herzog [France]	Hotel (Savannah)	Herzog (2)	4/5-6/90	157.92	2323
Herzog [France]	Limousine service in Washington, DC.	Herzog (Mr. and Mrs.)	4/1-4/90	1,745.00	2296
Herzog [France]	Trip to attend Masters golf tournament	Carlgren Herzog	4/6/90	Unknown	NA

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Hodler [Switzerland]	Airfare/Hotel (does not appear to have been paid by AOC)	Hodler	2/13/89	0.00	NA
Hodler [Switzerland]	Offered golf trip to Augusta National	Hodler	Various	NA	NA
Holst-Sorensen [Denmark]	Airfare: Copenhagen - Atlanta - Copenhagen	Holst-Sorenson (2)	5/1-5/89	8,406.00	552
Holst-Sorensen [Denmark]	Hotel	Holst-Sorenson (2)	5/1-5/89	*39.58	744 MM
Holst-Sorensen [Denmark]	Augusta trip (Value reflects total expenditure benefitting all recipients.)	Ericsson (2) Holst-Sorenson (2) Igaya (2) O'Flanagan Tallberg (1)	5/4/90	5,291.23	731 679 678
Igaya [Japan]	Airfare reimbursement (no backup documentation found in GAAF's files)	Igaya (2)	4/30 - 5/3/89	4,634.00	587
Igaya [Japan]	Hotel	Igaya (2)	4/30- 5/5/89	*288.57	744 MM
Igaya [Japan]	Augusta trip (Value reflects total expenditure benefitting all recipients.)	Ericsson (2) Holst-Sorenson (2) Igaya (2) O'Flanagan Tallberg (2)	5/4/89	5,291.23	731 679 678

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Member [Country]	Description	Recipient	Date	Total Value	Ch#
Igaya [Japan]	Airfare: Honolulu - Maui - Honolulu	Igaya (2)	5/5-7/89	263.76	621
Igaya [Japan]	Changed return airfare to include stopover in Honolulu on return trip to Tokyo	Igaya (2)	5/5/89	588.59	641
Isava [Venezuela]	Airfare: San Juan - Atlanta on corporate jet	Isava (2)	9/2/89	Unknown	Donated
Isava [Venezuela]	Airfare: Atlanta - Miami	Isava (2)	9/7/89	898.00	VIK
Isava [Venezuela]	Hotel	Isava (2)	9/2-7/89	*0.00	1501 MM
Isava [Venezuela]	Offered to pay airfare (Miami - Atlanta - Miami) in connection with visit to Atlanta for son's interview with Robinson-Humphrey (unclear whether AOC paid)	Isava's son and guest	2/28-3/1/90	NA	NA
Isava [Venezuela]	Trip to Doral Open golf tournament in Miami (does not appear to have been paid by AOC)	Isava's son and daughter-in-law	3/90	NA	NA
Isava [Venezuela]	Offered second visit to Atlanta, including stay in Savannah and Sea Island	Isava	8/15/90	NA	NA
Kaltschmitt [Guatemala]	Airfare: San Juan - Atlanta on corporate jet	Kaltschmitt (2)	9/2/89	Unknown	Donated
Kaltschmitt [Guatemala]	Airfare: Atlanta - Miami - Guatemala City	Kaltschmitt (2)	9/2-7/89	Unknown	VIK

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Kaltschmitt [Guatemala]	Hotel	Kaltschmitt (2)	9/2-7/89	*0.00	1501 MM
Keita [Mali]	Airfare reimbursement: Brussels - Atlanta - Washington, D.C. - New York - Brussels	Keita (2)	7/31-8/9/90	9,943.62	3047
Keita [Mali]	Hotel	Keita (2)	7/31-8/6/90	1,575.25	MM
Keita [Mali]	Airfare: Atlanta - Orlando -Washington, D.C.	Keita (3)	7/31-8/6/90	2,416.80	VIK
Keita [Mali]	Hotel (Orlando)	Keita (3)	8/4-6/90	924.00	3229
Kumar [India]	Airfare: San Juan - Atlanta on corporate jet	Kumar (2)	9/2/89	Unknown	Donated
Kumar [India]	Airfare: Atlanta - Los Angeles	Kumar (2)	9/7/89	1,480.00	VIK
Kumar [India]	Hotel	Kumar (2)	9/2/89	*0.00	1501 MM
Matthia [Togo]	Airfare [Airfare listed is only AOC payment for airfare we have been able to confirm]	Matthia (2)	6/23-30/90	10,395.00	2675 2677
Matthia [Togo]	Hotel	Matthia	6/24-28/90	*1,037.81	MM

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Mbaye [Senegal]	Airfare reimbursement: Paris - Atlanta - New York - Dakar, Senegal	Mbaye (2)	5/12-15/90	9,213.72	2550
Mbaye [Senegal]	Hotel	Mbaye (2)	5/12/90	462.84	2601 MM
Mbaye [Senegal]	Day-trip to Augusta National for golf	Mbaye	5/14/90	410.51	2937
Mendoza [Colombia]	Airfare: Atlanta - Miami	Mendoza (3)	9/2-7/89	1,347.00	VIK
Mendoza [Colombia]	Airfare: Miami - Bogota	Mendoza (1)	9/2-7/89	528.00	1325
Mendoza [Colombia]	Airfare: San Juan - Atlanta on corporate jet	Mendoza (3)	9/2/89	Unknown	Donated
Mendoza [Colombia]	Hotel	Mendoza (3)	9/2-7/89	*0.00	1501 MM
Mendoza [Colombia]	Hotel (Savannah)	Mendoza (3)	7/31-8/3/90	220.77	3689
Mendoza [Colombia]	Airfare: Miami - Atlanta - Miami	Mendoza (3)	7/31-8/3/90	2,102.00	VIK
Mendoza [Colombia]	Airfare reimbursement (cash): two routes -- Bogota-Miami - Bogota and Atlanta - Savannah	Mendoza (2)	7/31-8/3/90	2,932.40	3063 VIK

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Mendoza [Colombia]	Hotel	Mendoza (3)	7/31-8/3/90	642.93	MM
Munoz-Pena [Dominican Republic]	Airfare reimbursement	Munoz-Pena (2)	9/2-5/90	2,409.00	3272
Munoz-Pena [Dominican Republic	Hotel	Munoz-Pena (2)	9/2/90	302.83	3455
Mzali [Tunisia]	Airfare: Tunis - Geneva -- Paris	Mzali (Mrs.)	11/7-10/89	539.33	1548
Mzali [Tunisia]	Airfare: Paris - Atlanta - Washington, D.C. - Orlando - Miami - Paris	Mzali (2)	11/12-18/89	10,897.70	2003 VIK
Mzali [Tunisia]	Hotel, meals, and interpreter in Washington, DC	Mzali	11/15-16/89	1,167.90	1643
Mzali [Tunisia]	Hotel (Grand Cypress)	Mzali (2)	11/16-18/89	1,697.77	1985
Mzali [Tunisia]	Hotel (Coral Gables)	Mzali (2)	11/21/89 (posting date of credit card charge)	1,878.79	1816
Nikolaou [Greece]	Airfare	Nikolaou (2)	7/24-29/90	10,397.40	3483

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Nikolaou [Greece]	Hotel	Nikolaou (2)	7/24-26/90	620.37	MM
Nikolaou [Greece]	Hotel (Savannah)	Nikolaou (2)	7/27-28/90	82.15	3338
Nyangweso [Uganda]	Airfare: London - Atlanta - London	Nyangweso (2)	4/3-8/90	8,073.00	2408
Nyangweso [Uganda]	Hotel	Nyangweso (2)	4/3/90	292.45	2601 2915 MM
O'Flanagan [Ireland]	Airfare	O'Flanagan	4/30-5/5/89	5,371.00	540 725
O'Flanagan [Ireland]	Hotel	O'Flanagan	4/30-5/5/89	*41.50	744 MM
O'Flanagan [Ireland]	Augusta trip (Value reflects total expenditure benefitting all recipients.)	Ericsson (2) Holst-Sorenson (2) Igaya (2) O'Flanagan Tallberg (2)	5/4/89	5,291.23	731 679 678
O'Flanagan [Ireland]	Airfare: Dublin - Atlanta - West Palm Beach, FL - Atlanta - Dublin [The records are unclear with respect to the use of three overlapping tickets issued for Mr. O'Flanagan's March 1990 trip]	O'Flanagan	3/14-?/90	5,420.66	VIK

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
O'Flanagan [Ireland]	Airfare: Atlanta - Zurich - Geneva	O'Flanagan	3/21/90	2,092.00	2914
O'Flanagan [Ireland]	Airfare: Dublin - Atlanta - Dublin	Hickey (NOC)	3/14-20/90	5,344.00	VIK
O'Flanagan [Ireland]	Hotel	O'Flanagan Hickey	3/14-16/90 3/21-23/90	1,480.19	2435
O'Flanagan [Ireland]	Hotel (Savannah)	O'Flanagan Hickey	3/16-17/90	1,100.00	1951
O'Flanagan [Ireland]	Hotel (Sea Island)	O'Flanagan Hickey	3/18-21/90	1,790.37	2356
O'Flanagan [Ireland]	Hospitality and meals (Sea Island) - value reflects total expenditures benefitting two members and a guest	Geesink (2) O'Flanagan Hickey (Ireland NOC)	3/18-21/90	1,655.64	2356
O'Flanagan [Ireland]	Offered visit to Atlanta to attend Walker Cup and play golf at Peachtree C.C.	O'Flanagan	5/30/89	NA	NA
Pound [Canada]	Airfare: Mr. Pound: Montreal - Boston - Atlanta - Melbourne, FL - Atlanta Mrs. Pound: Montreal - Boston - Atlanta - Melbourne, FL - Atlanta - Montreal	Pound (2)	4/16-22/90	2,051.72	2408
Pound [Canada]	Hotel	Pound (2)	4/18/90	296.81	2949

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Pound [Canada]	Trip to Augusta National for golf	Pound (2)	4/16-17/90	2,589.79	2549 2548
Pound [Canada]	Airfare (U.S. Olympic Academy)	Pound	6/13/90	Unknown	NA
Pound [Canada]	Hotel (U.S. Olympic Academy)	Pound	6/13/90	*564.62	2915
Pound [Canada]	Offered to transport via private plane from Montreal - Atlanta (declined)	Pound	2/20/90	NA	NA
Ramirez [Mexico]	Hotel (Airfare appears to have been paid by third party.)	Ramirez (2)	3/31 - 4/2/90	*134.58	MM
Rieckehoff [Puerto Rico]	Airfare: San Juan - Atlanta - San Juan	Rieckehoff (2)	4/3-8/90	1,744.40	2408
Rieckehoff [Puerto Rico]	Hotel	Rieckehoff (2)	4/3-8/90	Unknown	2601 2915 MM
Rieckehoff [Puerto Rico]	Hotel (Savannah)	Rieckehoff (2)	4/5-6/90	142.94	2323
Ruhee [Mauritius]	Airfare: 2 itineraries: 1) for Raj, IOC Member's son: Mauritius - London - Atlanta - Washington, D.C. - New York - Paris - Mauritius and 2) for Ram, IOC Member: Mauritius - London - Atlanta - Washington, D.C. - New York - London - Mauritius	Ruhee (2)	3/31 - 4/10/90	11,533.29	2408

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Ruhee [Mauritius]	Hotel	Ruhee (2)	4/3-8/90	*227.03	2601 2915 MM
Ruhee [Mauritius]	Hotel (Bethesda, MD)	Ruhee	4/9-10/90	280.06	2904
Samaranch [Spain]	Hotel (Airfare appears to have been paid by an Olympic Corporate Sponsor for Feb. '89 visit to Atlanta.)	Samaranch	2/14-16/89	*294.55	522 MM
Samaranch [Spain]	Airfare: Barcelona - Atlanta - Barcelona	Mrs. Samaranch Mrs. Malvehy	4/4-8/90	11,620.00	2377
Samaranch [Spain]	Airline ticket change	Ms. Malvehy (Mrs. Samaranch's guest)	4/8/90	114.00	2439
Samaranch [Spain]	Hotel	Samaranch (Mrs. and guest)	4/4-8/90	*193.52	2601 2915 MM
Samaranch [Spain]	Hotel (Savannah)	Samaranch (Mrs.) Malvehy (Mrs.)	4/5-6/90	169.24	2323
Samaranch [Spain]	Private car in Charleston	Samaranch (Mrs. and guest)	4/6/90	310.00	2266
Samaranch [Spain]	Day-trip to Charleston, S.C.	Samaranch (Mrs. & guest)	4/6/90	Unknown	NA

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Schmitt [Hungary	Airfare (IOC Evaluation)	Schmitt	5/17-21/90	Unknown	NA
Schmitt [Hungary]	Hotel (IOC Evaluation)	Schmitt	5/17-21/90	*58.43	2915 MM
Sibandze [Swaziland]	Airfare: San Juan - Atlanta on corporate jet	Sibandze	9/2/89	Unknown	Donated
Sibandze [Swaziland]	Airfare: Atlanta - New York - London - Johannesburg - Manzini, Swaziland	Sibandze	9/7/89	4,310.15	1325 2003
Sibandze [Swaziland]	Hotel	Sibandze	9/2-7/89	*0.00	1501 MM
Sibandze [Swaziland]	Airfare: Manzini - Johannesburg - London (we have been advised that Mr. Sibandze had IOC approval to return to Atlanta for a second visit because he had been hospitalized on his first visit)	Sibandze (2)	7/26-31/90	11,032.00	3483
Sibandze [Swaziland]	Hotel	Sibandze (2)	7/26-31/90	762.61	MM
Sibandze [Swaziland]	Hotel (Savannah)	Sibandze (2)	7/28-29/90	164.30	3338
Singh [India]	Airfare: Delhi - Frankfurt - Toronto - New York - San Juan - Atlanta - Frankfurt - Delhi	Singh (2)	9/2-7/89	4,788.00	985

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Singh [India]	Airfare: San Juan - Atlanta on corporate jet	Singh (2)	9/2/89	Unknown	Donated
Singh [India]	Hotel	Singh (2)	9/2-7/89	*0.00	1501 MM
Siperco [Romania]	Airfare: San Juan - Atlanta on corporate jet	Siperco (2)	9/2/89	Unknown	Donated
Siperco [Romania]	Airfare: Atlanta - Washington, D.C. - Atlanta	Siperco (2) Mr. and Mrs. Siperco	9/7/89	1,010.00	VIK
Siperco [Romania]	Hotel	Siperco (2)	9/2-7/89	*0.00	1501 MM
Slavkov [Bulgaria]	Airfare reimbursement (no backup documentation found in GAAF's files): Sofia - Atlanta - Sofia	Slavkov Dimetri Haralampiev	11/16/89	7,646.00	1572
Slavkov [Bulgaria]	Hotel	Slavkov	11/9/89	0.00	NA
Slavkov [Bulgaria]	Private car in Jacksonville, FL	Slavkov	11/11/89	Unknown	NA
Slavkov [Bulgaria]	Trip to attend Georgia-Florida football game	Slavkov Dimitre Haralampiev	11/11/89	Unknown	NA
Smirnov [USSR]	Airfare: San Juan - Atlanta on corporate jet (Atlanta - Frankfurt appears to have been paid by third party.)	Smirnov	9/2/89	Unknown	Donated

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Smirnov [USSR]	Hotel	Smirnov	9/2-5/89	*0.00	1501 MM
Smirnov [USSR]	Airfare/2 itineraries: 1) Moscow-Copenhagen-London-Atlanta-Mexico City and 2) Seattle-Atlanta-Mexico City (no backup documentation for check no. 2692 found in GAAF's files)	Smirnov (2)	7/20-26/90	3,356.00	2692 3483
Smirnov [USSR]	Hotel	Smirnov (2)	7/21-25/90	1,426.27	3139 3204
Smirnov [USSR]	Hotel (Sea Island)	Smirnov (2)	7/25/90	406.91	3214
Smirnov [USSR]	Open Pan Am plane tickets (2)	Smirnov (2)	given 9/20/90	4,902.00	3569
Stankovic [Yugoslavia]	Airfare: Munich - Atlanta	Stankovic	1/16-22/89	2,669.00	VIK
Stankovic [Yugoslavia]	Hotel	Stankovic	1/16-22/89	*0.00	MM
Staubo [Norway]	Airfare: Oslo - Zurich - Atlanta - New York - Barcelona - Ibizia, Spain - Copenhagen	Staubo	3/29-4/2/90	6,428.66	2512
Staubo [Norway]	Hotel (Savannah)	Staubo, K.	4/5-6/90	107.71	2323

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**** TRAVEL ****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Staubo [Norway]	Airfare: New York - Atlanta - New York	Staubo, K.	4/8/90	1,105.00	NA
Staubo [Norway]	Airfare: New York - Atlanta - New York	Staubo	3/31/90	927.00	VIK
Staubo [Norway]	Hotel	Staubo (2) Jan, Kari (daughter)	3/29-4/2/90	*416.23	MM
Tallberg [Finland]	Airfare reimbursement (cash; no backup documentation found in GAAF's files)	Tallberg (2)	5/1-5/89	11,585.86	575, 576
Tallberg [Finland]	Hotel	Tallberg (2)	5/1-5/89	*151.19	744 MM
Tallberg [Finland]	Augusta trip (Value reflects total expenditure benefitting all recipients)	Ericsson (2) Holst-Sorenson (2) Igaya (2) O'Flanagan Tallberg (2)	5/4/89	5,291.23	731 679 678
Tallberg [Finland]	Airfare (IOC Evaluation)	Tallberg	5/17-21/90	*0.00	NA
Tallberg [Finland]	Hotel (IOC Evaluation)	Tallberg	5/17/89	*60.46	2915 MM
Touny [Egypt]	Offered to fly Mr. Touny to Atlanta via private plane (Canada-Atlanta-Canada)	Touny	2/20/90	NA	NA

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Troger [Germany]	Airfare reimbursement (no backup documentation found in GAAF's files)	Troger (2)	6/23-26/90	6,000.00	2816
Troger [Germany]	Hotel	Troger (2)	6/23-26/90	757.60	3049
Vallarino [Uruguay]	Airfare: San Juan - Atlanta on corporate jet	Vallarino	9/2/89	Unknown	Donated
Vallarino [Uruguay]	Hotel	Vallarino	9/2-7/89	*0.00	1501 MM
Vallarino [Uruguay]	Offered to reimburse cost of changing plane ticket (unclear whether AOC paid)	Vallarino	9/89	NA	NA
Von Schoeller [Austria]	Airfare: San Juan - Atlanta on corporate jet	Von Schoeller (2)	9/2/89	Unknown	Donated
Von Schoeller [Austria]	Airfare: Atlanta - Lexington, KY - Atlanta	Von Schoeller (Mrs.)	9/5/89	668.00	1331
Von Schoeller [Austria]	Hotel	Von Schoeller (2)	9/2-7/89	*0.00	1501 MM
Wallwork [W. Samoa]	Airfare reimbursement: Apia - Honolulu - London - Barcelona - Atlanta - San Francisco - Auckland - Apia	Mrs. Wallwork (wife) Ms. Wallwork (daughter)	8/31-9/16/89	17,698.00	Wire
Wallwork [W. Samoa]	Airfare: Atlanta - Orlando - Atlanta	Wallwork (3)	9/8-11/89	2,130.00	VIK

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***** TRAVEL *****

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Wallwork [W. Samoa]	Hotel (Atlanta)	Wallwork (3)	9/8/89	*0.00	1501 MM
Wallwork [W. Samoa]	Hotel (Grand Cypress Resort)	Wallwork (3)	9/9/89-9/11/89	788.50	1698
Wilson [New Zealand]	Airfare	Wilson (2)	8/7-10/90	4,884.00	3295
Wilson [New Zealand]	Hotel	Wilson (2)	8/7-10/90	615.12	MM
Wu [Taiwan]	Airfare reimbursement (cash; no backup documentation found in GAAF's files): Taipei -- Los Angeles -- Atlanta -- St. Louis -- Washington, D.C. -- New York -- Taipei	Wu (2)	4/3/90 - 4/12/90	11,636.00	2230
Wu [Taiwan]	Hotel	Wu (2)	4/4-9/90	180.85	2901 2915 MM
Wu [Taiwan]	Hay Adams Hotel, Washington, D.C. [Documents indicate that AOC made arrangements for hotel, but we have found no records indicating that AOC paid.]	Wu (2)	4/10-12/90	NA	NA
Wu [Taiwan]	Airfare reimbursement (U.S. Olympic Academy)	Wu (2)	6/13-17/90	4,434.34	2763
Wu [Taiwan]	Hotel (U.S. Olympic Academy)	Wu (2)	6/13-17/90	*554.93	2915 MM

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** TRAVEL **

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Zerguini [Algeria]	Airfare	Zerguini (2)	3/20-25/90	9,961.86	2237
Zerguini [Algeria]	Hotel	Zerguini	3/20-25/90	677.68	2435
Zerguini [Algeria]	Hotel (New York)	Zerguini (2)	3/23/90	378.22	2307
Zerguini [Algeria]	Airfare	Zerguini, Yacine (son)	6/21/90	4,891.80	VIK
Zerguini [Algeria]	Stay at home of GAAF volunteer in Atlanta	Zerguini, Yacine (son)	7/90	Unknown	Donated
All	Offered trips to Disney World [AOC appears to have offered to send all visiting IOC member and guests on side-trip to Disney World.]	All	Various	NA	NA
Various	Use of cars donated by local dealers to transport IOC members during visits	Various	5/31/90	Unknown	NA
Various	Use of private aircraft donated by various companies to transport IOC members during visits	Various	Various	Unknown	VIK
Various	Use of Forbes and C&S yacht for entertaining IOC members during visits to Savannah	Unknown	Various	Unknown	VIK

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EXHIBIT L

The Games

Dreams of glory are born in youth and nurtured by the spirit of competition. When destiny bestows athletic ability on the young, their dreams invariably lead to the same destination. For those who aspire to the highest levels of human achievement, there is only one final field of play — the Olympic Games. In every generation the desires remain constant, because the Olympics serve as a bridge across time, linking the dreams of the young to the heights attained by their forerunners.

In our bid, which is submitted to you as a joint application with the United States Olympic Committee, we have planned every aspect of our programme to ensure that the dreams of the young are fulfilled in marvelous ways in the Games of 1996. The details of our preparations for the Cultural Programme, the Village and the Games themselves are presented in this volume.

Les Jeux

Les rêves de gloire prennent naissance au cœur de la jeunesse et se nourrissent de l'esprit de compétition. Lorsque le destin accorde aux jeunes des aptitudes pour l'athlétisme, leurs rêves les entraînent invariablement vers la même destination. Pour ceux qui aspirent à des accomplissements humains d'excellence, il ne reste qu'un seul terrain pour réaliser leurs exploits — les Jeux Olympiques. A chaque génération, le désir reste le même car les Jeux sont comme un pont enjambant le temps, liant les rêves de la jeunesse à la grandeur atteinte par leurs aînés.

Dans notre offre, qui vous est soumise conjointement avec le Comité Olympique des États-Unis, nous avons organisé chaque aspect de notre programme afin de permettre aux jeunes de réaliser merveilleusement leurs rêves lors des Jeux de 1996. Les détails de ce que nous avons préparé pour le Programme Culturel, le Village et les Jeux eux-mêmes sont présentés dans ce volume.

Center has been carefully planned to encourage the friendships the Olympics are meant to inspire. Its strategic position just inside the Main Village Gate ensures that all athletes will be exposed to its festive atmosphere every time they leave and return to the Village.

- Among its many amenities, the Village Festival Center will offer:
  - 3,500 seats in six separate movie theatres with continual showings of contemporary films in a number of languages
  - An open air stage for daily musical entertainment
  - The Student Galleria, a 2,200 seat theatre ideal for stage productions
  - A coffee house for quiet conversation
  - Two discos for dancing and nightly entertainment
  - A central fountain for relaxation
  - Sidewalk cafes with lots of seating
  - A schedule of nightly concerts featuring well known performing artists in Grant Field
- An interconnected merchandise mall will extend the conveniences of the Village Festival Center by providing:
  - A 2,000 m² shopping mall for personal products, clothes, mementos
  - A camera shop and film service
  - A bowling alley with 12 lanes
  - A billiard center with 14 tables
  - A post office
  - An international news shop with papers and magazines from around the world
  - A bank and foreign exchange office
  - A video arcade with 30 games
  - A library and a music room
  - A hair styling salon
  - A copy and printing shop
  - A travel agency
  - A multi-lingual information kiosk

1.7 International Zone

The International Zone will encompass the Village Festival Center and the area that contains the administrative buildings. The entrance to the International Zone will be located at the northwest corner of the Village. Trams will transport people from the entry gate to the center of the zone. The Main Village Gate will be reserved for athletes and officials.

1.8 Cultural Programme and Entertainment

Specific portions of the Cultural Programme, *The Dance of Life*, will be staged in the Olympic Village in order to involve all athletes and officials in the celebration of arts. Tickets will be provided and tours will be organized for the athletes to other events, performances and exhibitions in the Olympic Arts Festival.

Aside from the daily entertainment in the discos and on stage in the Village, a regular program of concerts by major recording artists will be staged in Grant Field for the exclusive enjoyment of Village residents and their guests.

1.8.1 Tours to Disney World

As an expression of appreciation for their contribution to the Games, the Organizing Committee will offer the athletes and teams who have finished their competitions an all-expense paid overnight or single-day trip to Disney World and the MGM/Universal Film Studios — the most popular tourist destination in the world. Chartered flights will take those who sign-up to a full day of enchanting pleasures at the Magic Kingdom, Epcot Center and MGM Studios. There will be three round trip flights a day. First class accommodations will be provided at no cost for those who wish to spend the night. These tours will be available for a two-week period, ending one week after the Games.

1.9 Sports Administration Facilities

More than 19,000 m² of existing office and administration facilities will be utilized to provide the appropriate spaces to each NOC, the Village Mayor and all administrative staffs. These offices will be part of the international zone and will be accessed from the northwest entrance of the Village.

- Separate office facilities will be provided for:
  - Village mayor and administration
  - Village security
  - Village communications and technology
  - Each NOC

1.6 L'Esplanade des Fêtes du Village

Conçu comme centre de loisirs et de détente, l'Esplanade des Fêtes procurera à tous les résidents du Village un lieu de rencontre. Située à l'intérieur du Village, à l'entrée même de la Porte Principale, cette splendide esplanade et son décor coloré créeront une sorte de place centrale où les résidents pourront se rencontrer et accueillir leurs invités admis sur présentation d'un permis temporaire. L'Esplanade fera partie de la Zone Internationale. Une enceinte couverte regroupera diverses boutiques qui compléteront les agréments du Village et permettront aux athlètes d'acheter ce qui leur sera nécessaire.

Déployée autour d'une fontaine centrale, l'Esplanade offrira un programme continu de distractions et de détente. De la paisible atmosphère de ses restaurants à la joyeuse animation de ses boîtes de nuit, elle a été organisée de manière à favoriser l'esprit d'amitié et de compréhension mutuelle propres à l'idée olympique. Son emplacement stratégique à l'entrée de la Porte Principale, permettra aux athlètes d'en apprécier l'ambiance à chacune de leurs allées et venues.

- Parmi d'autres avantages, l'Esplanade des Fêtes offrira:
  - six salles de cinéma totalisant 3,500 places et projetant continuellement des films contemporains en langues différentes
  - une scène en plein air consacrée au divertissement musical quotidien
  - un théâtre de 2,200 places "Student Galleria" idéal pour des productions théâtrales
  - un salon propice aux conversations intimes
  - deux boîtes de nuit pour la danse et les distractions
  - une fontaine centrale pour la détente
  - des cafés avec de nombreuses places assises
  - un programme de concerts quotidiens en soirée donnés par des ensembles de choix sur la scène du "Grant Field"
- Un ensemble de boutiques regroupées et reliées entre elles offriront:
  - 2,000 m² de magasins (produits personnels, vêtements, souvenirs)
  - un magasin de photo et service de développement
  - une piste de quilles géantes avec 12 couloirs
  - un centre de billards avec 14 tables
  - un bureau de poste
  - un magasin avec des journaux et des revues du monde entier
  - une banque avec un service de change
  - une salle de vidéo avec 30 jeux
  - une bibliothèque et une salle de musique
  - un salon de coiffure
  - une imprimerie dotée de photocopieuses
  - une agence de voyage
  - des kiosques d'information multi-langues

1.7 Zone Internationale

La Zone Internationale comprenda l'Esplanade des Fêtes et les bâtiments administratifs. L'entrée sera située au nord-est du Village. Des petits trains transporteront les gens de la porte d'entrée au centre de la zone. La Porte Principale sera réservée aux athlètes et aux officiels.

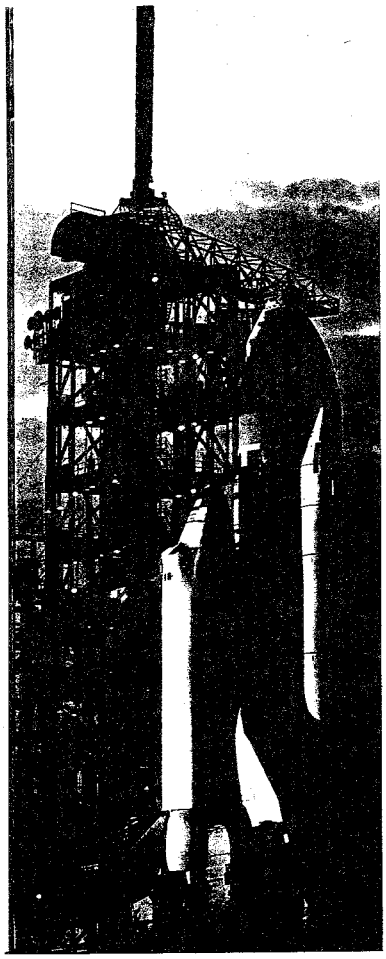
1.8 Programme Culturel et divertissement

Certaines parties du Programme Culturel, *la Danse de la Vie*, se dérouleront au Village Olympique afin d'entraîner la participation des athlètes et des officiels à la célébration des arts. Les athlètes recevront des billets et auront la possibilité d'assister à d'autres événements, spectacles et expositions du Festival Olympique d'Art.

Outre les divertissements quotidiens organisés dans les boîtes de nuit du Village et sur scène, un programme régulier de concerts animés par d'importants artistes de variété se déroulera à Grant Field et sera réservé exclusivement aux résidents du Village et à leurs invités.

1.8.1 Voyages à Disney World

Pour remercier les athlètes et les équipes de leur contribution aux Jeux, le Comité d'Organisation offrira à ceux qui ont terminé les épreuves un séjour d'une journée, et d'une nuit éventuellement, à Disney World et aux studios de la MGM/Universal — la destination touristique la plus populaire du monde. Des avions charters emmèneront ceux qui le voudront vers les plaisirs enchantés du Royaume Magique, au centre Epcot et aux studios de la MGM. Chaque jour, trois allées et retours seront organisés. Des hébergements gratuits dans des hôtels de luxe seront prévus pour ceux qui désireront passer la nuit. Ces voyages auront lieu au cours de la dernière semaine des Jeux et la semaine suivante.



DISCOVER THE SOUTH

Discovering the South

It will not take long for the Olympic visitor to discover why Georgia and the region known as the South has become America's most popular vacation destination. Beyond the numerous attractions and points of interest in Atlanta, the area is rich with places of entertainment and enlightenment. From the enchantments of Disney World in Florida to the delightful country music of Nashville in Tennessee, the American South offers a range of popular culture unmatched in America.

A la decouverte du sud

Il ne faudra pas longtemps aux visiteurs amenés par les Jeux Olympiques pour découvrir les raisons qui ont fait de la Géorgie, et de la région qu'on appelle «le Sud», une des destinations favorites des vacanciers américains. Sans compter les nombreux divertissements offerts par Atlanta, et tous ses agréments, les environs abondent en distractions aussi diverses qu'intéressantes. A partir de la Floride, où règnent les enchantements du monde de Walt Disney jusqu'au Tennessee, où la délicieuse «country music» de Nashville connaît une fortune bien méritée, «le Sud» a plus d'une façon d'offrir les riches composantes de sa culture populaire originale.

The Kennedy Space Center in Cape Canaveral, Florida (left) provides visitors with entertaining insights into space technology.

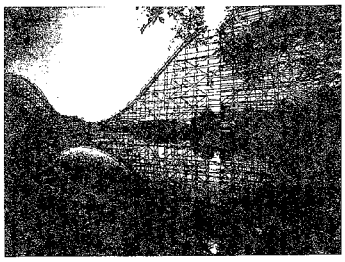
Le Kennedy Space Center, à cap Canaveral, en Floride (à gauche), donnera aux visiteurs l'occasion de s'instruire sur les technologies aérospatiales tout en se divertissant.

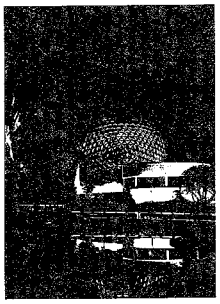
The magnificent Biltmore Estate in North Carolina (above) recreates the splendor of the finest French chateau.

Le magnifique domaine de Biltmore en Caroline du Nord (ci-dessus) fait revivre la splendeur du plus beau château de France.

Two of the South's favorite family theme parks, Six Flags and White Water, provide Atlanta's suburbs with non-stop thrills that last the whole day.

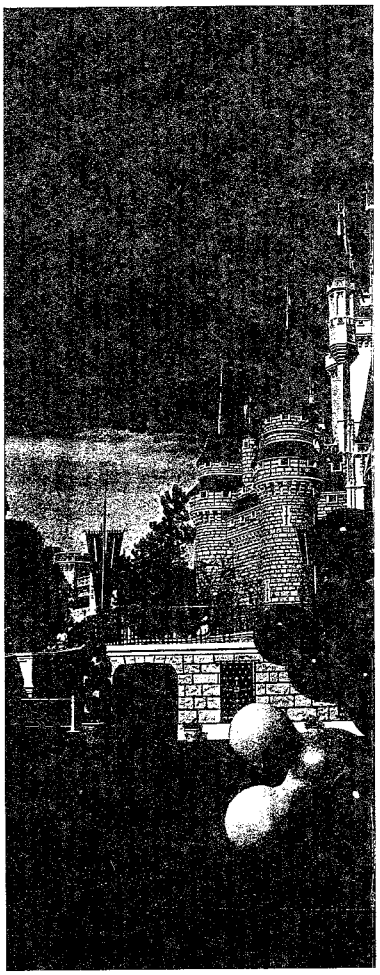
Situés aux environs immédiat d'Atlanta, «Six Flags» et «White Water» sont deux des plus d'attractions favorits des familles. Toute la journée, la joyeuse animation des divertissements variés qu'ils offrent attirent les visiteurs.

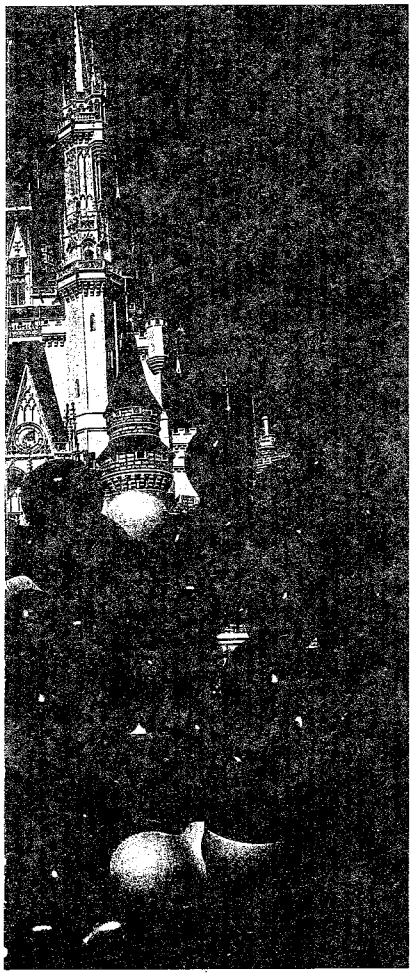




With the incomparable charms of the Magic Kingdom, Epcot Center and the Disney/MGM studios, Disney World is the world's most popular tourist destination.

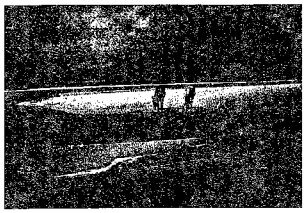
Avec les enchantements inépuisables du Royaume Magique, du Centre Epcot et des studios de la M.G.M., le Monde de Walt Disney reste le centre touristique le plus fréquenté qui soit.





The quaint charms of colonial America reverberate through the shops and restaurants that were opened in the old cotton warehouses along Savannah's wonderful Riverfront.

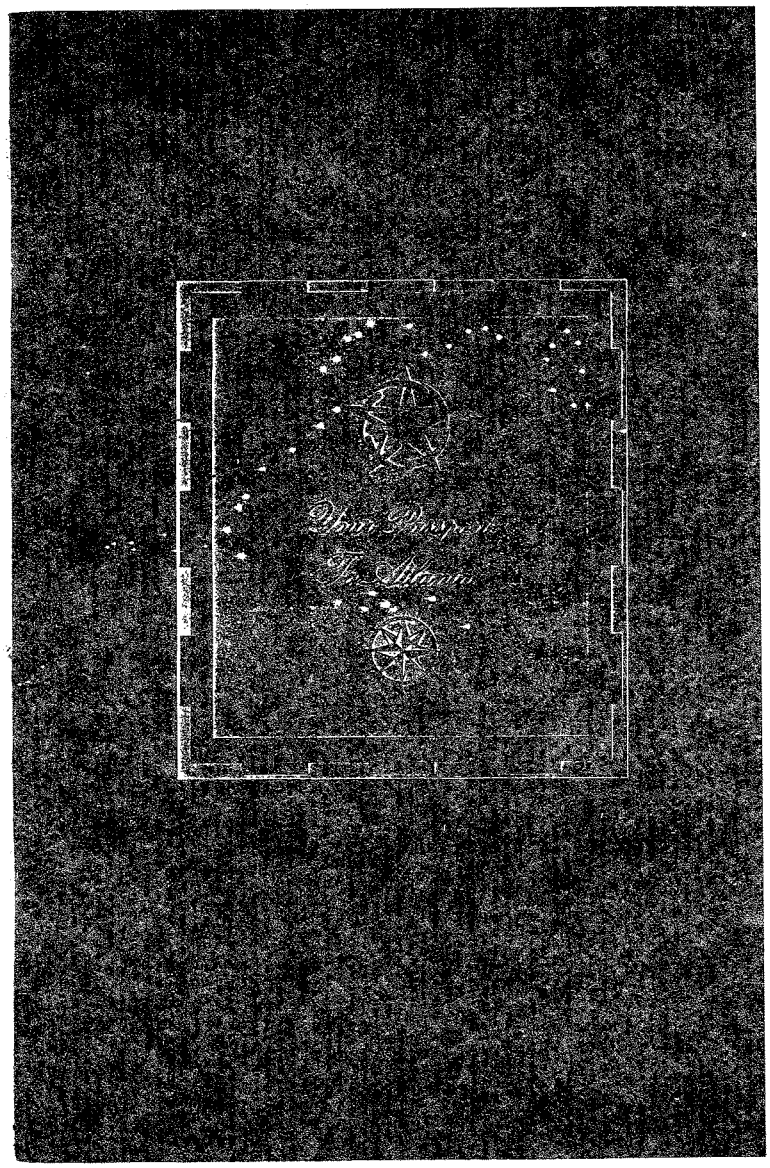
Les charmes pittoresques de l'Amérique coloniale se reflètent à travers les boutiques et les restaurants créés dans les vieux entrepôts de coton au bord de la rivière.



Among the Golden Isles that grace Georgia's coast, Cumberland Island, which is reached only by ferry, remains the most mythic. Wild horses roam the primitive sand dunes of this national seashore park.

Parmi les îles dorées qui jalonnent la côte de Géorgie, l'île de Cumberland, desservie uniquement par bateau, demeure la plus mythique. Des chevaux sauvages vagabondent à travers les dunes de sable de ce Parc National.

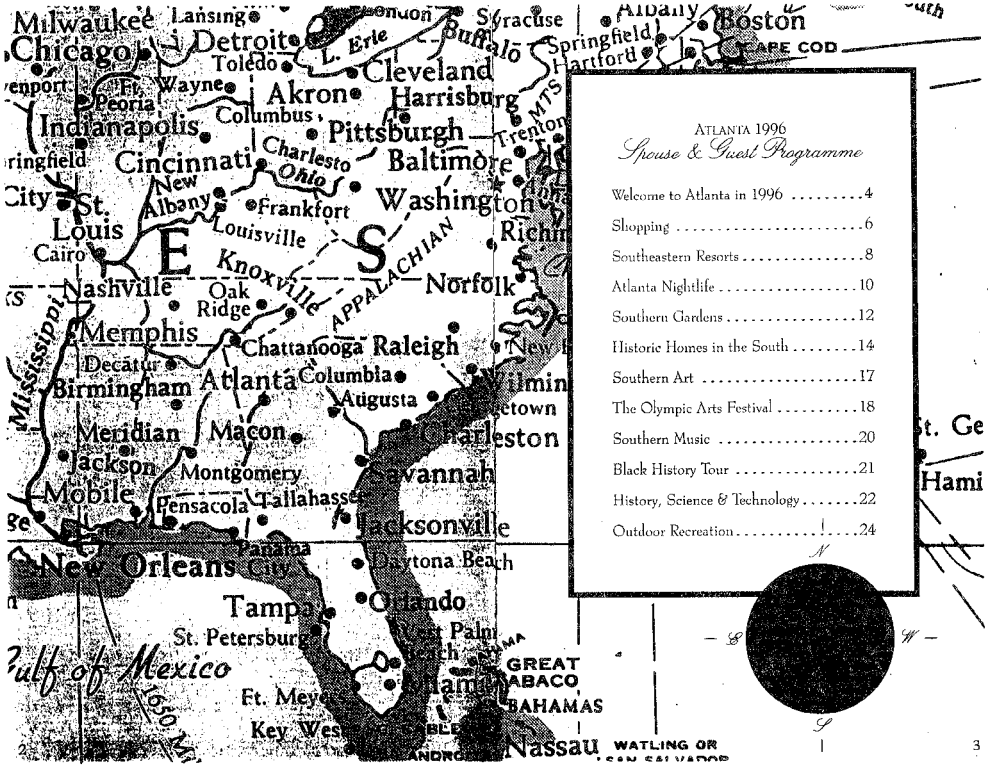
EXHIBIT M



Your Passport to Atlanta

This passport entitles its bearer to travel freely within foreign lands, to explore new cultures and to enjoy a vast panorama of new opportunities. That is why we have chosen it as the symbol of our invitation to you.

Through this passport, we invite you to discover Atlanta and the American South – and to join us for the experience of a lifetime here in the summer of 1996.



ATLANTA 1996

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WELCOME TO ATLANTA IN 1996

The summer of 1996 will be an exciting time in the life of Atlanta. Using this book as your passport, we welcome you to explore the many opportunities that await you—in every realm of experience—here in the American South.

As our guest, you will enjoy the services of a personally assigned hostess, who will assist you in planning your daily schedule according to your wishes. In addition to your official IOC hostess and car, you will also have full use of a separate private car and hostess for your individual travel accommodations. Private flights on corporate jets will be available each day, giving you the opportunity to tour such prominent Southern cities as **Charleston, New Orleans, Orlando or**

Savannah. Through these specially arranged flights, you may enjoy a leisurely afternoon tour in historic **Savannah** or a day of entertainment excitement at **Walt Disney World.**

Daily shopping tours will also give you the opportunity to make some exceptional purchases of local wares, as area merchants offer unique services and discounted merchandise to Olympic Family Members.

During your stay in Atlanta, you will be presented with a full range of daily activities—including cultural events, historical tours and a host of other entertainment options. Through these many opportunities, we invite you to help us celebrate the 100th anniversary of the modern Olympic Games in a very special and personal way in Atlanta in 1996.

Shopping

SHOPPING

An extensive array of shopping contrasts and opportunities await you in Atlanta, the cosmopolitan center of the Southeast.

Shopping

Your trip starts at **Lenox Square** and **Phipps Plaza**, the South's most exclusive shopping destinations. Then your hostess will take you on a private shopping tour of **Atlanta Market Center**, downtown, home to one of the nation's largest retail trade markets. Exclusively the province of retail buyers and dealers, the Center offers the finest designer apparel, jewelry and residential furnishings at the low wholesale—rather than retail—cost. In addition to this special opportunity, merchants and friends of the Atlanta Organizing Committee will make special discount prices available to Olympic family members on a wide variety of merchandise and gift items.

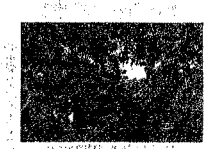
Special tours outside Atlanta will offer extraordinary antique and bargain-hunting excursions to the Southeast's best discount houses and auction sales. Mountain craft fairs and folk art shows will give you the chance to uncover some unique shopping finds.

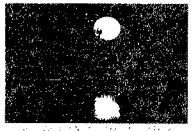
SOUTHEASTERN RESORTS

As our honored Olympic guest, you will be treated to private chartered flights to the resort of your choice—at any time during your stay.

Several flights daily will depart for the world's most popular tourist destination: **Walt Disney World** in Orlando, Florida. For a day or a week, the resort offers endless enchantments within the fairy-tale theme park of The "Magic Kingdom," the futuristic world of **EPCOT Center** and the many elaborate film sets and sound stages of **MGM/Universal Studios.** In addition to these exciting attractions, the resort's beautifully landscaped grounds offer a wide range of exotic restaurants, recreational facilities and exciting events.

Upon your return, a seaside view, a relaxing island tour may be in order. The "Golden Isles of Georgia," which were immortalized for their beauty by famous Georgia Poet Sidney





Lanier, offer a variety of diversions. Once the exclusive playground of the rich, **Jekyll Island** proudly displays the summer homes of the Vanderbilts, the Rockefellers

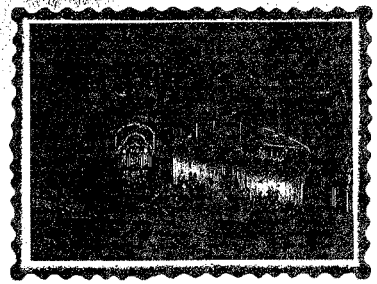
and the other barons of America's Gilded Age. At St. Simons Island, you can view the ruins of the colonial British Fort Frederica. **Sea Island** offers the pleasures of the world-famous Cloister Hotel.

Other resort options—and days of leisure in some of the South's most exclusive day spas—will be open for your selection. For a full day of pampering and beauty consultation, "A Total Day of Beauty"—including massage and full beauty make-over—will be arranged at your convenience as our courtesy.

DINE & DANCE

ATLANTA NIGHTLIFE

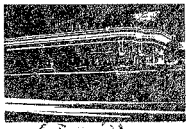
Night and day, Atlanta's arts and entertainment life is fueled by the rich cultural contrasts and ethnic diversity of the metropolitan South. And in the midst of its vitality, Atlanta offers a vast field of diversions, with something to suit every taste.

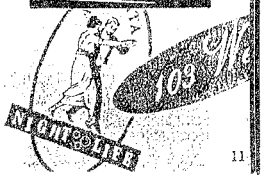


Underground Atlanta, the city's vast urban entertainment complex, presents a wide spectrum of dining, shopping, music and nightlife. In the nostalgic brick interior of the mall originally the station for the Terminus train crossing where Atlanta was founded---specialty shops proffer everything from vintage clothing to ice cream and confections. At night, as the clubs, pubs and stages of Kenney's Alley come to life, the entertainment menu is just as varied. Whether you are searching for Caribbean food, outrageous comedy clubs or Chicago-style Blues —Underground has it all.

A walk along the graceful tree-lined streets of Atlanta's intown neighborhoods in the "Virginia-Highlands" area uncovers streetcorner shops, bookstores and eateries with a casual, artsy ambience. Ethiopian cuisine at The Blue Nile, live Irish ballads at The Limerick Junction pub and rich cappucino and cake at The Dessert Place are only a sampling of the area's diverse epicurean delights.

On the northern edge of Atlanta's intown life, Buckhead offers a cosmopolitan blend of fine restaurants, chic clubs, exotic shops and fine art galleries. From the art deco appeal of the Buckhead Diner to the elegantly classical interiors of 103 West, the area is known for its range of sophisticated dining experiences. Buckhead also showcases a number of dance and live concert venues, including classy piano bars, late-night jazz clubs and high-tech discothèques.





Southern Gardens

Southern Gardens Blessed with one of the longest growing seasons in North America, Georgia has a lush, almost tropical climate that nurtures a wide variety of native and exotic flora. From the formal symmetry of a Japanese sculpture garden to the wild profusion of plumleaf azalea across the state's woodland trails, Georgia and the entire Southeast are ablaze with natural beauty in the summertime.

Join us as we visit some of the most beautiful private and public gardens in Georgia and the surrounding Southeastern states. In Atlanta, our tours will take you through the city's stateliest neighborhoods, many of which were originally

Southern Gardens

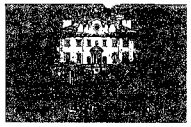
designed by Frederick Law Olmstead, the father of American Landscape Architecture.

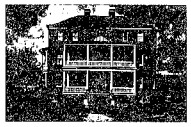
After a morning session on flower arranging with the experts, we will make our study of the thick, fern-filled Quarry Garden at the **Atlanta Historical Society** headquarters and the terraced rose gardens at the state **Governor's Mansion**. At the **Atlanta Botanical Garden**, we will visit the stunning glass Fuqua Conservatory, which houses the rarest tropical and endangered plants in the world.

Gardens tours will also be organized daily for destinations outside Atlanta. At **Callaway Gardens**, a vast woodland resort in Pine Mountain, Georgia, visitors can explore lakeside trails, wildflower and bird sanctuaries, a horticultural center and butterfly gardens. Other options include the magnificent grounds and gardens of the vast **Biltmore Estate** in Asheville, North Carolina and the 65-acre **Bellingrath Home and Gardens** in Mobile, Alabama, which display a stunning variety of flowering plants.

Historic Homes in the Southeast

The historic importance of home, hearth and hospitality in Southern society is reflected in the gracious architecture, carefully tended gardens and quaint streets found throughout the Southeastern states. From the nation's oldest colonial settlements to the home of our nation's President, we invite you to tour some of the South's most historic places—and dine in some of the finest private residences in Atlanta.





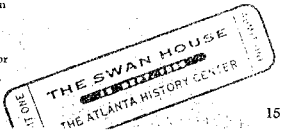
Historic Homes in the Southeast

In Atlanta, we invite you to tour the Palladian-style elegance of The Swan House, the classically Greek contours of The Governor's Mansion or the magnificent Tudor-style architecture of Callanwolde, only one of the family mansions built by Coca-Cola founder Asa Candler.

In **Savannah**, Georgia, amidst the cobblestone streets of the nation's largest historic district, you will discover the romance of the South's oldest colonial seaport, designed in 1732 by Georgia's founding father, General James Oglethorpe. Within the city's carefully preserved plan are some of the greatest examples of Regency style architecture in the United States.

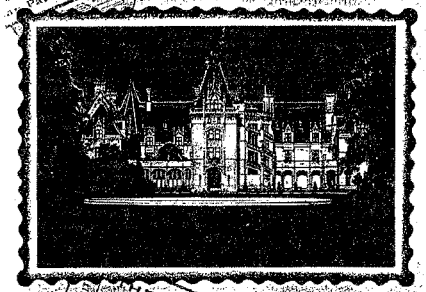
In **Charleston**, South Carolina, one of the most picturesque cities and seaports in the United States, you can walk across The Battery sea wall—or survey the palatial interiors of Edmisten Alley or the Drayton Hall plantation.

New Orleans, Louisiana offers the mystery of the French Quarter, with its unique French and Spanish-influenced architecture—as well as the sumptuous beauty of the Garden District's shaded Southern mansions and tranquil courtyards.



Historic Homes in the Southeast

The Biltmore Home and Gardens in the beautiful mountains of Asheville, North Carolina, represents one of the greatest estates in North America—one which rivals the great chateaux of the Loire Valley in France.



Southern Art

Southern Art

Atlanta is a city whose artistic interests continue to enrich the tide of both American and international cultural life. Every year, the **Atlanta Arts Festival** draws thousands to the city, while the **High Museum of Art** stages such renowned exhibits as the expansive "Art in Berlin," which premiered only days before the toppling of the Berlin Wall.

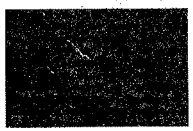
In our exploration of Southern artistic life, we will travel to the Southeast's greatest public museums, such as the **National Gallery of Art** in Washington, D.C. Tour options will include formal performances and exhibitions in theater, dance, sculpture or photography, and on a more intimate note, we will take a look at some of the finest private art collections and exclusive galleries throughout the Southeast.

For those interested in America's more informal artistic traditions, scheduled crafts tours will cover fine pottery, weaving, wood crafts or other Appalachian art. Or you might spend an afternoon exploring the primitive paintings or outdoor sculpture of the South's vi[illegible]

The Olympic Arts Festival

The Olympic Arts Festival. In the 10-week period preceding the start of the Games, the Olympic Arts Festival will draw the world together in a rich and unprecedented way that will not only dance the new Olympiad into the new century of Olympic service.

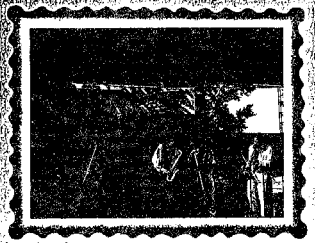
As the culmination of the four-year Cultural Olympiad known as **The Dance of Life**, the Olympic Arts Festival will celebrate both the diversity and universality of artistic expression in an exciting array of live performances, lectures and exhibitions, the festival will explore dance, theater, music, architecture, comedy, the arts, science and technology—and many other media. Throughout the festival, private performances and special engagements will be performed for IOC members and their guests.



The Olympic Arts Festival

In theme, the festival will move from an exploration of the many cultures that shape the Southern American community—to an exploration of how the world's many cultures are achieving new harmony within the global community. We hope you will join us as we celebrate the 100th anniversary of Olympism and the growing realization of Pierre de Coubertin's dream.

Southern Music



Southern Music

No taste of the South would be complete without a sampling of Southern music in its many colorful forms. So we invite you to accompany us on a tour of Southern—and world music—music at its cosmic zenith.

In **Atlanta**, we will enjoy the world's classical masterpieces through the skillful interpretation of the Atlanta Symphony Orchestra.

In **Nashville, Tennessee**, the Grand Ole Opry stage will come to life with some of the best country and bluegrass music in America.

In **New Orleans**, we will sample true Dixieland Jazz in Preservation Hall—as well as the cajun and zydeco music born of the bayou's fertile blend of French, Spanish and African musical influences.

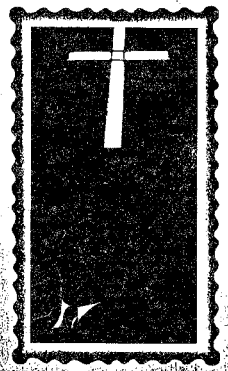
In **North Carolina**, the mountain air will ring with the haunting beauty of the region's finest folk music, adapted and shaped from the Celtic traditions of early Appalachian ancestry.

Black History Tour

Black History Tour

Atlanta has a proud history in modern black cultural life. In the past century the city has served as the birthplace of the Civil Rights Movement and a center for black educational, political and economic achievement.

Join us as we trace the highlights of black history in Atlanta and throughout the Southeastern states. Our tour begins at **Ebenezer Baptist Church**, at the pulpit where the Reverend Dr. Martin Luther King, Jr. preached his powerful message of peace that would change the face of history forever. We will explore Dr. King's birthplace on Auburn Avenue and take a special tour of **King Center for Non-violent Social Change**.



Not far from the King Center, we will visit the magnificent **Herndon Home**. This impressive classical mansion was built by former slave Alonzo F. Herndon, the founder of the Atlanta Life Insurance Company and one of Atlanta's most prominent black entrepreneurs.

In special tours throughout Atlanta and the entire Southeast, we will celebrate the black traditions in storytelling, dance, theater, African chorus, opera and folk art that enrich and enliven American culture.

History, Science & Technology

The South offers a wide spectrum of educational museums, theme parks and exhibits that entertain as they explore the history, science and technology of the past, present and future.

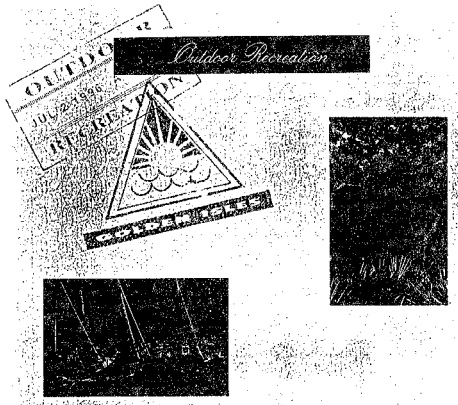
For a fascinating glimpse into Atlanta history—from the drama of Civil War days to the present, **McElreath Hall**, The Atlanta Historical Society's headquarters, features a wide variety of exhibits. At **The Cyclorama**, the Battle of

Atlanta that raged in 1864 is reenacted each day. A multi-media presentation set against the backdrop of a massive, circular painting depicts the struggle against General Sherman's fire-hungry forces.

The **SciTrek** museum takes the visitor on an exciting journey into the mysterious realms of physical science and technology. One special exhibit features working models of every prophetic invention designed by Leonardo da Vinci. **The Fernbank Science Center** encloses the South's largest planetarium, among other attractions. **Zoo Atlanta** features more than 900 exotic animals in habitats that remain true to the wild.

Both **The Huntsville Space Center** in Alabama and **The Kennedy Space Center** in Florida tell the story of the American Space Program. And in nearby Orlando, Florida, the Walt Disney World EPCOT Center features a distinctly entertaining vision of the future.

In Washington, D.C. the **Smithsonian Institution** offers worlds upon worlds of exhibits within its Museum of Natural History and National Air and Space Museum among others.



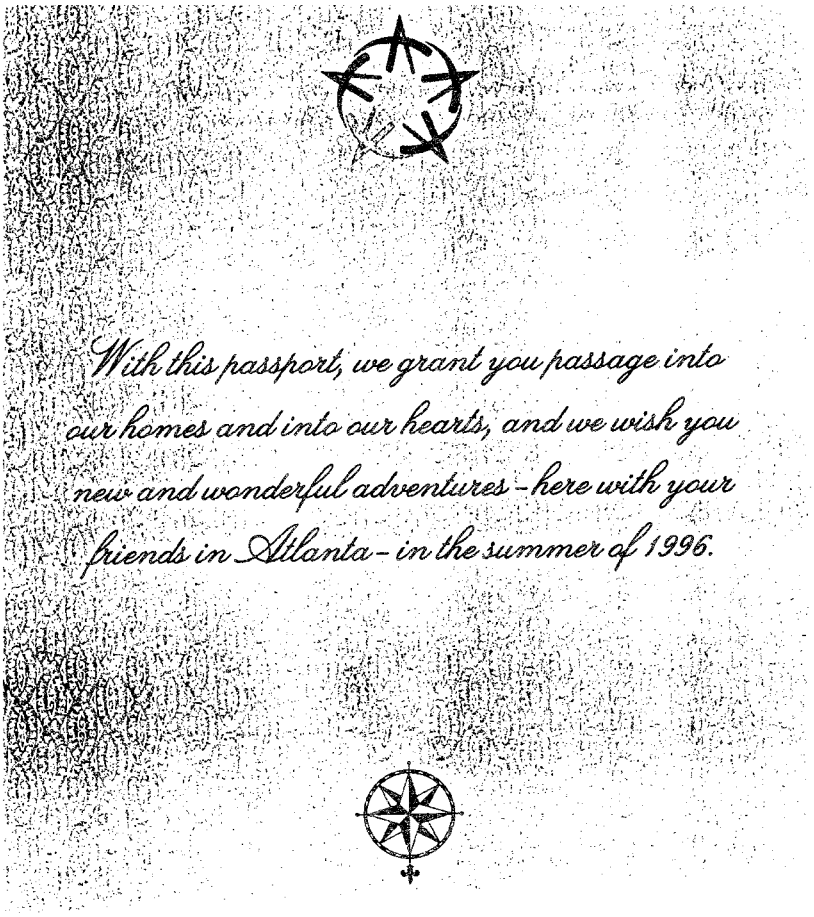
Outdoor Recreation

Outdoor Recreation

Throughout your stay in the South, there will be ample opportunity for outdoor recreation and sport. For example, you might spend an afternoon touring one of the great Kentucky horsefarms that raise the nation's most prized thoroughbreds. Or, if you are a true nature lover, you might enjoy photographing wild horses on **Cumberland Island**, one of Georgia's most beautiful, unspoiled preserves.

Outdoor Recreation

Opportunities for golfing, tennis and swimming—and other forms of exercise—will be available both in Atlanta and other resort areas throughout the Southeast. Daily tennis and golfing tours—with personalized instruction with the pros—will be scheduled at your convenience.


With this passport, we grant you passage into
our homes and into our hearts, and we wish you
new and wonderful adventures – here with your
friends in Atlanta – in the summer of 1996.

THE ATLANTA ORGANIZING COMMITTEE WOULD LIKE TO THANK THE FOLLOWING COMPANIES FOR DONATING SERVICES AND MATERIALS TO AID IN THE PRODUCTION OF THIS BOOKLET:

DESIGN AND CONCEPT: COPELAND DESIGN, INC.
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WE WOULD ALSO LIKE TO THANK BASF CORPORATION, CARPET FIBERS FOR THEIR GENEROUS FINANCIAL CONTRIBUTION TO THIS PROJECT.

SPECIAL THANKS TO THE CHAMBERS OF COMMERCE FROM THE CITIES OF NEW ORLEANS, ASHEVILLE, CHARLESTON, SAVANNAH AND ATLANTA FOR DONATING PHOTOGRAPHY FOR THIS PROJECT.

ADDITIONAL PHOTOGRAPHY SUPPLIED BY:
THE IMAGE BANK - THE ATLANTA MERCHANDISE MART P.6
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COTTEN ALSTON - ATLANTA BOTANICAL GARDENS P.12
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GRAPHIC STILLS - THE ATLANTA BALLET P.18
ALLSPORT - RUNNER CARRYING TORCH P.18
CHIPP JAMISON - FIREWORKS OVER ATLANTA P.19
SUSAN ROSS - MONTREAUX JAZZ FESTIVAL P.20
BLACK STAR - MARTIN LUTHER KING JR. P.21
THE IMAGE BANK - SPACE SHUTTLE P.22
PETER BENEY - CYCLORAMA P.23
PETER BENEY - MUSEUM OF ART AND ARCHAELOGY P.23
CHIPP JAMISON - CUMBERLAND TREES P.24
CHIPP JAMISON - TREES IN MARSH P.24
ED THOMPSON - GEORGIA'S STONE MOUNTAIN PARK P.25

EXHIBIT N

GIFTS & SHOPPING

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Adefope [Nigeria]	Multiple items under $100, including shoes, herbal tea, and other items	Adefope (Mrs.)	9/11/89	134.75	1396
Adefope [Nigeria]	Multiple items under $100, including children's shoes and clothes, purse, herbal tea, hat, makeup, coffeepot, and headphones	Adefope	12/11/89	350.29	1735
Adefope [Nigeria]	Dictionary of medical science	Adefope	9/14/90	190.80	3329
Albert [Monaco]	Givenchy Bag with money clip, t-shirt, pin, and bid booklet	Albert of Monaco	10/3/89	Unknown	NA
Arroyo [Ecuador]	Multiple items under $200, including belt, toy soldier, make-up, sewing supplies, and items from drugstore	Arroyo (2)	3/27/90	331.99	2290
Arroyo [Ecuador]	Cabbage Patch doll	Arroyo (Mrs.)	3/23/90	156.00	2269
Arroyo [Ecuador]	Ruby Pin	Arroyo (Mrs.)	8/1/90	474.88	3653
Arroyo [Ecuador]	Knitting supplies	Arroyo (Mrs.)	3/31/90	228.96	2474
Attarabulsi [Libya]	Carburetor kit	Attarabulsi	8/9/90	948.00	3085
Attarabulsi [Libya]	Brakepads	Attarabulsi	7/24/90	81.36	3209
Attarabulsi [Libya]	Mixmaster	Attarabulsi	7/28/90	109.90	2993
Attarabulsi [Libya]	Clothing	Attarabulsi (Mrs.)	7/26/90	102.51	3209

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Bello [Portugal]	Sculpture	Bello	4/1/90	212.00	3299
Bridge [Jamaica]	Spode china	Bridge	8/1/89	381.50	1426
Carlgren [Sweden]	Sculpture	Carlgren	4/1/90	212.00	3299
Carlgren [Sweden]	Georgia pine bowl purchased by volunteer hostess	Carlgren	4/17/90	$1,000.00	Donated
Cernusak [Czechoslovakia]	Atlanta Hawks pictures and souvenirs	Cernusak	9/18/89	Unknown	Donated
Cernusak [Czechoslovakia]	Porcelain pot	Cernusak	9/15/90	315.00	3506
Coles [Australia]	Hickory putter	Coles	8/11/89	110.00 (per shipping invoice)	989
de Leon [Panama]	Custom blazer and 2 dress shirts	de Leon	9/9/90	172.00	3440
de Stefani [Italy]	Steuben - Tennis	de Stefani	9/14/90	457.24	3595
de Merode [Belgium]	Sculpture	de Merode	9/15/90	284.00	3269
Elizalde [Phillippines]	Jewelry	Elizalde	1/20/90	157.20	2237
Elizalde [Phillippines]	Steuben crystal -- polo	Elizalde	9/14/90	457.24	3595

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Erdem [Turkey]	Steuben crystal -- volleyball	Erdem	9/15/90	424.00	3504
Erdem [Turkey]	Hewlett Packard computer accessory	Erdem	2/7/90	70.05	2141
Essomba [Cameroon]	Antique surgical instruments	Essomba	9/17/90	318.00	3596
Essomba [Cameroon]	Blue jeans for family and Ray Charles tape	Essomba (family)	7/12/90	151.12	3044
Essomba [Cameroon]	Framed picture	Essomba	7/9/90	116.34	2952
Filipovic [Yugoslavia]	Compact discs and tapes - value reflects total expenditure benefitting two members	Filipovic	7/28/90	223.65	3040
Gafner [Switzerland]	Provided entertainment and tour of Stone Mountain	Gafner's grandchildren	6/18-21/90	Unknown	Donated
Gafner [Switzerland]	Cufflinks	Gafner	6/14/90	112.50	3328
Ganga [Congo]	Perfume, pillows, powder jar, container	Ganga	4/17/90	192.85	2342
Geesink [Netherlands]	Sculpture -- judo	Geesink	9/15/90	212.00	3504
Geesink [Netherlands]	Clothing	Geesink	9/11/89	143.00	1203
Glen-Haig [Great Britain]	Frog-on-lily pad box from Tiffany's	Glen-Haig	10/10/90	150.00	3506

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Gosper [Australia]	Men's jewelry	Gosper	1/20/90	127.20	2237
Gramov [USSR]	Numerous items under $100 for both recipients including clothing, toiletries, and others	Gramov Koslovsky (Soviet Goodwill Games rep.)	9/3/89	1,493.71	1200 1205
Guerra [Cuba]	Bull Dog	Guerra	9/15/89	875.00	1201
Guirandou [Ivory Coast]	Panasonic batteries (2)	Guirandou	12/28/89	124.50	1773
Guirandou [Ivory Coast]	Silver bowl and engraving (wedding gift)	Guirandou's daughter	2/16/90	202.39	1977
Guirandou [Ivory Coast]	Martin Luther King, Jr. print	Guirandou	9/16/90	Unknown	Donated
Guirandou [Ivory Coast]	Zoom camera	Guirandou	9/3/89	403.65	1204
Haggman [Finland]	Magician for entertaining children	Haggman children	11/3/89	150.00	1496
Haggman [Finland]	Used computer	Haggman	Unknown	Unknown	Donated
Haggman [Finland]	Toys	Haggman children	10/29/89	101.64	1507
Haggman [Finland]	Clothing, books, makeup, cologne, children's clothing	Haggman (Mrs. & children)	11/3/89	718.36	1599
Haggman [Finland]	Child care, toys, carseat rental	Haggman	11/3/89	167.69	1624

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Haggman [Finland]	Sweater	Haggman	9/17/90	314.71	3268
Hamzah [Malaysia]	Sculpture -- soccer	Hamzah	9/17/90	424.00	3504
Havelange [Brazil]	Cufflinks	Havelange	6/14/90	112.50	3328
He [China]	Cufflinks	He	6/14/90	112.50	3328
Helmick [USA]	Mahogany gallery trays	Helmick	1/27/89	787.50	316
Herzog [France]	Sculpture	Herzog	4/1/90	424.00	3504
Hodler [Switzerland]	Steuben crystal -- skier	Hodler	9/16/90	457.24	3595
Holst-Sorensen [Denmark]	Antique Compass	Holst-Sorensen	9/15/90	365.70	3300
Igaya [Japan]	Steuben crystal -- golfer	Igaya	9/15/90	457.24	3595
Isava [Venezuela]	Steuben crystal -- equestrian	Isava	9/15/90	457.24	3595
Isava [Venezuela]	Garage door openers (2)	Isava	9/15/89	70.00	1208
Isava [Venezuela]	Perfume - value reflects total expenditure benefitting two members and a guest	Isava Theresita Revenga (Isava's guest)	1/20/90	185.50	1880

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Isava [Venezuela]	Luggage (replacement)	Isava	2/14/90	424.00	1968
Isava [Venezuela]	Magnolia sculpture	Isava	8/8/90	408.10	3127
Isava [Venezuela]	Shoes	Isava	2/14/90	132.50	1970
Kaltschmitt [Guatemala]	Clothing, watch battery	Kaltschmitt	9/8/89	170.63	1201
Kim [S. Korea]	Jewelry box	Kim	9/14/90	616.25	3598
Kim [S. Korea]	Cufflinks	Kim	6/14/90	112.50	3328
Kumar [India]	Unidentified items	Kumar	2/27/90	135.46	2275
Kumar [India]	Steuben scotch glasses	Kumar	12/13/89	457.24	3595
Kumar [India]	Facilitated procurement of tickets to U.S. Open tennis tournament	Kumar's nephew	9/90	Unknown	Donated
Magvan [Mongolia]	Tiffany's rope pin	Magvan (Mrs.)	9/17/90	157.50	3506
Matthia [Togo]	Beauty salon visit	Matthia (Mrs.)	8/26/90	300.00	2992
Mbaye [Senegal]	Hickory putter	Mbaye	7/25/89	110.00 (per shipping invoice)	989

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Mbaye [Senegal]	Golf club	Mbaye	9/4/90	472.50	3659
Mendoza [Colombia]	Book with personal inscription from Hank Aaron	Mendoza	9/15/90	Unknown	Donated
Munoz-Pena [Dominican Republic]	DiMaggio print	Munoz-Pena	9/15/90	312.70	3441
Nyangweso [Uganda]	Clothing and accessories (replacement for items lost in travel)	Nyangweso (Mrs.)	4/7/90	330.71	2257
Nyangweso [Uganda]	Clothing (replacement)	Nyangweso	4/7/90	528.15	2476
Nyangweso [Uganda]	Sculpture	Nyangweso	9/1/90	200.00	3271
Nyangweso [Uganda]	Clothing (replacement)	Nyangweso (Mrs.)	5/1/90	355.09	2397
Rieckehoff [Puerto Rico]	Glucose machine	Rieckehoff	4/13/90	267.09	2269
Rieckehoff [Puerto Rico]	Tickets to Braves game	Rieckehoff	5/31/90	Unknown	Donated
Rieckehoff [Puerto Rico]	Walking canes (2)	Rieckehoff	2/12/91	265.00	3993
Ruhee [Mauritius]	Sculpture	Ruhee	4/1/90	212.00	3299
Ruhee [Mauritius]	Diving equipment	Ruhee	4/7/90	167.42	2330

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Samaranch [Spain]	Steuben crystal	IOC Museum	11/1/89	312.70	1599
Samaranch [Spain]	Olympic posters (21)	IOC Museum	6/8/89	8,522.00	809 755
Samaranch [Spain]	Unidentified gift	A. Inchauspe' (Pres. Samaranch's secretary)	6/8/89	125.00	751
Samaranch [Spain]	Putter	Samaranch	6/26/89	approx. 100.00	815
Schmitt [Hungary]	Sculpture	Schmitt	9/15/90	424.00	3504
Sibandze [Swaziland]	Clothing	Prince Sobandha	8/18/90	469.05	3198
Sibandze [Swaziland]	Compact discs and tapes - value reflects total expenditure benefitting two members	Prince Sobandha (Sibandze's guest)	7/28/90	223.65	3040
Sibandze [Swaziland]	Chanel scarf	Sibandze's Wife	7/30/90	222.60	3409
Singh [India]	Glucometer	Singh	8/31/90	264.12	3310
Singh [India]	Hermes tie and Brooks Brothers tie carrier	Singh	9/2/90	174.90	3439
Slavkov [Bulgaria]	Framed watercolor of Atlanta skyline	Slavkov	9/16/90	200.00	3507
Slavkov [Bulgaria]	Picture	Slavkov	8/29/90	150.00	3293

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Smirnov [USSR]	Sports jacket	Smirnov	9/4/89	273.00	1278
Smirnov [USSR]	Sporting goods	Smirnov	11/90	188.17	3759
Smirnov [USSR]	Miscellaneous items including belt, ladies clothing, makeup, and watch batteries	Smirnov	9/4/89	197.91	1278
Smirnov [USSR]	CD player	Smirnov	4/18/90	203.46	2620
Tallberg [Finland]	Steuben crystal -- sailboat	Tallberg	9/15/90	457.24	3595
Troger [Germany]	Tiffany's open heart pin	Troger (Mrs.)	9/17/90	120.00	3506
Vallarino [Uruguay]	Cordless telephone and converter	Vallarino	9/5/90	184.07	3364
Von Schoeller [Austria]	Time/Life Civil War series	Von Schoeller	5/30/90	288.00	2715
Von Schoeller [Austria]	Horse hoof ink well	Von Schoeller	9/15/90	466.40	3300
Wallwork [W. Samoa]	Sculpture	Wallwork	9/15/90	424.00	3504
Wilson [New Zealand]	Men's jewelry	Wilson	1/20/90	122.20	2237
Wu [Taiwan]	Sculpture	Wu	4/1/90	424.00	3504

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Zerguini [Algeria]	Miscellaneous items	Zerguini (children)	7/12/90	163.24	3259
Zerguini [Algeria]	Camera	Zerguini	9/6/90	264.95	3418
Zerguini [Algeria]	Tickets to Metropolitan Opera (3)	Zerguini	3/23/90	280.50	2355
All	Briefcases from Eddie Bauer (100)	All	Various	7,020.00	3350
All	CD's by Atlanta Symphony Orchestra (92)	All	1/31/90	695.00	2005
All	Silver bookmarks	All	2/28/90	1,306.25	2037
All	Statue bases (120)	All	9/17/89	3,192.97	3294 3491
All	Statues (100)	All	9/17/89	11,000.00	3135 3312
All	Engraving (Note pads) (100)	All	Various	375.00	1104
All	Tote bags (1455)	All	Various	6,522.47	3074 551 3714 243 1144
All	Folders - Custom desk (100)	All	Various	2,705.61	1439
All	Electronic organizers (88)	All	Various	19,005.36	83012-CAD
All	Crystal Olympic A's (106)	All	Various	13,289.75	769 1105 1000

Member [Country]	Description	Recipient	Date	Total Value	Ch#
All	Crystal Empire boxes (100)	All	Various	3,754.00	3837
All	Alarm clock (100)	All	Various	1,204.88	286
All	Dolls - Mickey Mouse (95)	All	Various	595.25	2982
All	"Gardens of Ga." books (100)	All	11/10/89	7,500.00	1574
All	Compact disc players (92), compact discs, and shipping	All	Various	16,910.54	1793
All	Compact discs (100)	All	Various	1,575.00	2382
Various	Pewter purse mirrors (25)	Various	Various	322.50	2016
Various	Watches - black (200)	Various	Various	4,236.80	1776 1969
Various	Maier & Berkele gifts, including crystal dogwoods and Olympic A's	Unknown	12/20/89	17,042.98	1738
Various	Assorted gifts from Tiffany's under $200	Various	Various	3,187.70	3506
Various	Handbags (75)	Various	Various	10,281.50	3276
Various	Globe bookends (30)	Various	5/25/90	754.00	3099
Various	Personalized bottles of Habersham wine (2 cases)	Various	8/30/89	124.96	1613
Various	Binoculars (30)	Various	Various	2,459.50	2251
Various	Pewter jewelry boxes (25)	Various	Various	321.31	2016
Various	Tee shirts (819)	Various	Various	4,507.37	2150 881 2150
Various	Crystal dogwoods	Various	2/28/90	951.00	2036

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Various	Silver knives (66)	Various	Various	3071.60	3130 3213 2837
Various	Pewter cups (299)	Various	Various	11,438.95	251 235 188
Various	Engraved golf bag tag (36)	Various	2/16/90	610.75	1977
Various	Pins - Lapel (1500)	Various	Various	1,976.10	297
Various	Hand towels (360)	Various	Various	919.29	2892
Various	Books (28)	Various	Various	907.20	1551
Various	Cosmetic accessory kits (4)	Various	4/12/90	149.51	2478
Various	Miscellaneous gifts	Various	Various	903.15	3255
Various	Watches - Seiko (80)	Various	Various	4,117.75	3818
Various	Pins - Enamel (409)	Various	Various	910.44	3831
Various	Pens (Pentel) (1000)	Various	Various	737.76	3831
Various	Ties (417)	Various	Various	3,397.93	3457 3273
Various	Luggage (Mori) (20)	Various	Various	2,580.00	3253
Various	Compact disc players and gift-wrapping (8)	Various	6/14/90 9/5/90	1693.59	2730 3415
Various	Puzzles (250)	Various	Various	500.00	3232
Various	Bowls - Wooden Tulip Poplar (25)	Various	Various	5,062.15	533 799

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Various	Kaleidoscopes (140)	Various	Various	6,523.95	550 660 1904 854
Various	Umbrellas (72)	Various	Various	1,952.37	586
Various	Art (Carl Powell) (25)	Various	Various	5,000.00	595
Various	Jackets - custom (50)	Various	Various	2,673.57	2150
Various	Scarves (4)	Various	4/13/90	305.28	2267
Various	Scarves (3)	Various	8/8/90	237.44	3197
Various	Perfume for IOC wives/March Africa visit	Various	5/24/90	240.00	2586
Various	Jackets - cotton (10)	Various	Various	528.72 2,705.61	2154
Various	Luggage tags (625)	Various	Various	4,472.25	864 3831
Various	Scarves (5)	Various	4/17/90	683.70	2325
Various	Medallions (50)	Various	Various	929.00	2676
Various	Sweatshirts (125)	Various	Various	1,437.50	135
Various	Bath robes (200)	Various	Various	10,107.58	1289
Various	Engraving (Frames) (60)	Various	Various	560.00	1288
Various	Glass peach on base (75)	Various	Various	3,228.00	1286 135
Various	Crystal peaches (50)	Various	Various	2,703.00	1286

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Various	Paperweights	Various	Various	5,344.00	2676 2144
Various	Customized Louisville slugger	Various attendees of International Baseball Association Meeting and others, including at least 3 IOC members	1/15/90	Unknown	Donated.
Various	Art frames (80)	Various	Various	3,062.88	1000 3358
Various	Georgia food baskets (30)	Various	8/21/89	651.00	1038
Various	Scrapbooks (42)	Various	Various	3,316.42	1051 890 714 1645
Various	Complimentary long-distance telephone service during IOC meeting in San Juan	Various	8/28-9/1/89	Unknown	Donated
Various	Cabbage Patch dolls [Number of donated dolls is unknown; listed value derived from internal listing of contributions. Members only received a portion of donated dolls.]	Various	Various	39,200.00	Donated
Various	Tennis shoes given during visit to Stone Mountain	Various	9/5/89	Unknown	Donated
Various	Crystal dogwoods (20)	Various	Various	3,468.85	1105 769
Various	Decals (1100)	Various	Various	349.23	1144
Unknown	Gifts and uniforms for Tokyo	Unknown	8/8/90	4,518.00	3132
Unknown	Frabel sculptures	Unknown	8/28/90	600.00	3271

Member [Country]	Description	Recipient	Date	Total Value	Ch#
Unknown	10k gold pin from Skippy Musket & Co.	Unknown	8/28/90	333.90	3265
Unknown	Engraving pewter jewelry boxes (25)	Unknown	5/3/90	201.25	2452
Unknown	Clock	Unknown	9/6/90	318.75	3598
Unknown	Bangle with gold accents	Unknown	9/6/90	136.00	3598
Unknown	Miscellaneous gifts	Unknown	8/8/90	257.79	3132
Unknown	Hummingbird pin	Unknown	12/7/90	254.40	3837
Unknown	Peaches (7) and terry-cloth robe	Unknown	2/11/89	640.50	396
Unknown	Shotgun ($359.99) & Case ($39.99), plus tax	Dialos (NOC member)	5/28/90	423.98	2672

EXHIBIT O

****OTHER ACCOMMODATIONS****

Member [Country]	Description	Date
Alexander [Kenya]	Assisted Mr. Alexander by contacting U.S. distributors of fishing flies on his behalf	2/21/90
Bridge [Jamaica]	Transported money into the United States for Mr. Bridge that he could not have brought in himself without addressing certain reporting requirements	Unknown
Dibos [Peru]	Facilitated gift and shipment of one used MARTA bus to the City of Lima, Peru	4/27/90
Dibos [Peru]	Offered to facilitate possible purchase of 50 additional used buses by the city of Lima, Peru (We found no evidence the additional buses were purchased)	8/20/90 9/25/90
Ericsson [Sweden]	Discussed cleaning contract for Olympic venues and buildings with a company owned by Mr. Ericsson's friend (We found no evidence the company obtained any contracts)	3/23/90
Ericsson [Sweden]	Discussed marketing Swedish company's air pollution control device in the United States at request of Mr. Ericsson's friend (We found no evidence GAAF actually assisted this company)	3/1/90
Gafner [Switzerland]	Discussed assisting with the publication of a novel in English (We found no evidence GAAF provided such assistance)	8/20/90
Ganga [Congo]	Offered to assist Mr. Ganga and the Congo Sports Ministry put on a Journalist Seminar for African journalists covering the School and University Games in the Congo (We found no evidence GAAF provided such assistance)	9/10/89
Ganga [Congo]	Discussed providing sponsorship of School and University Games in Congo (We found no evidence GAAF provided such sponsorship)	12/89
Ganga [Congo]	Facilitated possible beverage donation by Coca-Cola for School and University Games in Congo	3/9/90
Ganga [Congo]	Discussed providing assistance organizing track or basketball training camp (We found no evidence GAAF provided such assistance)	Unknown

OTHER ACCOMMODATIONS

Member [Country]	Description	Date
Ganga [Congo]	Discussed providing assistance obtaining grants to finance American coach for Congo National Basketball Team (We found no evidence GAAF provided such assistance)	3/9/90
Ganga [Congo]	Discussed providing assistance with the organization of possible coaches clinic after School and University Games in Congo (We found no evidence GAAF provided such assistance)	9/10/89
Geesink [Netherlands]	Facilitated meeting between executives of Philips Lighting, a company with which Mr. Geesink had an affiliation, and an executive of the World Congress Center in Atlanta, which has authority over the Georgia Dome, regarding sports lighting contract (We found no evidence Philips obtained the lighting contract)	3/28/89
Guerra [Cuba]	Assisted with efforts to gain approval from the U.S. government to televise the Pan Am Games held in Cuba (Approval was obtained)	10/11/89
Guirandou [Ivory Coast]	Discussed providing a contact at Coca-Cola with whom Mr. Guirandou could discuss support of amateur athletics in Ivory Coast (We found no evidence GAAF provided such a contact)	10/1/89
Mzali [Tunisia]	Provided contacts with U.S. government officials regarding Mr. Mzali's exile from Tunisia	Unknown
Mzali [Tunisia]	Discussed assisting with the translation of a book Mr. Mzali had authored from French to English (We found no evidence GAAF provided such assistance)	11/20/90
Nora [Liechtenstein]	Discussed the possibility of assisting with securing funding for Princess Nora's radio program in Costa Rica (We found no evidence GAAF provided such assistance)	9/14/89
Ruhee [Mauritius]	A volunteer assisted in obtaining and furnishing an apartment near Georgia Tech for Mr. Ruhee's son. She believes that all expenses incurred in connection with this assistance were ultimately reimbursed by Mr. Ruhee. We found no evidence indicating that GAAF either incurred or was reimbursed for these expenditures.	8/24/90
Schmitt [Hungary]	Offered to arrange for golf course designers and developers to travel to Hungary and consult with Mr. Schmitt regarding golf course development (We found no evidence GAAF made such arrangements)	4/3/90

OTHER ACCOMMODATIONS

Member [Country]	Description	Date
Schmitt [Hungary]	Offered to arrange for tourism seminar in Eastern European cities, that would be coordinated by Atlanta Convention and Visitors Bureau. Value of seminar estimated by GAAF volunteer as $70,000 - 100,000 (We found no evidence GAAF made such arrangements)	3/2/90
Stankovic [Yugoslavia]	Offered to retain free legal counsel in Georgia regarding TV contract dispute between FIBA (the international basketball federation headed by Mr. Stankovic) and a Georgia company (We found no evidence GAAF retained such counsel)	8/26/90
Zerguini [Algeria]	Provided a tour of American medical training facilities to Mr. Zerguini's son, an orthopedic surgeon, to observe orthoscopic techniques	6/21/90

EXHIBIT P

****VISAS****

Member [Country]	Description	Date
Ruhee [Mauritius]	Assisted Mr. Ruhee's son in obtaining visa to study in the U.S.	7/90
Unknown	Discussed assisting West German pentathlete extend visa (assistance requested by Secretary General of Modern Pentathlon; we have not determined whether or not the visa was extended)	12/20/89
Attarabulsi [Libya]	Provided personal assistance to Mr. Attarabulsi and his wife in obtaining a visa to travel to Atlanta	7/8/90
de Stefani [Italy]	Assisted Mr. de Stefani obtain visa to travel to the U.S.	6/2/89
Kim [S. Korea]	Assisted Mr. Kim's daughter's effort to obtain permanent residency status (Ms. Kim had attended a U.S. law school and had been practicing law in the U.S.; we have not determined whether Ms. Kim actually obtained permanent residency status)	8/20/90
Ganga [Congo]	Assisted Mr. Ganga's son in effort to obtain visa to work in the U.S. (we have been advised and records suggest that Mr. Ganga's son did not accept employment in Atlanta or obtain a U.S. visa as a result of GAAF's efforts)	7-8/90

THE OLYMPIC SITE SELECTION PROCESS: REVIEW OF THE REFORM EFFORT

WEDNESDAY, DECEMBER 15, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2123 Rayburn House Office Building, Hon. Fred Upton (chairman) presiding.

Members present: Representatives Upton, Barton, Burr, Bryant, Waxman, and DeGette.

Also present: Representative Oxley.

Staff present: Jan Faiks, majority counsel; Clay Alspach, legislative clerk; and Chris Knauer, minority investigator.

Interpreters present: Alexandre Schiavo and Fernando van Reigersberg.

Mr. UPTON. Good morning, everyone, and welcome. We are sorry for the slight delay this morning. We have a number of members that are stranded at a variety of different airports around the country, and at this point, I will ask that their remarks be included by unanimous consent as part of the record.

And I know that a number of members are still going to try to get here for the hearing that will go much of the day. So we wish for them to have safe travel and get here as fast as they can.

We are here today because the Olympic Games are too important to allow a culture of corruption to be whitewashed and perpetuated by a piece of paper called "reforms." The record is riddled with evidence of over a decade's worth of blatant abuse which was ignored by those who consistently, arrogantly, unbelievably, turned a blind eye to the ugly truth. Now, after being dragged under the magnifying glass, the IOC reports to have turned over a new leaf. They say they have seen the light. They say action has been taken. The question is, can we trust that the reforms will be vigorously enforced once the spotlight has dimmed? How can we be sure that business as usual has truly ended?

In May of this year, when the committee started its inquiry into the Atlanta organizing committee's 1996 Olympic bid, we wanted to learn whether the events surrounding the Salt Lake City's Olympic bid were an isolated incident or part of a larger pattern of misconduct. At the first hearing, the Atlanta organizers and other witnesses testified that Atlanta actively gathered information about IOC members and, armed with this information, broke gift and travel rules in order to keep its host city competitive.

Additionally, the committee learned that IOC members requested and received numerous gifts, travel and other perks from Atlanta organizers. Based on the testimony and records presented in the first hearing, including the 1991 Toronto report, it is clear that Salt Lake City and Atlanta were not the only bidding cities engaged in improper gift giving. Sadly, this culture of corruption has existed for more than a decade. Today, we will hear directly, for the first time, from the man who has headed the IOC since 1980, Juan Antonio Samaranch.

As we all know, the IOC voted on a reform package this past weekend, and Mr. Samaranch has received kudos for steering these reforms through. Today, however, he must do more than merely outline what the reforms are intended to do. He must detail exactly how he will personally enforce what is written on paper. The conduct by IOC members in the bidding cities did not spring up yesterday, and it will not go away simply because there are new rules written on a piece of paper. The rules on paper, no matter how tough or complete, are just that.

Frankly, it is hard to have confidence in the success of these reforms, given some of the disturbing statements in the media the last couple of days. These include the IOC Ethics Commission declaration that they, "Do not plan to initiate investigations and probably would not take up any new cases that develop out of the Salt Lake City probe."

Another panel member, Robert Badinter, says, "We will not be detectives or Scotland Yard or the General Attorney of the United States."

Mr. Samaranch has declared, "The new millennium will see a new International Olympic Committee."

We are at a point where we want to believe, based on enactment of these reforms, a new day has dawned. The bottom line needs to be trust, but verify, verify, verify.

Along those lines we will hear also today from Senator Howard Baker, who is the only American member on the new IOC Ethics Commission. The Ethics Commission is charged with ensuring that ethical standards for IOC members are clear, applied and, in fact, enforced. We want to learn whether the Ethics Commission will be strong enough to end the mentality that rules are made to be broken.

On the second panel we will also hear from Senator George Mitchell and Dr. Henry Kissinger. Senator Mitchell chaired the USOC's Special Bid Oversight Commission to review the circumstances surrounding the Salt Lake City bid and to make recommendations to improve the process. Dr. Kissinger is, in fact, a member of the IOC 2000 Commission.

The bidding process was eroding away from an evaluation of the true merits of a bid city into an auction awarding the best bidder. The qualifications of a city began to matter less and less. How many gifts given to IOC members mattered more and more. Only after the Salt Lake City scandal erupted and was exposed on the world stage did the IOC finally step up to the plate and address the need for reform.

My concern about the IOC's commitment is based upon their response and President Samaranch's reaction, in particular, to over

a decade of serious warnings and allegations that improprieties were occurring. The Toronto report was presented in 1991 to a group of IOC executive committee members, including Mr. Samaranch, and yet no serious follow-up investigation occurred that the author of the report, Mr. Henderson, is aware of. Certainly no one asked to see Toronto's records, which were public at the time.

Additionally, Mr. Bob Helmick, an IOC executive committee member, never received from the IOC a copy of Toronto's report, and he is not aware of any further investigation into the allegations. The report should have served as a clear warning shot across the bow. Was no one looking? Was no one standing watch? Or was this shot simply ignored?

In fact, there is documentation on this culture of corruption dating back to the mid-1980's. Peter Ueberroth's biography "Made in America" describes the bidding process for the Seoul games that Ueberroth saw as tantamount to bribery.

The 1987 L.A. Times details a luxurious life-style enjoyed by an elite few in which travel is in grand manner, every expectation is fulfilled, and it is "all on the house."

In 1992, another Washington Post article states, "Cities often go to great lengths to impress its members, who have been given the opportunity to play golf at Augusta National, ski in the Alps, or have their names engraved on a plaque on the Great Wall.

In September, 1997, the Post discusses South African officials forced to apologize for offering first class airplane tickets to wives of 19 IOC officials. Yet nothing was really done to adequately address these problems. In fact, we know of one instance when the lavish gift-giving was showered on President Samaranch's wife. Mrs. Samaranch and a friend were flown by Atlanta organizers to Atlanta with a stopover in Charleston, South Carolina, for a cost of more than $12,000. The trip included a private fashion show for their enjoyment as well.

The fact that President Samaranch was informed of this trip and allowed it to occur does not give me great confidence that he is prepared to address similar abuses in the future. Consequently, imagine my surprise when I read a recent Time magazine article regarding an interview with President Samaranch, when he was asked about his wife's trip to Atlanta and whether she would make another trip to a bidding city, when the response was, "Maybe. It depends. After all, my wife is the wife of the president."

Why should I or any member of this panel believe that the IOC leadership is serious about implementing these reforms now? We need to make sure that the mistakes of the past are not repeated.

Our last panel today features some of the finest athletes in the United States, and I am proud to represent a district that some Olympians have called home, including Jesse Owens and Muhammad Ali. These men and women practice many, many years, often overcoming tremendous odds to compete for Olympic victory. On behalf of today's Olympic athletes, past Olympic competitors, and athletes throughout the world striving to be Olympians, this committee will maintain its vigilance over the IOC reform effort. The athletes represent the very best in the Olympic movement and they deserve no less than the best from the IOC and its leadership.

I will yield to the acting ranking member of this subcommittee, as Mr. Klink is stranded in Pittsburgh, Ms. DeGette, from Colorado.

[The prepared statement of Hon. Fred Upton follows:]

PREPARED STATEMENT OF HON. FRED UPTON, CHAIRMAN, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Good morning and welcome. We are here because the Olympic Games are too important to allow a culture of corruption to be white-washed and perpetuated by a piece of paper called reforms. The record is riddled with evidence of over a decade's worth of blatant abuse which was ignored by those who consistently, arrogantly—unbelievably—turned a blind-eye to the ugly truth. Now, after being dragged under the magnifying glass, the IOC purports to have turned over a new leaf They say, they have seen the light. They say, action has (finally) been taken. The question is: can we trust that the reforms will be vigorously enforced once the spotlight has dimmed? How can we be sure that the business-as-usual era has truly ended?

In May of this year, when the Committee started its inquiry into the Atlanta Organizing Committee's 1996 Olympic bid, we wanted to learn whether the events surrounding Salt Lake City's Olympic bid were an isolated incident or part of a larger pattern of misconduct. At the first hearing, the Atlanta organizers and other witnesses testified that Atlanta actively compiled personal profiles detailing likes and dislikes of IOC members, and armed with this information, broke gift and travel rules in order to keep its host city bid competitive. Additionally, the Committee learned that IOC members requested and received numerous gifts, travel and other perks from the Atlanta organizers.

Based on the testimony and records presented in the first hearing, including the 1991 Toronto Report, it is clear that Salt Lake City and Atlanta were not the only bidding cities engaged in improper gift giving. Sadly, this culture of corruption has existed for more than a decade. Today, we will hear directly—for the first time—from the man who has headed the IOC since 1980, Juan Antonio Samaranch.

As we all know, the IOC voted on a reform package this last weekend and Mr. Samaranch has received kudos for steering these reforms through. Today, however, he must do more than merely outline what the reforms are intended to do. He must detail exactly how he will personally enforce what is written on paper. The conduct by IOC members and the bidding cities did not spring up yesterday, and it will not go away simply because there are new rules written on a piece of paper. Rules on paper, no matter how tough or complete are just that. Frankly, it's hard to have confidence in the success of these reforms given some of the disturbing statements in the media in the past few days. These include:

- The IOC Ethics Commission declaration that they "do not plan to initiate investigations and probably would not take up any new cases that develop out of the Salt lake City probe."
- Another panel member—Robert Badinter—says "we will not be detectives or Scotland Yard or the General Attorney of the United States."

Mr. Samaranch has declared "the new millennium will see a new International Olympic Committee." We are at a point where we want to believe—based on enactment of these reforms—a new day has dawned. The bottom line needs to be trust but verify, verify, verify.

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1991 to a group of IOC executive committee members, including Mr. Samaranch, and yet no serious follow-up investigation occurred that the author of the report Mr. Henderson is aware of—certainly no one asked to see Toronto's records which were public at the time. Additionally, Bob Helmick, an IOC executive committee member, never received from the IOC a copy of Toronto's report and he is not aware of any further investigation into the allegations. This report should have served as a clear warning shot across the bow. Was no one looking? Was no one standing watch? Or was this shot simply ignored?

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Ms. DEGETTE. Thank you very much, Mr. Chairman. Initially, I would like to express my thanks to my old friends, to Bill Hybl, to Henry Kissinger, and to all of the members of the U.S. Olympic Committee who worked very diligently to make sure that these reforms were passed, and who have been here in this hearing room also working with Congress to let us know what was going on, and we do appreciate their efforts. I know I can say that for both sides of the aisle.

But, unfortunately, Mr. Chairman, news of more scandal has emerged since our last hearing in October. As we suspected, Atlanta and Salt Lake City were not anomalies. Reports from Sydney about ticket hoarding and rumors of shredded documents in other cities continue to tarnish the Olympic rings. The allegations of bribery that have been catalogued in the reports provided to this committee cast dark clouds over the true spirit of the Olympic Games. And, as we will hear from the fourth panel, the real victims of these scandals are the athletes and the fans.

Today, the International Olympic Committee will tout the newly approved reforms as a symbol of change and rejuvenated effort to refocus the games on sport and sport alone. I hope they will have that effect. However, I am concerned about the compliance program that is supposed to monitor the IOC reforms. They say that the devil is in the details, but thus far we have seen very few details.

I fear that these reforms will be cosmetic and purely to mask the aristocratic aura that has formed around the organization. And I am not convinced that the reforms approved this past weekend can be implemented in a manner that alleviates the situations that resulted in IOC members forgetting that the games are about elite athletes at the pinnacle of their ability.

This culture of bribery coexisted with the rules of the organization in Salt Lake City, in Atlanta, in Sydney, and in other host cities. The rules were clear, as we found in our last hearing, yet the rules were not adhered to in any way. In fact, committee members from Salt Lake City believed that they lost the 1992 games to Nagano because they played by the rules. This corrupt culture resulted in cities and volunteers shelling out hundreds of thousands of dollars to IOC for shopping sprees at Saks, medical treatments for IOC members' relatives, and college tuition. So I am hopeful that these new reforms will be treated differently, but I am also skeptical that they can be.

I am anxious to learn if our witnesses believe that lowering the age for IOC members to 70 years will prohibit gifts like a tennis camp in Florida for two teenagers from the Republic of the Congo. And I would also like to know why a loophole has been created for the term limits which will, in essence, result in infinitely renewable terms. I am hoping that Mr. Samaranch and our other witnesses can convince me otherwise today, but I am afraid that the enforcement program around the reforms enacted this weekend will show that what the IOC passed will simply be window-dressing and business will go on as usual.

I am particularly concerned, as I said, about the lack of detail in the establishment of the Ethics Commission. This is perhaps the most crucial aspect of IOC reform. This is the one component that can prevent other scandals like the ones that brought us here today. However, ironically, this appears to be the most murky of the reforms. In fact, three Ethics Commission members gave three different answers as to how the commission will work when asked about the structure this weekend.

Two particular guidelines caught my attention upon review of the IOC's proposed code of ethics, both discussed in the integrity section of the guidelines. One guideline states, "Only gifts of nominal value, in accordance with prevailing local customs, may be given or accepted by the Olympic parties as a mark of respect or friendship."

This is a difficult definition, given the wide variety of currency, buying power and cultural traditions prevalent in the countries participating in the Olympic movement. Most U.S. corporations and U.S. Congress are specific, for example, that a nominal gift is defined as one which does not have a value of more than U.S. $100 or U.S. $50. As currently written, these guidelines do nothing to prohibit the exorbitant gift-giving that we saw in past scandals.

The second disturbing guideline states, "The hospitality shown to the members and staff of the Olympic parties, and the persons accompanying them, shall not exceed the standards prevailing in the host country." Again, this definition is vague, at best. An Olympic guideline must be universal, and perhaps in light of past scandals, more restrictive than some would call "local customs" of the host countries in order to prevent future scandals.

I hope our witnesses will provide more detail as to how this commission will work on a daily basis. How will complaints be handled? How will the commission factor in cultural differences or even determine what cultural differences are?

The U.S. Congress, for example, has a self-policing Ethics Committee and we all know what a difficult task it is to evaluate and discipline peers. The IOC cannot discount the importance of this commission nor can it allow it to falter by failing to provide proper guidance for Ethics Commission members.

This committee, and I can say probably this entire Congress, is eager to work collectively to decide how the United States will help in its leadership role to develop and implement the new reforms and guidelines that we can stick with. I applaud the Mitchell Commission for taking the initiative in developing a comprehensive plan for reform. And I sincerely hope that Senator Mitchell will continue to offer his expertise as the IOC flushes out the details of the Ethics Commission and other reforms.

Again, I applaud the USOC for taking the lead in trying to implement the reforms recommended by the Mitchell Commission, and I hope this organization is willing to lend its leadership and experience to other national Olympic committees as they implement similar reforms. But the United States cannot act in a vacuum, and I believe we also need to take the lead in helping the IOC to instigate tough Ethics Commission guidelines so that we can stop the abuses that we have seen.

Above all, the United States and the USOC can and must ensure that the athletes, some of whom we will hear from today, will regain their proper place as the central focus of the Olympic Games. U.S. cities, like cities worldwide, have had to perform like dancing ponies. And the USOC has been just as much a victim as anybody. On the other hand, United States cities have participated voluntarily in this type of conduct and, therefore, it is incumbent on the cities, the USOC, and the United States to act as they have in helping the IOC take a leadership role in this way.

In conclusion, I hope that the IOC will extend the good faith it showed last weekend and begin to act in the spirit of the games it represents and to move to implement successfully real reforms. And I believe that if the Ethics Commission is strong and independent, these reforms can be achieved.

Thank you, Mr. Chairman.

[The prepared statement of Hon. Diana DeGette follows:]

PREPARED STATEMENT OF HON. DIANA DEGETTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Thank you Mr. Chairman. Unfortunately, Mr. Chairman, news of more scandal has emerged since our last hearing in October. As we suspected, Atlanta and Salt Lake were not anomalies. Reports from Sydney about ticket hoarding and rumors of shredded documents in other cities continue to tarnish the Olympic rings. The

allegations of bribery that has been catalogued in the reports provided to this committee casts dark clouds over the true spirit of the Olympic games. And, as we will hear from our third panel, the real victims of these scandals are the athletes and the fans.

Today, the International Olympic Committee will tout the newly approved reforms today as a symbol of change and a rejuvenated effort to refocus the Games on sport and sport alone. I hope they will have that effect. However, they say the devil is in the details, but thus far, I have seen very few reforms. I fear that these reforms are purely cosmetic reforms and fail to eliminate the aristocratic aura that has formed around the organization. I am not convinced that the reforms approved this past weekend can be implemented in a manner that alleviates the situations that resulted in IOC members forgetting that the games are about elite athletes at the pinnacle of their ability.

This culture of bribery that co-existed with the rules of the organization in Salt Lake City, in Atlanta, in Sydney and other host cities. The rules were clear, as we learned in our last hearing, yet they were not adhered to in any way. In fact, committee members from Salt Lake City believed they lost the 1992 games to Nagano because they played by the rules. This corrupt culture resulted in cities and volunteers shelling out hundreds of thousands of dollars to IOC for shopping sprees at Saks, medical treatments for IOC member's relatives and college tuition. So I am hopeful that these new reforms will be treated differently, but skeptical that they can be. I am anxious to learn if our witnesses believe that lowering the age limit for IOC membership from 80 to 70 years old will prohibit gifts like a tennis camp in Florida for two teenagers from the Republic of the Congo. I would like to know why a loophole has been created for the much touted "term limits" which result in infinitely renewable terms. I am hopeful that our witnesses can convince me otherwise today, but unfortunately I am afraid the reforms enacted this weekend signify that the IOC passed will simply be window dressing and business will go on as usual.

I am particularly concerned by the lack of detail in the establishment of the Ethics Commission. This is perhaps the most crucial aspect of IOC reform; this is the one component that could prevent other scandals like those that brought us here today. However, this appears to be the murkiest of all the reforms. In fact, three Ethics Commission members gave three different answers as to how the Commission will work when asked about the structure this weekend. Two particular guidelines caught my attention upon review of the IOC's proposed Code of Ethics; both discussed in the Integrity section of the guidelines. One guideline states: "Only gifts of nominal value, in accordance with prevailing local customs, may be given or accepted by the Olympic parties, as a mark of respect or friendship."

This is a difficult definition given the wide variety of currency, buying power and cultural traditions prevalent in the countries participating in the Olympic movement. Most U.S. corporations, and the United States Congress are specific, for example, that nominal gift is defined as one which does not have a value of more than $US 100, or $US 50. As currently, written, the guideline does nothing to prohibit the exorbitant gift giving we saw in past scandals.

The second disturbing guideline states: "The hospitality shown to the members and staff of the Olympic parties, and the persons accompanying them, shall not exceed the standards prevailing in the host country."

Again, the definition is vague, at best. An Olympic guideline must be universal and perhaps, in light of past scandals, more restrictive than some would call local customs of the host countries in order to prevent future scandals.

I hope our witnesses will provide more detail as to how this commission will work on a daily basis. How will complaints be handled? How will the Commission factor in cultural differences? Or even determine what cultural differences are? The US Congress has a self-policing ethics Committee, and we all know what a difficult task it is to evaluate and discipline peers. The IOC cannot discount the importance of this Commission, nor can it allow it to falter by failing to provide proper guidance for Ethics Commission members.

This Committee, and indeed I can probably say this entire Congress, is anxious to work collectively to decide how the United States is going to take the leadership role implementing the new reforms and developing guidelines that we can stick with. I applaud the Mitchell Commission for taking the initiative in developing a comprehensive plan for reform and I sincerely hope that Senator Mitchell will continue to offer his expertise as the IOC flushes out the details of an Ethics Commission and other reforms. Again, I applaud the USOC for taking the lead in trying to implement the reforms recommended by the Mitchell Commission and I hope this organization is ready to lend its leadership and experience to other national Olympic Committees as they implement similar reforms. But the United States cannot

act in a vacuum. I believe we must take the lead in insisting that the IOC install tough guidelines. Above all, the US and the USOC can and must ensure that the athletes, some of whom we'll hear from today, regain their proper place as the central focus of the Olympic games.

U.S. cities, like cities worldwide, have had to perform like dancing ponies and the USOC has been just as much a victim as anyone. On the other hand, United States cities have participated in this type of conduct, and, therefore, it is incumbent on the cities, the USOC, and the United States Congress to take the lead in putting international pressure in cleaning up these practices.

I hope the IOC will extend the good faith it showed this weekend and will begin to act in the spirit of the games it represents and move to successfully implement the reforms it has approved.

Mr. UPTON. Thank you.

At this point I will recognize the vice chairman of the subcommittee for an opening statement, Mr. Burr from North Carolina.

Mr. BURR. Mr. Chairman, I ask unanimous consent to enter my statement into the record, my written statement, because I think it is pretty good, but I feel compelled, listening to my colleagues before me, to make some remarks off the cuff.

Let me welcome Mr. Samaranch. I know this is voluntary participation, and I appreciate your willingness to come and to testify in front of this committee. I also want to take this opportunity to welcome our other witnesses, because I believe it is extremely important that we do a thorough, fair and open process in completion of this task before Congress.

I had the opportunity to play college football. I understand what real competition is, what winning and losing is. I understand what is generated from fans of schools and fans of countries as it relates to sporting events. I also understand the integrity that must exist for that support to continue and for that trust to build. One only has to look at the reports since the weekend to understand, and I commend the IOC and its president for a number of changes, that there are still statements that contradict each other.

It was quoted in The Washington Post by the President of John Hancock Mutual Life Insurance, Mr. D'Allessandro, that "the first thing they have accomplished is they have acknowledged that public opinion does count. In the past, there has been no limit on the levels of arrogance. We are somewhat more confident, but we will have a wait-and-see attitude with how everything is implemented."

In the same article, an IOC member, Mr. Nicaleu of Greece, told Mr. Samaranch over the weekend, "I would suggest you do not go to Washington. You are the President of the IOC and you are only accountable to the Olympic family."

What a huge difference in the perspective of, one, a financial contributor to the Olympic Games and, two, a member of the voting committee who had an opportunity to pass real reforms.

Mr. President, I am thankful you did not listen to that IOC member from Greece and that you are in fact in front of us today, because I think the correct observation is closer to the President of John Hancock Mutual Life, that public opinion does count, that public trust and integrity is essential to the games, and that the Olympics are about athletes.

I agree with Mr. Samaranch's statements, as they appeared in the world press, that this weekend's vote marked an historic page in the long history of the IOC. Unfortunately, just turning the page

on the transgressions of the past will not ensure that those transgressions are not repeated. You can turn the page, Mr. Samaranch, but the next page will not make much sense if the IOC doesn't build on the recommendations and see that meaningful reform actually takes place.

Many IOC members have expressed concerns that the outside world, including this subcommittee and this Congress, has no business involving itself in IOC affairs. I must respectfully disagree. The IOC may own the rights to the Olympic rings and other symbols, but the Olympic Games themselves are bigger than any one person and any one group. They belong to the people of the world, to the athletes that devote their lives to excelling in a sport, to the spectators who stand in awe of their accomplishments. The Olympic family does not consist of just the IOC and its membership, and that is something the current IOC membership has to date failed to recognize.

The entire Olympic family deserves nothing less than the knowledge that the games and all events surrounding the games are conducted in a free, open and fair manner. I hope that, as we move forward, Mr. Samaranch, that in fact we will all aspire to a free, open and fair process.

With that, I yield back, Mr. Chairman.

[The prepared statement of Hon. Richard Burr follows:]

PREPARED STATEMENT OF HON. RICHARD BURR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Thank you Mr. Chairman, and thank you for holding this important hearing—the second held by this subcommittee to investigate the Olympics site selection process. Our first, in October, left many questions unanswered and many areas unexplored. I am hopeful that we can address some of the remaining issues today, but I hold no illusions that today will mark the end of this subcommittee's involvement in this issue. Nor should it. The American people—who have long been champions of the Olympic movement and the staunchest supporters of its values and principles—as well as people around the world deserve to know if those charged with promoting, developing, and staging the Olympic Games are doing so not in their own self-interest but in the interest of the Games and all they stand for.

I am pleased to see that the subcommittee has invited such distinguished witnesses to testify before us today, particularly the president of the International Olympic Committee, Juan Antonio Samaranch. I was pleased to see the IOC approved all of the IOC 2000 Commission's recommendations this past weekend, due in no small part to the efforts of Mr. Samaranch. However, a number of serious questions remain that I hope Mr. Samaranch and our other witnesses can address.

Of utmost importance to me is adequate oversight and control of the site selection and bid process. Without serious changes in the way the process is managed, none of the reforms adopted by the IOC will have any meaning. The faults in the bid process go to the heart of the difficulties currently facing the Olympic Movement, and those faults must be repaired. We must fully understand the relationship between bid cities, national Olympic committees, and the IOC as well as the responsibilities of each.

I agree with Mr. Samaranch's statements, as they appeared in the world press, that this weekend's votes mark a historic page in the long history of the IOC. Unfortunately, just turning the page on the transgressions of the past will not ensure that those transgressions are not repeated. You can turn the page, Mr. Samaranch, but the next page will not make much sense if the IOC doesn't build on the recommendations and see that meaningful reform actually takes place.

Many IOC members have expressed concerns that the outside world, including this subcommittee and this Congress, has no business involving itself in the IOC's affairs. I must respectfully disagree. The IOC may own the rights to the Olympic rings and other symbols, but the Olympic Games themselves are bigger than any one person or any one group. They belong to the people of the world, from the athletes that devote their lives to excelling in a sport to the spectators who stand in

awe of their accomplishments. The Olympic Family does not consist of just the IOC and its membership, and that is something the current IOC membership has, to date, failed to recognize. The entire Olympic Family deserves nothing less than the knowledge that the Games, and all events surrounding the Games are conducted in a free, open, and fair manner.

Thank you, Mr. Chairman.

Mr. UPTON. Thank you, Mr. Burr.

The gentleman from California, Mr. Waxman.

Mr. WAXMAN. Thank you very much, Mr. Chairman. I want to thank you for holding this important hearing, and I want to welcome all of our distinguished guests that are going to be appearing before us today.

Fifteen years ago, my hometown of Los Angeles hosted the 23rd Summer Olympics. It was a proud moment both for the people of Los Angeles and for the entire country. The success of the 1984 Olympics was an accomplishment that we are still proud of today in Los Angeles.

Unfortunately, the reputation of the Olympics in 1999 is very different from what it was in 1984. That is why I believe that the United States and, in particular, the U.S. Congress has an obligation to try to clean up the Olympics.

In April, I introduced legislation to prohibit American corporations, including the television networks, from providing any financial support to the IOC until it instituted the reforms proposed by Senator Mitchell's commission. It was a tough bill, a controversial one, but a necessary piece of legislation. It was also a bill with bipartisan support from members with very different political views.

Now that the reforms have been adopted, some people believe that the U.S. Congress should step aside. I disagree. Congress can and should play a role in ensuring that these reforms are actually implemented and that they are effective. If this does not happen, Congress should move forward with sanctions like those envisioned in my bill. It is easy when you are under a lot of pressure to take some actions that appear to be doing the right thing, and then, when the world is not paying attention, to ignore those very rules.

In my opinion, there are several important issues that still need to be addressed.

First, are these reforms enough? Does more need to be done to ensure that the problems that occurred in Salt Lake City and Atlanta do not occur again? I am especially interested in hearing Senator Mitchell's views on this topic.

Second, how will these reforms be enforced? For a long time the IOC has had rules against gift giving, rules which were regularly disregarded. I have great faith in Senator Baker and know that he will do his utmost to enforce the new rules adopted this past weekend. But I also know that the culture of gift giving and perks that existed for years cannot be eliminated overnight, and it certainly cannot be eliminated by one person, even if that person is Howard Baker, unless he has the complete support of the rest of the IOC.

Finally, merely changing a few rules does not mean we are going to solve the problem. After all, it is easy to rewrite rules. It is much harder to change attitudes and behaviors, particularly when they are so ingrained in the fabric of an organization. That is the real challenge facing the IOC in the coming months. Without a genuine change in attitude, no amount of enforcement will be enough.

When I read the press coverage of this weekend's meeting, I was struck by the reaction of several IOC members to the reform package. An Italian IOC member said, "Our vote was mostly a vote of confidence for Samaranch. Many, many people were against some of the proposals. But we decided almost unanimously that we would support the President." To be honest with you, that does not sound like someone who believes in the importance of reform.

Even more incredible is a comment from a Pakistani member, who said that bid cities used "Satanic"—that is his word, "Satanic"—methods to prey upon IOC members. This IOC member also said that the IOC was "unnecessarily suffering from a guilt complex." Clearly, this is another IOC member who does not get it.

Reading these comments does not inspire a great deal of confidence in me that the IOC problems will be solved overnight. I hope that the witnesses today will give us some reason to feel confident.

Thank you, Mr. Chairman.

Mr. UPTON. The gentleman from Texas, Mr. Barton.

Mr. BARTON. Thank you, Mr. Chairman.

I, too, want to welcome the distinguished President of the International Olympic Committee to this subcommittee hearing. I have great admiration for many of the innovations that you have instigated during your tenure as president since 1980. I think it is only fair that you get the credit for the good things, but I think it is also fair that you get the accountability for the bad things.

I have a written statement, Mr. Chairman, I am going to put in the record. And, as Mr. Burr, I am just going to kind of outline what my questions will be.

I think the first question I am going to ask when it is my appropriate turn is why, of the reforms that have been implemented, apparently none of them apply to the office of the presidency? As I understand it, even if these reforms are fully implemented and enforced, you would be able to travel at host city expense; you would be able, or whoever the president happens to be, would be able to receive gifts; all the things that have caused consternation as they have been reported in the United States. If you or whoever becomes president were to continue those activities, it would be acceptable. I just cannot believe that that would meet with much support if the rank and file of the Olympic movement knew that.

Second thing I am going to ask is why it is necessary for the Olympic committee to maintain a luxury suite at the Palace Hotel in Lausanne, Switzerland, for your personal use, your private use, apparently your exclusive use on a year-round basis. We have not been able to determine exactly how much that costs, but the estimates range from $100,000 to $300,000 a year. I do not see how that furthers the Olympic movement myself, but perhaps you can explain that to us.

We would also like to know how it furthers the Olympic movement that apparently you feel it is appropriate for your family, specifically your wife, to travel at potential host city expense all over the globe, and in the case of the Atlanta host city at a cost of at least $13,000. And that is exclusive of hotel rooms, meals, and shopping excursions. And according to documents that the committee has, we are told that she did not want to be bothered with

looking at the venue, that she really liked the high society and to go shopping.

I have a wife, too. She likes high society, she likes to go shopping, but when she goes shopping, I pay for it. The potential host city does not pay for it or some committee.

So those are some of the questions that I am going to be asking.

Quite frankly, I think it is well-known that I have asked that you resign. I would like for you to announce today that you will resign. I think you have done many good things, but I do not think that the good things you have done overwhelm the bad practices that have developed, and I think it is time for some new blood and some new leadership, and this would be a great venue for you to be a true statesman of sport and announce that.

Thank you, Mr. Chairman.

[The prepared statement of Hon. Joe Barton follows:]

PREPARED STATEMENT OF HON. JOE BARTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Today's hearing is the second time we, as a Subcommittee, have come together to discuss the process in which potential sites for Olympic Games are considered, reviewed and chosen by the International Olympic Committee, IOC. As we all know, we last met here on October 14th of this year in response to the widespread media reports of corruption and abuse of power involved in this process. Our last hearing attempted to highlight some of the problems involved in this process and, hopefully, bring about substantial and meaningful reform within the IOC. Today's hearing is to review what efforts have been taken. It should come as no surprise to anyone present today that I feel that the reform efforts taken thus far by the IOC are not sufficient and the environment for potential unethical conduct is still quite evident. In fact, it has become obvious to me that true reform of the Olympic site selection process will be difficult to enforce until a change in leadership of the IOC occurs so that someone with a fresh outlook and impartial voice can attempt to address these concerns.

I look forward to hearing from today's witnesses, specifically current president of the IOC, Juan Antonio Samaranch. It is with his actions that I personally am most concerned. Mr. Samaranch has been quite vocal recently as to the "sweeping" reforms he has spearheaded in the IOC. However, these recent actions and sound clips by Mr. Samaranch may be misleading. During his 19 years in office, many questionable actions have occurred by he and other members of IOC throughout the site selection process. It is alleged that for many years, members were accepting lavish gifts and trips from potential site cities, both solicited and unsolicited. In most cases, these items were viewed by potential cities as a must in order to secure votes by IOC members. It is the opinion of some that President Samaranch knew this was occurring and did nothing to stop it because he, too, may have been benefitting from and soliciting such actions.

The IOC is a non profit organization. Why does the IOC have overhead costs 3 to 4 times higher than other non-profit organizations? Why do proposed reforms of the IOC selection process not appear to apply to President Samaranch himself? Why should he be provided a hotel suite, year-round, in Switzerland with the hefty cost of over $100,000 per year paid for by funds from the IOC? In what official capacity did his wife and family friend serve when they accepted an all expenses paid trip to Atlanta, Charleston and Orlando? How does his influence over the Executive Committee and other IOC members affect any attempts of impartial investigating by the Ethics Commission? Are there any limitations as to the number of times IOC policy can be altered, such as the maximum age of IOC serving members for example, to personally benefit his standing in the organization?

These are just a few of many questions that raise serious concerns with me as to the ability of Mr. Samaranch to effectively serve as President of the IOC. I feel that it would be beneficial that Mr. Samaranch resign so that any reform efforts established by the IOC will be able to be independent in nature, clear in direction and fresh in its outlook. Until a change in leadership exists, I am concerned that it will be very difficult to ensure that any reform proposals will be taken seriously and feel that is safe to say that the temptation for members to continue such unethical practices may continue to occur throughout the IOC.

I appreciate Chairman Upton holding this follow-up hearing and am looking forward to hearing the testimony of all the witnesses gathered here today.

Mr. UPTON. Thank you, Mr. Barton.

Mr. Bryant, from Tennessee.

Mr. BRYANT. Thank you, Mr. Chairman. I do appreciate, as everyone here on this panel does today, you holding a follow-up hearing on this important issue. I especially want to thank all of our distinguished witnesses, not only this panel but the panels to come.

I am confident today that the panels we will hear from will provide the members of this subcommittee as well as the supporters of the Olympic Games around the world a new perspective on the culture of the IOC and its dedication to achieving much needed reform. I was pleased to see in the news over the weekend that the IOC had taken several important steps toward restoring the public's faith in the sanctity of the games.

As a result of the 2-day meeting of all the IOC members, the committee expelled six members, and four others resigned after they were accused of breaking rules on accepting gifts from representatives of the Salt Lake City team during its successful bid for the 2002 Winter Games.

Among the reforms that I have made reference to, that you have agreed to over this weekend, was a proposal to make members face reelection every 8 years, thus eliminating the unchecked power and influence associated with lifetime appointments.

The session also voted to allow future presidents to be elected for an 8-year term, with a right to stand for a further 4 years, and agreed to add 15 active athletes to the committee. I hope that these athletes testifying today will provide us with their comments on the benefits of this last change in particular.

Mr. Chairman, I agree with Dr. Kissinger that the IOC, had they not taken these steps, would have faced a crisis of public confidence sooner or later. However, I also concur with former President Reagan's belief that we should trust but verify.

At our last hearing we were informed that rules were already in place limiting the ability of IOC members to receive gifts. For example, under the IOC rules, gifts of a value exceeding $200 are not permitted and that candidate cities shall not organize individual receptions for IOC members. Yet King and Spalding, the Atlanta law firm that is involved in this, has clearly documented gifts such as cameras, a shotgun and a bowl with values ranging from $250 to $1,000. My question would be, what assurances do we now have that these new rules will actually be carried out and enforced?

I will also appreciate hearing from the distinguished IOC president what assurances he can give the members of this subcommittee that our United States cities will not be denied future site consideration as retribution for its role in calling for reform. These are important questions, and it is vital we do not leave here today congratulating the IOC for supporting reform without some indication that these changes are put into practice and not simply promised.

Again, I appreciate your presence here to testify. I appreciate, Mr. Chairman, your holding this hearing, and I look forward to listening to today's testimony, and I would yield back the balance of my time.

[The prepared statement of Hon. Ed Bryant follows:]

PREPARED STATEMENT OF HON. ED BRYANT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Thank you Mr. Chairman:

I appreciate your holding a follow-up hearing on this important issue, and I especially want to welcome all of our distinguished witnesses. I am confident that the panels we will hear from today will provide the members of this subcommittee, as well as supporters of the Olympic games around the world, a new perspective on the culture of the International Olympic Committee and its dedication to achieving much needed reform.

I was pleased to see in the news over the weekend that the IOC has taken several important steps toward restoring the public's faith in the sanctity of the games. As a result of the two-day meeting of all IOC members, the Committee expelled six members and four others resigned after they were accused of breaking rules on accepting gifts from representatives of Salt Lake City during its successful bid for the 2002 Winter Games.

Among the reforms agreed was a proposal to make members face re-election every eight years, thus eliminating the unchecked power and influence associated with lifetime appointments. The session also voted to allow future presidents to be elected for an eight-year term with the right to stand for a further four years and agreed to add 15 active athletes to the committee. I hope the athletes testifying here today will provide us with their comments on the benefits of this last change.

Mr. Chairman, I agree with Dr. Kissinger that had the IOC not taken these steps, they would have faced a crisis of public confidence sooner or later. However, I also concur with former President Reagan's belief that we should trust but verify.

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Again, I appreciate your holding this hearing Mr. Chairman. I look forward to listening to today's testimony and yield back the balance of my time.

Mr. UPTON. Thank you, Mr. Bryant.

[Additional statements submitted for the record follow:]

PREPARED STATEMENT OF HON. TOM BLILEY, CHAIRMAN, COMMITTEE ON COMMERCE

Thank you Mr. Chairman.

This is the second hearing that the Committee has held on the International Olympic Committee's ("IOC") site selection process. We learned at the first hearing that the various parts of the scandal were evident for more than 10 years before the shameful events involving Salt Lake City exploded across the world stage. Consequently, at this hearing we will be reviewing what reforms and more importantly what enforcement will be necessary to ensure that the abuses and excesses that developed within the site selection process will not occur again.

The Olympics represent the highest of ideals. Unfortunately, the fundamental principles of the Olympic Movement have been tarnished by these scandals. Therefore, it is critical that the reforms we will learn about today are aggressively implemented and enforced. If it were not for the effort and hard work of both this Committee and the Americans sitting in this room today, the IOC reform effort would not be a reality. Senator Mitchell investigated the Salt Lake City scandal and produced a comprehensive report recommending extensive reforms for both the USOC and the IOC. We are very pleased to have Senator Mitchell with us today to give his assessment of the reforms that have just been passed by the IOC last weekend. Senator Baker is a member of the IOC Ethics Commission. We are very lucky to have someone with his experience and integrity working to ensure that a meaningful framework is developed and maintained to implement the ethical standards that the Ethics Commission recently has adopted. Finally, Dr. Kissinger testified at our

first hearing regarding his work on the IOC 2000 Commission. He is returning today to give the Committee a status report of the reform process and an analysis of those reforms just passed. We welcome all of you and certainly thank you for your work.

This past weekend the IOC passed a number of reforms that are intended to restore the ideals of the Olympic Movement. I am hopeful that the necessary changes can be realized. But this will only be achieved with true commitment to reform. I thank the Chairman for holding this hearing, and I look forward to the testimony of our witnesses.

PREPARED STATEMENT OF HON. RON KLINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Thank you, Mr. Chairman, and thank you for having this hearing.

This weekend the IOC made partial payment on a promise it made months ago. In the extraordinary session held on December 11th and 12th, the IOC passed a series of reforms. I applaud them for making that first step. But while there are those that say the IOC is now "*reformed*," I believe a more accurate description is that the IOC has begun a "*Process*" of "*reforming*." The IOC's reform is not complete because certain areas still need considerable work.

Mr. Chairman, to understand why last weekend's reforms are but a beginning and not an end, one must first understand the mindset from which this organization must reform. For more than a decade, warnings had been issued suggesting serious problems existed within the IOC. In fact, as far back as the mid 1980's, the press reported on a culture of excessive gift giving in connection with the efforts made by bidding cities to win the right to host the games. For example in 1986, *Sports Illustrated* made the following observation:

> "The tactics of Olympic bidders vary somewhat, but they are never very subtle. The most popular strategy is simply to shower everyone on the IOC with gifts, trips and parties . . . No city did better in this area than Paris. Whenever an IOC member felt the need to vacation in Paris for a while, he was instantly sent airline tickets and given a free room in the elegant Hotel de Crillon, as well as reserved tables at Maxim's or Tour D'Argent with the bill paid in advance. Members traveled everywhere in limousines, sometimes with a police escort, and they were given perfume, raincoats, jogging suits and discounts at some of Paris's finest shops."

Perhaps the IOC could have argued that evidence such as this was too vague; that it was only what the press was saying, or that nobody *directly affiliated* with the games had made such allegations. But a 1991 report given to the IOC by the Toronto Ontario Olympic Council (whose bid to host the Olympics was unsuccessful) provided additional and seemingly credible evidence that should have raised red flags. To quote from that report:

> "No single issue is so open to abuse as gifts and other material inducements to individual IOC members. Perhaps no single issue has the power to undermine the integrity of the IOC as this particular one. Unfortunately, many IOC members expect to receive gifts above and beyond what anyone would judge to be courteous and gracious. Cash, jewelry or other items easily converted to cash, were hinted at on several occasions. We were surprised to discover on more than one shopping trip that the bid city host was expected to pay for all the purchases made by not only the member, but the guest as well.

In yet another section of the Toronto Ontario Olympic Council report, this time involving the issue of IOC member travel, other abuses were illustrated and presented to the IOC:

> "The most blatant abuses were the misappropriation of travel expenses and airline tickets or passes advanced by [Toronto] to IOC Members. Our personal observations suggest that at least 18 Members and their companions materially benefitted [sic] from one or other of the following devices:
>
> —obtaining airline tickets from local sources at sometimes discounted prices and demanding hard currency in return for the unused first class passes received from [Toronto];
>
> —obtaining combination airline tickets to several bid Cities on a single trip and demanding cash equal to return first class tickets between their countries and each bid City;
>
> —demanding and receiving full fare tickets, failing to arrive, and cashing in those tickets;
>
> —coupling a trip paid by a bid City with a trip to a Session paid by the IOC and converting the City's passes to cash.

It is our estimate that all of the forgoing *abuses* associated with IOC Member visits may have cost [Toronto] some $700,000 to $800,000."

Those were serious allegations, Mr. Chairman, made almost 10 years ago by a seemingly credible source. But as with other evidence, it appears that much of this information was either outright ignored, or management was incapable of using it to determine if key reforms were needed.

Equally troubling, this attitude appears to have persisted even into this year. After this Subcommittee began to expose the questionable behavior by some IOC officials connected with Atlanta's bid to host the games, the IOC again became defensive. Rather than acknowledging some immediate responsibility for the problems that were increasingly becoming evident with Atlanta's bid, an IOC spokesperson said the following:

"Everything that we have read shows that Atlanta actually pushed those favors and gifts onto the IOC members under the pretext of friendship . . . The members weren't used to this systematic approach to lobbying."

Incredibly, this statement was made even after the revelations of Salt Lake City suggested that such practices had been widespread for years.

It is important to remind ourselves of this troubling fact-pattern, because if the IOC is serious about reform, it must move beyond a *hear no evil see no evil. speak no evil* style of governance. But so far, Mr. Chairman, I see no clear evidence that the IOC has implemented a system capable of doing this.

To be fair, the IOC has created an *ethics commission* that is *supposed* to assume this role. But details remain vague on how this commission will function and what role it will play in preventing future corruption. At the very least, we should know the following:

(1) What specific authorities will this commission have to investigate potential wrongdoing? Can it compel testimony from all IOC officials, for example? What happens if such parties refuse to testify, or they provide misleading or wrongful testimony?

(2) What is the commission's jurisdiction regarding activities connected with IOC business, and what is the time period during which this commission can investigate potential wrongdoing? Press stories have suggested it can only investigate events occurring after January 1, 2000. Other reports say the commission can look at events *before* this date. Which is it?

(3) How will allegations be reported to the commission for possible investigation? For example, will the commission be allowed to initiate investigations based on information reported in the press? Will the commission be allowed to initiate investigations from anonymous sources? Will it have a hotline? If so, who will staff it, and in what languages will it operate?

(4) Will the ethics commission develop a compliance manual with unambiguous and detailed rules all IOC officials must follow? Will each IOC official receive training on both the purpose and the definition of such rules?

(5) Finally, what resources will the ethics commission have to carry out its mandate? Will it have large enough staff to do the daily work? So far, there are a number of prominent figures associated with the commission that meet from time to time—all very bright. But I don't envision Senator Baker or Judge Keba Mbaye answering a hotline or personally conducting an inquiry.

Mr. Chairman, it is critical to recognize that none of the reforms voted on last weekend were designed to detect and sanction the sorts of ethical lapses that have so undermined the credibility of the IOC. That effort remains the task of the ethics program. But because details have yet to be defined, this important reform remains incomplete. *Simply put, as long as this commission remains a "work in progress," the IOC should not be considered "reformed."*

Mr. Chairman, an ugly storm has engulfed the IOC over the past year. Yet through the efforts of many, the IOC has made progress toward meaningful reform. Nevertheless, significant work remains. And while I want to acknowledge the efforts of the many who have contributed to this effort—in particular the efforts of three distinguished gentleman, Senator Mitchell, Senator Baker, and Dr. Kissinger—we should not let our guard down until this job is complete. As an old but useful saying goes, "*You may trust in God, but always tie your camel*."

I welcome the witnesses before us today and I greatly look forward to their testimony on the progress the IOC is making toward reform. But because there remains considerable work ahead, and because some of the most important reforms remain incomplete, *I'll continue to keep my camel tethered.*

With that, I yield back.

Mr. UPTON. I have a few housekeeping things that I need to do before we get started with testimony from Mr. Samaranch.

First of all, I need to ask unanimous consent that in the first round we will not have a 5-minute question period but 10. So is there any objection to a 10-minute question period?

Hearing none, that will be the case.

Second, Mr. Samaranch, you may be aware that this subcommittee is in fact an investigative subcommittee and, as such, we have always had the practice of taking testimony under oath. Do you have any objection to testifying under oath?

Mr. SAMARANCH. No.

Mr. UPTON. Also, under the Rules of the House and the committee, you are entitled to be advised by counsel. Do you desire to be advised by counsel during your testimony today?

Mr. SAMARANCH. Yes, I am.

Mr. UPTON. If you and your counsel then would rise and raise your right hands.

[Witnesses sworn.]

Mr. UPTON. Thank you. You are now under oath. We recognize you.

I want to make sure that you are aware that your entire statement will be made part of the record, and we now would like to listen to your opening statement. You may begin. Thank you.

TESTIMONY OF JUAN ANTONIO SAMARANCH, PRESIDENT, INTERNATIONAL OLYMPIC COMMITTEE, ACCOMPANIED BY FRANCOIS CARRARD, DIRECTOR GENERAL, INTERNATIONAL OLYMPIC COMMITTEE, COUNSEL TO MR. SAMARANCH

Mr. SAMARANCH. Mr. Chairman, members of the committee, thank you for giving the International Olympic Committee and its president an opportunity to address our crisis and our subsequent efforts. I would like to summarize what happened, what we did, where we are now, and, finally, where we intend to go.

What happened? A little more than 1 year ago the International Olympic Committee had for the first time evidence of misconduct by some of its members. Yes, there had been many, many rumors. Yes, there were many allegations in the media. But every time we tried to get proof, nothing that could have initiated an inquiry was ever produced.

The simple fact is that, as the financial stakes become higher and higher, leading the cities bidding to hold the games become more and more aggressive, and also some of our members—and I would like to say all volunteers and independent—become vulnerable and misbehaved. This happened and was revealed in the occasion of the bid of Salt Lake City.

What did we do? We immediately ordered a full-scale investigation run by an ad hoc commission chaired by our first vice-president, Mr. Dick Pound, who is here with me. The ad hoc commission immediately set to work in full coordination with Salt Lake City.

Also, all of the cities, bidding cities for many games, more than 30, we asked them for a report. Within 3 months, regarding Salt Lake City, without any coercive authority, the ad hoc commission ended its work, which led to the departure of 10 IOC members—6 were expelled and 4 resigned, 1 had passed away—plus severe sanctions for other members. But we did not stop here, as we were

committed to turning this crisis, a very important crisis, into a positive side.

Extraordinary session in March, 1999. This session was the first session of the International Olympic Committee after the crisis. And at the beginning of this very important session, because in the session they had to study the possibility to expel some members, I thought myself, as president of the International Olympic Committee, that I had a great responsibility. For this reason, at the very beginning of the session, I asked all the members for a vote of confidence.

As you know, I was elected by the members of the International Olympic Committee in 1980 in Moscow. My first responsibility is to the IOC members. I left the hall, the meeting room. The vice president took the Chair. He organized a secret ballot regarding if the members held confidence in me or not. The result was stunning even for me: Eighty-six members voted in favor, with 2 against and 1 abstaining.

This vote—the result of this vote was really very important for me. Because I realized that the members of the International Olympic Committee were not only confirming me as president of the International Olympic Committee, they were telling me directly, "You are the man to run this crisis. You have the experience, you have our support, and you, with all the people that run with you, with the support of the IOC, the staff of the International Olympic Committee, we think you can solve this crisis before the end of this year."

But we did many other things in this session in March. We published publicly the accounts audited by PriceWaterhouse Coopers, and today you can see this account in our website, the website of the International Olympic Committee. Because we thought that the main problem of the IOC regarding bidding cities was the visit of the members and we had an election for the Winter Games in 2006, we canceled the visits. And the system, for me, worked very well. And in this session in March in Seoul, Torino, Italy, was elected as the city who will have the honor and also the responsibility to organize the games in 2006.

And we established a new Ethics Commission consisting of a majority of independent external personalities like Senator Baker, who is with us today. But we established also the IOC 2000 Reform Commission that was comprised by 50 percent of members outside the IOC and 50 percent of members of the International Olympic Committee. As you know, there were around 80 members.

Among the members outside the IOC, there were many important personalities in the world like Dr. Kissinger, Mr. Ebersol, Mr. Boutros Boutros Ghali, Mr. Peter Ueberroth, Paul Allaire, Mr. Agnelli, Mr. Stoltenberg, a very important man, a former foreign minister of Norway.

Also, we studied carefully the Mitchell report. And I flew to London, and I met with Senator Mitchell and also Mr. Duberstein. That meeting for us was very positive, very positive. And I would like to say also that the report of Senator Mitchell was a guide to us for the future reforms. I would like, before you, to thank Senator Mitchell and also Mr. Duberstein.

The second important step was done in Seoul, the second session of the IOC this year. A code of ethics was approved. And for the first time in the long history of the International Olympic Committee, we opened the session to the media through a television circuit. And I think the media now they can follow all the details of our meetings.

Also, during the summer, there were many meetings of the IOC 2000 Commission's Working Groups until late October, when this IOC 2000 Commission presented the 50 recommendations. During this time, also, I spoke with many members of the International Olympic Committee, because the most important of this stage was that many members had to give up many of their powers, many of the advantages they had as members of the International Olympic Committee. And I think during these meetings with the IOC members, we convinced them it was time for change.

Finally, the third session of the International Olympic Committee this year, normally we have only one, was last weekend, 11 and 12 December, in Lausanne, where we have the headquarters of the International Olympic Committee.

What we will do. We approved many things, and many of these things already are implemented. The new nomination of the International Olympic Committee, to be a member, will be totally different. Sports organizations, like international federations, National Olympic Committees as well as athletes and other persons have the right to present candidates. New nominations will be screened by this screening committee composed of 3 members of the IOC, 4 members outside the IOC, and 1 athlete.

In this first step of the nomination committee, the proposals will go to the executive board of the International Olympic Committee and finally to the session, where they will vote by a secret ballot the approval of the admission of new members.

Also, the International Olympic Committee will include in physical position 15 representatives from international federations, 15 from national Olympic committees, and 15 athletes chosen by their peers, active athletes. These elections have been organized in Atlanta and also in Nagano. These elections have been organized with great success. In Atlanta, 53 percent of the members, of the athletes, they voted. That means around 7,000. And the participation of the athletes in Nagano was really much more important, because 60 percent voted. In Atlanta, they elected seven athletes representing the Summer Games, and in Nagano three athletes representing the Winter Games.

Also, during this session in Lausanne last weekend, every member, new member or old member, must be reelected every 8 years. For the new members, we lower the age limit to 70 years. This limit vote will have in the future 15 members instead of 11, and they will reflect the whole membership of the session. That means that when we vote we must have representatives of international federations, of National Olympic Committees, from athletes, and also minimum, minimum, one woman.

The term of president has been changed. To now, in 105 years of history, we have had only seven presidents of the International Olympic Committee. Our founder, Baron de Coubertin, served for 29 years as president. Mr. Avery Brundage, from your country,

served 20 years, and now I am in my 19th year as president. Now, for the next president, will be a term of 8 years, plus 4 if he is reelected.

Also, something that was I was looking for a long, long time, we changed the system of election of host cities. There will not be more visits of International Olympic Committee members to the cities. I think, really, that is not necessary. But, also, there will not be visits from the bid cities to the IOC members. I think avoiding these visits also we avoid a real danger.

There are other reforms, Mr. Chairman, but I wanted to emphasize the most important. I would like also to say that many of these changes are now, today, in the Olympic Charter—now, today, in the Olympic Charter.

I am going to where we are now. In 1 year, I think we worked a lot. Normally, we have one session; we had three sessions. Normally, we have four executive board meetings; we had eight, and many other meetings. I think we cleaned the house, and a fundamental reform package has been adopted.

Much more for me is much important, because I know you are very interested in the athletes, we have already incorporated, elected, 10 active athletes as elected by their peers. Seven that were in Lausanne were introduced to the session. They sat among the members of the International Olympic Committee. In the last part of our session, they had the right to speak, they had the right to vote. That is the first time that active athletes have been members of the International Olympic Committee. One of these athletes is coming from the United States.

But besides these active athletes, I would like to say that in the International Olympic Committee we have 29 members, 29 members, that took part in the Olympic Games. That means that we have today 39 members of the International Olympic Committee that took part in the Olympic Games, and 26 of these members gained a medal during the Olympic Games. That means, and some of you mentioned the aristocracy in the International Olympic Committee, today the aristocracy in the International Olympic Committee are the athletes.

We also are very pleased that the International Olympic Committee was touched, we suffered a lot, but the Olympic Games, they are not touched. The preparation of the Sydney games are going very well.

Some of you mentioned the whole scandal with the tickets. I will say, on a positive side of the scandal, that that means that 1 year before the games the Australians are very much interested to buy tickets to attend this very important event at the Olympic Games. Salt Lake City also suffered from this crisis.

Now we have a new president of the organizing committee, Mr. Romney, very good relations with International Olympic Committee, and he is doing really, I would like to say, a wonderful job. It was not easy for him. But we can assure you that today the games in Salt Lake City, they are going the right way.

What do we intend to do from now on? As I said before, most of the critical reforms are already implemented and written into our Olympic Charter. The inclusion of athletes is done. The ban on visits of the bidding cities also. The 8 years fixed term for members

and the lowering age limit, the limit term for the President's mandate and the opening of the session to the media all have been done.

For the other reforms of the—for example, the composition of the executive board, they met 1 day after the session, last Monday in Lausanne, the executive board, and we began to work. And we think that all of the other measures will be implemented before or during the games in Sidney next year in September. Our goal is to make sure that the world gets with the new millennium a totally renovated IOC, younger, modern, transparent, accountable, dynamic, worthy of the fundamental values of Olympism. That is our goal. And my personal hope is to be able to deliver to my successor, in 2001, an International Olympic Committee with a fully restored prestige and credibility, not only for the best of the Olympic Movement, but also for the youth of the world. And for the athletes, we have the responsibility.

Mr. Chairman, members of the commission, I can assure you that we will deliver what we promise. Thank you very much.

[The prepared statement of Juan Antonio Samaranch follows:]

PREPARED STATEMENT OF JUAN ANTONIO SAMARANCH, PRESIDENT, INTERNATIONAL OLYMPIC COMMITTEE

Mr. Chairman, on January 24, I promised the IOC would institute fundamental reforms. I can now say the IOC has kept its word.

Once fully implemented, the reforms will result in a fundamentally renovated IOC—one that is more transparent, more accountable, and more responsive. It will be an institution adapted to contemporary society featuring a lower age limit, specific terms of service, 15 active athletes elected by their peers as members, more sports leaders nominated by their national or international organizations, and new processes for electing IOC members and Olympic host cities. We have elected 10 active athletes to our membership and banned visits to bid cities.

It is because these changes promise a better future for the Olympic Movement that I believe the crisis will go down in history as a positive force for the International Olympic Committee.

THE INTERNATIONAL OLYMPIC COMMITTEE

The IOC was established in Paris in 1894 to revive the spirit and competition of the Olympic Games of ancient Greece. Since then, the IOC has consistently coordinated and supervised the celebration of the modern Olympic Games and the growth of the Olympic Movement. In the most simple terms, the Olympic Movement is made up of those people who agree to uphold the *Olympic Charter.* Although the Movement consists of many partners, most notably the Olympic athletes, the four leading constituencies of the Olympic Movement are the international sports federations (IFs) that manage sport on a global level, the 200 national Olympic committees (NOCs) that coordinate the Olympic Movement within their own countries, the IOC, and the athletes.

The IOC is organized as an association having legal personality under Swiss law and is headquartered in Lausanne, Switzerland. It is privately funded and receives no public monies. Its activities and relationships are governed by the terms of the *Olympic Charter,* and it has a permanent staff of around 100.

The IOC's membership includes 113 members from more than 80 different countries, with different backgrounds, cultures, races, and religions. Each member serves as a fully independent trustee of the Olympic Movement. This independence is a hallmark of the IOC and has allowed the Olympic Movement to survive political pressure inconsistent with the Olympic values. While all members are different, their common bond is their love of sport. One out of three is an Olympian, as are six of the eleven Executive Board members, with four of them being Olympic medalists. This love of sport drives them to work as unpaid volunteers for the development of sport around the world.

ROLE OF THE IOC PRESIDENT

Presiding over an organization of 113 unpaid, independent volunteers, the IOC President serves principally as a coordinator and motivator for the growth of the Olympic Movement and the preservation of the Olympic Games.

As President of the IOC, I too am an unpaid volunteer; however, because I work nearly full-time as IOC President, the IOC covers the cost of my expenses. I frequently travel to varying sports competitions and related events, administrative meetings, and to cities bidding for the Games. In many countries, because of the values the Olympic Games represent, the IOC is regarded as an important institution, and thus, its president is greeted with treatment comparable to a senior government official, and sometimes even a head of state.

Questions have been raised in this Committee whether the IOC president is subject to the Hodler guidelines and the IOC ethics codes. Every member is equal, however, the IOC president represents and acts on behalf of the entire organization and thus receives gifts and hospitality on behalf of the organization. I give these gifts to the Museum or for display at IOC headquarters. Mainly for this reason, in all deliberations over the guidelines, the IOC president was never considered to be subject to the limits the IOC set to check the behavior of bidding cities toward voting members. This is not specifically written, but it is the custom. As President, I have never participated in votes for the host city. Likewise, this is not written, but it is the practice.

My wife sometimes accompanies me on my travels, and sometimes represents me. With regard to her trip to Atlanta, I had been to Atlanta on the occasion of the opening of the bid committee's offices, as I happened to be traveling in the U.S. at that time. Officials of the Atlanta bid committee asked whether my wife would visit Atlanta, expressing to me that they wanted her to see their city first hand. Over the next several months, a number of bid committee members wrote to my wife, asking her to come. She accepted the invitation and went, as a representative of the IOC, as a courtesy.

My wife accepted the invitation to Atlanta in the spirit in which it and so many others have been offered: friendship and hospitality. A stranger to Atlanta, she put herself at the bid team's disposal, agreeing to participate in an itinerary planned and selected by those who knew the city best. She was honored by the enthusiasm generated by her visit, and left Atlanta with many friends. Even Vice President Dan Quayle wrote to her afterwards, expressing his appreciation for her visit.

THE IOC'S CHOICE OF HOST CITIES

The selection of the host cities for the Olympic Games and the Olympic Winter Games, which was the central issue in this crisis, is one of the most important roles and responsibilities of the IOC. The Games are, in some respects, the "engine" that drives the whole of the Olympic Movement and the IOC exercises great care in the selection of host cities.

The selection process for host cities has evolved over the years, as we have tried both to be of assistance to candidate cities and, at the same time, to be more confident that we have reviewed all relevant aspects of the candidature files for purposes of making an informed choice from amongst the various candidates.

For the Atlanta bid, on which this Committee is particularly focused, we had six candidates: Athens, Atlanta, Belgrade, Manchester, Melbourne and Toronto.

The report of the IOC Evaluation Commission (which did not, at the time, give numerical rankings) nevertheless made it reasonably clear that Atlanta had the best overall ranking amongst the six candidates. This is not to suggest, however, that other cities would not have been capable of staging excellent Games as well, such as Toronto, which finished third, or Melbourne, which finished fourth. But it did indicate that Atlanta met all the criteria that the IOC considered important in a potential host city for the Games.

The voting, on the occasion of our Session in Tokyo in 1990, indicated that the IOC members had quite differing views on the matter of where the Centennial Games should be celebrated. One group, which might be characterized as conservative or traditional, felt very strongly that the Games should return to Athens, where they began in 1896. This group was convinced, despite the fact that Athens was probably not ready, at the time of the election, to host such an ambitious project, it would, because of the importance of the Olympic Games to Greece, make whatever efforts might be necessary to host successful Games. The other group, a significant majority of the members, was not so convinced.

The early rounds of the voting were, therefore, essentially a process of choosing the candidate that would eventually go up against Athens in the final round of voting. Our system is that an absolute majority is required for a decision and, where

no such absolute majority is obtained, the candidate with the lowest number of votes drops off and we proceed with the next round. Atlanta emerged from this process and, in the final round, won handily over Athens. The IOC was quite satisfied with the process and the eventual winner. Atlanta staged exceptional Games for the centenary of the modern Olympic Movement and the United States should be proud of that success.

THE RELATIONSHIPS BETWEEN THE IOC, ITS MEMBERS, THE USOC AND BIDDING CITIES

The IOC operates, in a manner akin to governments, by "recognition" of international sports federations ("IFs") that govern particular sports and of national Olympic committees ("NOCs") that agree to subscribe to and be bound by the provisions of the *Olympic Charter.*

The responsibilities of NOCs are, inter alia, to promote the Olympic Movement within their respective territories and to select the athletes from those territories who will participate in the Olympic Games.

In addition, NOCs are responsible for the selection of possible candidate cities from within their territories to bid to host the Olympic Games. In most circumstances, the NOC will work closely with its candidate city to provide advice and counsel at that stage of the process, since most candidate cities have no real knowledge of the Olympic Movement when they begin the quest. The NOCs are represented on any Organizing Committee that is formed, should the candidate city from that country be successful in winning the right to host the Games. This is a requirement contained in the *Olympic Charter,* to ensure that the Organizing Committees benefit from the knowledge of the sports authorities in their country.

Thus, the USOC selected Atlanta from amongst several U.S. cities that wished to be candidates. Our rule is that only one city per country may be presented as a candidate to host any particular edition of the Games.

The candidate cities, once they are officially selected by the NOC, embark on a process not unlike an election campaign. Each candidate city tries to convince as many IOC members (the voters) that it would be the best prospective host city for the Games. This involves many meetings over the course of the campaign, some of which are formal, when presentations are made on the occasion of Olympic gatherings, and some of which are informal, whether in groups or one-on-one situations. Under the previous system, the candidate cities would try to convince IOC members to visit them in order to show them the highlights of the cities and the proposed locations of the many Olympic events. Those cities not as well known to international audiences thought it was vital for the IOC members to make a physical visit, especially when other cities with established international reputations are involved. The Atlanta bid organizers felt this way because at the time, it was not so well known internationally.

The visits of those IOC members who were willing to travel to bid cities were paid for by the bidding committees, as the IOC members are not paid to perform their duties. The IOC had become, over time, concerned that candidate cities not incur too much expense in their activities, since only one would win. It is important to the IOC that we have candidate cities for each Games in the future and we did not want the costs to be so high that cities would be inhibited from coming forward as candidates to host the Olympic Games.

We took many steps in this regard to reduce the costs incurred by candidate cities in that process, many of which were vehemently opposed by candidate cities themselves. They considered that they should be free to promote themselves in any way they chose and that it was paternalistic of the IOC to restrict their activities. In that regard, many of the candidate cities considered that the process of obtaining the Olympic Games was similar to that of attracting industries or corporations to their cities, getting major projects to occur within their communities, or competing for franchises, conventions and other spectacles. They did not appreciate that normal practices, whether of business or governments, used in such circumstances might not be in the best interests of the Olympic Movement on a long-term basis.

But, it was nevertheless the desire of the IOC that expenditures we considered to be of no or marginal value in the bid process be restricted, in the best interests of the Olympic Movement and all candidate cities, present and future. For example, we restricted the holding of expensive receptions, the preparation of hugely expensive bid books, staging expensive displays around the world on the occasion of Olympic meetings and the number and duration of visits by IOC members. We also tried to make it clear that the IOC did not want candidate cities to spend money on expensive gifts. The rules were not intended, beyond this overall objective of reducing the costs of Olympic bids, to restrict the day-to-day activities of the candidate cities

per se in the promotion of their candidacies. I believe we were successful in reducing such costs by millions of dollars for each candidate city.

THE GROWTH OF THE GAMES AND THE MOVEMENT

Looking at the Olympic Games today, it is hard to imagine a time when they were unprofitable in a financial sense or even when the very future of the Olympic Movement was in question. But this was the case not even 20 years ago. The Olympic Movement and the world in which it lives have changed since the management of the Games became a profitable enterprise so coveted by so many cities. While not yet official, perhaps a dozen cities will vie for the honor of hosting the Games of the XXIX Olympiad in 2008.

Much good has been accomplished since the financial success of the Olympic Games of Los Angeles. Our Olympic Solidarity program, helping turn the Games profit into benefits for the athletes, is stronger than ever. NOCs that before could have never dreamed of being able to afford to train their athletes along side competitors from wealthier nations now do. IFs now have extra funds to improve the administration of world sport. Advanced research into doping controls has been commissioned. Educational, cultural, environmental, and women in sport programs have been and are being advanced throughout the Movement.

The Olympic Games have grown into the most important sports event in the world. This growth and financial success, however, did not come without risks, nor did all of our practices keep up with the pace of change.

The result of an old-style structure managing the details involved with the modern Games, including the bid city visits, was not corruption, but a situation in which some of the less responsible members—a small minority—abused the system.

We ran a system that relied heavily on the expectation that our members would act honorably and uphold their Olympic Oath. Without the introduction of gains to be had, or members vulnerable to temptation, the system was sufficient. The far majority of our members conducted themselves in a proper manner in the past, and they still do today. As IOC President, I always have trusted the members elected by the Session. After all, before being elected to the IOC, many of them had been democratically elected to the heads of international and national sports organizations or held other respected positions within their communities as either senior business executives or high-ranking government officials.

As the temptations rose, our policing of the situations that placed people at risk should have increased. We can now see our practices were too weak to disallow those among us who could be tempted to accept—and unfortunately even demand—excesses. Yes there were rumors, but never proof; so with limited knowledge, we took limited action. As mentioned earlier, we attempted to place guidelines on what bid cities could do—initially to limit their expenditure, and later on, to limit the chances for impropriety. We tried to control the aggressive nature the bid process was assuming, but the Salt Lake City experience demonstrates our actions were insufficient.

In ours, and for some other long-standing organizations, it took a crisis to come to the realization and build the political will to affect real change. In the face of this realization, I considered what would be the best for the organization—for me to resign, as some suggested, or to remain as president. My decision was to put this question to a vote of the Session. By secret ballot, the Session voted for me to stay in office by a vote of 86-2. I interpreted this vote to be a mandate to make the changes necessary to fix the problems. From the beginning, I thought good would come from these revelations. This nearly unanimous vote steeled my and the Executive Board's determination to find the positive outcome of the crisis. That positive outcome today is a renewed organization.

REFORM

Many of the problems that directly caused the crisis could have been taken care of by rooting out the wrongdoers, refining the procedure for electing Olympic host cities and by limiting the risk of vulnerable members to cross the line. In fact, one of the first steps the IOC Executive Board took in reaction to the crisis was to eliminate both visits and gifts for the bid for the Olympic Games in 2006. However, we realized that this was the moment to review and refresh our policies to bring them in line with the demands of contemporary society.

Expulsions and Sanctions

The revelations that came out of Salt Lake City demonstrated there were IOC members among those at fault in the wrongdoing. The IOC took responsibility for the behavior of those members and levied the harshest of sanctions on them.

On December 1, 1998, I sent a letter to SLOC asking for more information about the allegations that were being reported by the Salt Lake City media. On December 11, 1998, the Executive Board created an *ad hoc* commission to investigate credible evidence of wrongdoing in relation with the bid. On January 29, 1999, I widened the investigation by sending letters of inquiry to all NOCs that had participated in bids going back to 1990. We incorporated these findings along with the findings of the SLOC investigative committee into our initial investigation.

Immediately after it became clear there were improprieties involved with the selection of the host site for the 2002 Winter Olympic Games, the Executive Board and I took steps toward organizing an internal probe. The IOC was the first to act and the first to report.

As a result of our investigation, by March 17—less than three months after credible evidence emerged—six members were expelled, four resigned under pressure, and one had passed away before the beginning of the investigation. Ten others were sanctioned with warnings of varying degree of severity.

Expelling six members by a two-third majority vote of their peers and leading four others to resign was a most painful moment for the International Olympic Committee; yet these actions were resolutely endorsed by the membership.

Transparency

Once we dealt with these problems, we turned our attention to key policy and structural changes. One of the more immediate shifts of policy was the IOC's stronger embrace of transparency.

The IOC had not grasped the desire of the public to know more about our internal workings. To the IOC, the Olympic Games were what mattered, and we make every effort to ensure everyone can participate in the experience, including enforcing a free-TV-only policy for broadcasting the Games. Now we understand the public wishes to know more about the process which bring them the Games. We have no problem with this, it just took time to realize the interest.

We took several significant steps. Earlier this year, the IOC published and posted on the Internet its financial statements audited by PriceWaterhouseCoopers. Our communications department was reorganized to provide a wealth of information to the public, most of it available on our web site, www.olympic.org. We opened the IOC 2000 Commission plenary meetings and the IOC's annual membership meeting, the IOC Session, to the media. And, of course, the media was able to follow the deliberations over the reforms earlier this week as well.

Our financial transparency will be enhanced by the publishing of additional financial reports that clearly illustrate the flow of the sources and uses of IOC revenues. We will disclose the amounts of revenues redistributed to the numerous Olympic organizations and require those organizations that receive IOC funding to publish similar reports on how they use those funds. The IOC has also recommended that all NOCs and IFs follow the same disclosure policy.

Ethics Commission

The first key change in terms of structural reform was the creation of the permanent and independent IOC Ethics Commission. The IOC membership voted to create the Ethics Commission at its 108th Session in Lausanne in March 1999 and charged it with ensuring the ethical standards for IOC members and staff are clear, applied, and enforced.

The Commission is headed by Judge Keba Mbaye, former vice president of the International Court of Justice and an IOC member since 1973. He is joined on the Commission by five independent, international personalities:

- Robert Badinter, Senator, former president of the French Constitutional Court and former French minister of justice;
- Howard Baker, former Senate majority leader and White House chief of staff;
- Charmaine Crooks, a five-time Olympian from Canada and an elected member to the IOC Athletes Commission.
- Javier Perez de Cuellar, former United Nations secretary general; and
- Kurt Furgler, former President of Switzerland.

IOC members Kevan Gosper, Olympic silver medalist, former chairman and CEO of Shell Australia, and former Melbourne city executive, and Chiharu Igaya, silver medalist and board member of major corporations such as the American Home Assurance Company and American International Underwriters, also serve on the Commission.

The Commission's initial work resulted in the adoption of a code of ethics and changes to Rule 25 of the *Olympic Charter* "Standards and Sanctions" at the 109th Session in June 1999. The *IOC Code of Ethics* will govern the actions of IOC members and staff, the NOCs, the officials of candidate cities, and the organizing com-

mittees of the Games (OCOGs). Among other provisions, the new Code limits gifts to items of nominal value and hospitality to the prevailing customs in the host country. The amendments to Rule 25 of the *Charter* enhanced and clarified the powers of the IOC Executive Board to sanction and suspend members for unethical behavior.

After organizing itself and writing the Code, the Ethics Commission decided it will hire a Special Representative who will implement, monitor, and enforce the Code. This decision was taken following a presentation by highly-respected experts in the field of implementing ethics programs in a multi-national context. It is a critical area for the success of the Ethics Commission, and the details of this implementation program are still being worked out. The Ethics Commission was advised by experts; in order to be most effective, these programs must be developed with deliberate consideration.

I want to thank Senator Baker for helping the Commission focus its efforts in this direction. His ideas will have a lasting, positive impact on the IOC.

IOC 2000

The results of this weekend's Session provide further fundamental changes to the IOC's structure. These come as a result of the hard work of the IOC 2000 Commission.

The IOC 2000, the IOC's reform commission, was established by the will of the IOC Session in March 1999 and was given a broad mandate to review all facets of the organization, including its structures, rules, procedures, and host city selection process.

IOC 2000's general membership of 82 was led by a 26-member Executive Committee, comprised equally of IOC members and external personalities. (Of the thirteen external personalities on the Executive Committee, five were from the United States.) IOC 2000's plenary commission included top leaders of international sports organizations, senior business executives, academics, sponsor and television broadcast partner representatives, and other internationally known public figures.

Among the members were:

- the ten members of the IOC Athletes Commission, elected by their peers during the last Summer and Winter Olympic Games;
- Paul Allaire, chairman, Xerox;
- Giovanni Agnelli, the honorary chairman of Fiat;
- Michel Barnier, European Commissioner;
- Boutros Boutros-Ghali, former UN secretary general;
- Dick Ebersol, chairman, NBC Sports;
- Henry Kissinger, former U.S. secretary of state; and
- Thomas Stoltenberg, former foreign minister of Norway.

IOC 2000's working groups met throughout the summer to develop the list of 50 major recommendations, endorsed by the IOC 2000 plenary commission on October 30, and adopted by the IOC membership on December 11 and 12, 1999.

The 50 reforms adopted at the 110th Session last weekend mean fundamental change.

New Composition

The new IOC will have a new makeup of its membership that, when in place, will be more reflective of the sports world.

The key to a good organization is having good individuals within it, so the IOC has made improvements as to how it will choose its new members. While some recommended that national and international sports bodies elect representatives to sit on the IOC, we felt this system would add problems as it tried to solve others. The biggest problem with this suggestion is that the IOC would then be comprised of members wed to external interests rather than the interests of the Olympic Movement. Members would be subject to the very political and ideological pressures from which the Movement has tried to refrain. Under that type of system, I doubt, for example, that the Movement would have survived the tensions of the Cold War.

The IOC has added totally new procedures to the election process. First, all Olympic organizations are entitled to nominate people for election to the IOC. Second, a nominations committee, consisting of three members elected by the IOC, three by the Ethics Commission, and one by the athletes commission, will screen the nominations and present the qualified ones to the Executive Board. Third, the IOC Executive Board is entrusted select candidates from this pool to present to the IOC membership for a vote.

Eventually, the membership will be set at a maximum of 115 members. Fifteen will be active Olympic athletes elected at the Games by their peers; 15 will be chosen from among the NOC presidents; and, in similar fashion, 15 will be chosen from

among the Olympic IF presidents. The other 70 members will be elected as individuals.

At the 110th Session, we elected for the first time, 10 active athletes to the IOC. These athletes had previously been elected to the Athletes' Commission by their peers in Atlanta and Nagano.

The age limit for incoming members is now set at 70 years. The current members are not affected by this change, as it is proper to maintain their rights acquired upon their election. Grandfathering acquired rights is a time-honored tradition in the United States and is one we chose to uphold.

All members, including current members, will serve for renewable terms of eight-years. Members will have to face the reelection process above to renew their terms. It is interesting to note that more than half of the IOC's membership today has been in office eight years or less.

The IOC's leadership also will be different in the coming years. The term of office for the IOC President will be set at eight years with a possible four year second term. The Executive Board will be enlarged to 15 members to better reflect the new composition of the IOC membership. It is my hope and expectation that the IOC will always reserve a seat by practice for at least one active athlete.

New Bid Procedure

The IOC will now elect its host cities in a substantially different way. The Executive Board has been given the new responsibilities and powers to better manage this process. A new bid acceptance procedure has been established that will review the organizational capacity of the interested cities in order to accept them as candidates. The obligations of the NOCs to oversee and counsel the bidding committees in their countries will be clearly laid out and reinforced. The IOC, the accepted candidate cities, and their NOCs will sign a contract outlining the obligations of each party, the applicable code of conduct, and the sanctions for breach of the terms. *Member visits to candidate cities have been eliminated, as they were rendered unnecessary by the enhancement of the IOC Evaluation Commission.* Of course, gifts have been limited to nominal value by the Ethics Code.

Other Reforms

Along with changes to the IOC's structure and the bid process, the Session adopted further enhancements of many other IOC policies. Mr. Chairman, I would like to request that the record be kept open to allow me to submit when completed the new Olympic charter that will incorporate the changes enacted last weekend.

FUNDAMENTAL IOC PRINCIPLES

All of these reforms will improve the IOC without destroying the special characteristics that have made the Olympic Movement a worldwide phenomenon. The structure and the fundamental principles upon which the IOC was founded have been essential elements in the success and growth of the Olympic Movement, which has been a force for social good and progress, the motivation of the youth of the world and the building of a better society through the combination of sport, education and culture.

I want to stress the importance of the autonomy of the Olympic Movement, which I consider to be absolutely essential to its growth and existence. Matters relating to the governance of sport must be left in the hands of the sports authorities. Yet, the sports authorities welcome the involvement of the public authorities in the development of sport and welcome the opportunity to work in co-operation with them. The IOC always has encouraged this co-operation and has worked for many years to build up good working relationships with the public authorities throughout the world.

The traditions and stages of development of sport in each country are necessarily different. As I understand the development of sport in the United States, the government has always supported the Olympic Movement and has encouraged the existence of a strong and independent USOC. This has been especially true in recent years, following the enactment of the Amateur Sports Act in 1978, when the USOC was given wide responsibilities and powers for the coordination and advancement of the Olympic Movement and amateur sport within the United States. The IOC also has supported the activities of the USOC, recognizing its special role in your country and the importance of the United States within the Olympic Movement. We have made special arrangements with the USOC to reflect our understanding of the special role that it plays and we have awarded the Olympic Games to the United States on more occasions than for any other country. Under my presidency alone the Olympic Games were celebrated twice in the United States. This is a very im-

portant relationship, and I hope that it can be encouraged by your government so that the United States can continue to play a major role in the Olympic Movement.

IOC'S APPRECIATION

Looking back at the reform process, the IOC owes a debt of gratitude to the members of IOC 2000—especially the external members—who gave so much of their time to help develop the appropriate formula for IOC reform.

The IOC always has valued the input of leading personalities who are not affiliated with the Olympic Movement, but never have we embraced the contributions of these external personalities to the extent we did during the reform process. This was a positive experience as these contributions were extremely valuable.

I also want to recognize the contributions of this Committee and those of the Senate Commerce Committee. Our US members, Ms. DeFrantz and Mr. Easton, have met with you and your staff during your oversight review, and we have received beneficial input from those meetings. Thank you for receiving them.

In addition to the views of the Congressional Committees, the IOC gave serious consideration of the recommendations of the United States Olympic Committee's Special Bid Oversight Commission, known as the Mitchell Commission.

I would like to thank the Mitchell Commission, especially Senator George Mitchell and Mr. Ken Duberstein who met with us and provided input on certain areas of IOC reform. In some cases, IOC 2000 may have recommended different solutions, but I believe the reforms achieve almost all the goals of the Mitchell Commission: terms of service and reelection; more transparency, financial disclosure, responsiveness, and accountability; conflict of interest protection; changes to the bid procedure; and so on.

An area still unresolved is the recommendation to apply to be covered under the statutes of the Foreign Corrupt Practices Act. As an international organization, the IOC wrote to the Organization of Economic Cooperation and Development (OECD) to determine how it could be governed by the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The OECD recently replied that they would study how the IOC may be able to be covered under its conventions even though we are not an international governmental body.

One area where the IOC has gone further that the Mitchell Commission recommendations is in the area of visits. While the Mitchell Commission recommended restricting them, we simply eliminated them.

Finally, I would like to thank the people without whom the reforms would have never happened: the members of the International Olympic Committee. Over the course of this year, the misdeeds of a few have colored the reputation of all. The good members of the IOC have suffered a steep personal toll. Despite this, they stayed focused on the necessary course of action and embraced change.

CONCLUSION

The work of this year was dedicated to regaining the trust of the people. Our comprehensive reform effort has brought forth renewed structures and enhanced policies, and we are working on their implementation. I realize it will take more than new policies and new structures to regain the trust of the people, so I will work during the remainder of my tenure to make sure the spirit of the reform effort becomes a living part of our culture.

While the IOC has just completed a reform process that is unprecedented in both scope and pace for a 105-year-old, multicultural organization, the IOC leadership will continue to work toward regaining the public's trust and ensuring the celebration of human effort that is the Olympic Games flourishes well into the next Millenium.

Mr. Chairman, that concludes my formal statement. I look forward to your questions.

Mr. UPTON. Thank you very much. We want those words to ring true, that you will deliver what you promised.

This little light now is for us, and I have set it at 10 minutes. I will go first.

Mr. Samaranch, I am interested in learning how and why the culture of excessive gift giving, favors, perks to IOC members by bid cities became a normal practice within the bidding process. In the words of a very famous Senator, who happens to be sitting in the front row, I want to know what did you know and when did

you know it. When did you personally become aware that bid cities were giving excessive gifts and inducements to IOC members in violation of IOC rules? And in our last hearing we learned that during the 1986 competition between Barcelona and Paris, excessive lobbying and gift giving occurred.

Were you aware that any excessive gifts were given to IOC members during that bidding cycle?

Mr. SAMARANCH. May I answer?

Mr. UPTON. Yes.

Mr. SAMARANCH. The culture of gift giving and also some borderline illicit initiatives on the part of members of the IOC date back to the Los Angeles games. The Los Angeles games were a tremendous success, not only from a sport standpoint, but also financially. And this was an achievement by the president of the organizing committees of the Los Angeles games, Mr. Peter Ueberroth. I believe that the net benefit of the Los Angeles games were in excess of $200 million.

That's how we funded two foundations. One was established to assist Californian youth, gearing them toward sports activities; and the second through the United States Olympic Committee was designed to assist young athletes. After this economic success, the cities that would bid for the upcoming games became far more aggressive. These cities began to invite members of IOC.

We came to realize that this was risky and we passed a few rules. They were called the Hodler Rules. For instance, they included the provisions such as that a member of the IOC would not be allowed to stay in the same city for more than 3 days, that no presents with value in excess of $200 could be received by him. But the fact is that these regulations did not produce anything. I realize that we have made a mistake, but it was very difficult for us to persuade the members of the IOC that they could not take part in such visits. And now, perhaps thanks to this crisis, we have been able to persuade them.

As I said in my statement, we heard a great deal of rumors and the media has also informed about abnormalities. But whenever we become cognizant of some concrete fact such as the Toronto report, we officially ask them to name names, members—names of members of the IOC who did not have the proper behavior. This is not only for Toronto, but also it applies to other bidding cities. We can only take action if we have concrete evidence. And the first time that we became cognizant of concrete evidence was when I received a series of documents, copies, from the Salt Lake City organizer; and in these copies there were many members of IOC who were involved. That's when we set up the ad hoc commission presided over by Mr. Pound, the vice president. And I think he took expeditious and fair action, as I see it. In these instances we succeeded in gathering sufficient intelligence, and that enabled us to expel 6 members, and 4 additional members resigned.

Concerning Barcelona and Paris, I would like to address that specifically, although I have already done so in my statement. I think we made a mistake in failing to take action against these visits by the IOC members. But we tried it several times, however, and we were unsuccessful. They would not be willing to relinquish that right, the members of the IOC.

Mr. UPTON. Let me tell you something that concerns me. I would like to read parts of the Toronto report that I have highlighted. This, for those in the audience, dates back to the 9th of January, 1991. On page 15, it says, "No single issue is so open to abuse as gifts and other material inducements to individual IOC members. Perhaps no single issue has the power to undermine the integrity of the IOC as this particular one."

On page 19, it goes on to say, "Other bid cities staged functions which clearly were outside the guidelines, yet no IOC member suggested to us that he thought that any bid city had been acting improperly."

And in this report, it also talks about on page 8, "We would be pleased to answer any questions that you might have about them," meaning this report. Some discussions that happened this weekend—at this point I will ask unanimous consent that a letter be inserted into the record dated December 13, 1999. This is a letter from Bob Helmick, who writes—and I will just include parts of this in my statement. "I first received a copy of this report"—meaning the Toronto report—"on January 29, 1999, following a conversation with Chris Grosskurth of CBC News, Canada, in response to my comment that I heard that Paul Henderson with the Toronto committee and others had met with certain executives of the IOC in which they claimed of the excessiveness of the bid process, certain inappropriate actions of the IOC members, and suggestions for the IOC to remedy the situation. I do not recall ever having seen the report. I am able to confirm that the report had never been furnished to me. I was a member of the executive committee of the IOC at this time and do recall that in an IOC executive committee meeting in 1991 a reference was made to this meeting."

But he concludes, "I am not aware of any further investigation into the allegations made in this report," which was almost a decade ago. My concern is that as you talked about Los Angeles and the beginning improprieties that were known, began to become known in the 1980's and again in the early 1990's, that when you say you want expeditious action and enforcement, that in fact this information has been on your doorstep for a long time, and until now nothing was done, which stretches our confidence in terms of what can be done with these reforms that were announced to be in place this weekend.

[The information referred to follows:]

DORSEY & WHITNEY LLP
December 13, 1999

COMMITTEE ON COMMERCE
United States House of Representatives
Attn: Jan Faiks, Counsel
2125 Rayburn House Office Building
Washington, DC 20515

Re: Testimony regarding bidding process for Olympic Games

You have requested a statement regarding my knowledge, if any, of the "Toronto Report," namely the document entitled "Report to the International Olympic Committee—9, January, 1991 by the Toronto Ontario Olympic Council on the Candidature of The City of Toronto to host the Games of XXVIth Olympiad."

I first received a copy of this Report on January 29, 1999, following a conversation with Chris Grosskurth of CBC News Canada in response to my comment that I heard that Paul Henderson, with the Toronto Committee and others, had met with certain executives of the IOC in which they complained of the excessiveness of the

bid process, certain inappropriate actions of IOC members, and suggestions for the IOC to remedy the situation. I did not recall ever having seen the Report.

Upon receipt of the Report that day by fax, I am able to confirm that this Report had never previously been furnished to me. For purpose of identification, I have enclosed a copy of the Report I received from CBC News Canada.

I was a member of the Executive Committee of the IOC at this time, and do recall that at an IOC Executive Committee meeting in 1991 a reference was made to this meeting. We were informed that some unsubstantiated claims were made, but nothing was produced that could form the basis of confirming the facts or forming the basis of an investigation. The details of this matter should be reflected in the IOC Executive Committee minutes and, more particularly, the verbatim transcript that was made of all Executive Committee meetings.

I am not aware of any further investigation into the allegations made in the Report.

If this does not fairly respond to your question, please do not hesitate to contact me.

Very truly yours,

ROBERT H. HELMICK

Enclosure

Mr. SAMARANCH. I have explained this earlier on, but concerning Toronto, I would like to reiterate my answer. This report was the source of alarm to us. We called Mr. Henderson to come to Lausanne and he did so. He had an interview with Mr. Hodler, who was in charge of controlling and checking visits by IOC members, the bidding cities. And we requested from him names, facts. Never did he submit a single name. Had they given us a name, we would have been able to take action.

Concerning, Mr. Chairman, the letter from Mr. Helmick, I think it is of dubious value. Mr. Helmick was a member of the IOC; in fact, a member of the executive board. He had problems in the United States. He had to resign from the presidency of the United States Olympic Committee, and also he resigned his membership in the International Olympic Committee.

Mr. UPTON. I know my time has expired. If I intend to keep this gavel, I will come back. At this point I recognize Ms. DeGette.

Ms. DEGETTE. Thank you, Mr. Chairman. Mr. Samaranch, as you see, the red light goes on really fast in this committee. I would appreciate it—I have a series of questions to ask you. I would appreciate short answers, if possible.

First of all, as you have heard from members of this panel, we are concerned how the IOC will ultimately police itself. We are glad the rules are on the books, but the policing will be the issue. Now, we understand that the IOC has formed an ethics commission which is really a compliance program, but over the weekend there was much confusion in the press by IOC members as to how this commission will function. So I would like to ask you some questions about the powers of the commission.

First of all, Mr. Samaranch, will the commission be allowed to compel testimony from all IOC officials if it believes there is wrongdoing?

Mr. SAMARANCH. The ethics commission is totally independent. I am sure Senator Baker would be in a position to provide——

Ms. DEGETTE. So you, as president of the IOC, do not now whether or not the commission will be allowed to compel testimony by subpoena or other means from IOC officials, yes or no?

Mr. SAMARANCH. To give you a short answer, yes, ma'am.

Ms. DEGETTE. You do know?

Mr. SAMARANCH. Yes.

Ms. DEGETTE. And will they be allowed to compel testimony?

Mr. SAMARANCH. They are fully independent, and they act as they find advisable.

Ms. DEGETTE. So is that a yes, that they will be able to compel testimony, or an, I don't know whether or not since they are independent?

Mr. SAMARANCH. As I say again, the ethics commission is independent.

Ms. DEGETTE. Mr. Samaranch, will the ethics commission be able to compel testimony or not? If you don't know, I will ask someone else.

Mr. SAMARANCH. I do know, and the answer is yes.

Ms. DEGETTE. Thank you. Now, do you know how they will compel testimony from witnesses? Subpoena, other kinds of means?

Mr. SAMARANCH. Generally, this consists of a letter summoning him before the ethics commission.

Ms. DEGETTE. What if the witness does not want to comply with the request of the letter? What will happen?

Mr. SAMARANCH. The ethics commission will then decide on some form of sanction for this member.

Ms. DEGETTE. Thank you. Will the ethics commission decide what that sanction will be if they don't cooperate?

Mr. SAMARANCH. They propose a sanction, and that proposal is then ratified by the executive board.

Ms. DEGETTE. But the sanction to be proposed would be decided by the ethics panel. Correct?

Mr. SAMARANCH. Precisely.

Ms. DEGETTE. Mr. Samaranch, who exactly will be allowed to make an allegation to the ethics commission?

Mr. SAMARANCH. Everyone. Sports organizations, athletes, and also private citizens.

Ms. DEGETTE. How about the press?

Mr. SAMARANCH. Also.

Ms. DEGETTE. Mr. Samaranch, can the special representative or the ethics commission begin an inquiry based on an anonymous source?

Mr. SAMARANCH. Yes. Yes, ma'am. This is part of our regulations, and the regulations have been passed.

Ms. DEGETTE. Mr. Samaranch, will there be a detailed set of rules or an ethics manual developed so that IOC members will know precisely what the rules are that they are required to follow?

Mr. SAMARANCH. This code will be put together as soon as possible. I hope you realize, ma'am, that the ethics commission has been working now for the last 3 to 4 months only.

Ms. DEGETTE. Yes, I do. Do they have a target date by which the code will be completed?

Mr. SAMARANCH. Mind you, it is a totally independent——

Ms. DEGETTE. I understand that it is independent. Have the members told you some date by which they hope to complete the code——

Mr. SAMARANCH. But you will have an opportunity to ask Senator Baker about it.

Ms. DEGETTE. When would you like to see it done, Mr. Samaranch, as president of the IOC?

Mr. SAMARANCH. As soon as possible.

Ms. DEGETTE. Do you know, Mr. Samaranch, whether there will be a certification process to ensure that all IOC members have been taught the rules and fully understand what they mean?

Mr. SAMARANCH. As I pointed out, I believe so. But the ethics commission still has to complete the drafting of these regulations.

Ms. DEGETTE. As soon as possible. Mr. Samaranch, I have reviewed the IOC rules from over the years. And here is what I am concerned about, that we have a very strong certification requirement. In 1987, the IOC gift rule said IOC members should be limited to documentation relating to a city's candidature, and souvenirs, hence gifts, of value are not permitted. In 1988 the gift rule said that gifts of a value exceeding U.S. $200 are not permitted. In 1989, similar rules. And it goes on in 1990. The gift rules that were just promulgated last weekend said, "only gifts of nominal value in accordance with prevailing local customs may be given or accepted by the Olympic parties."

We know, based on our investigations, that the previous gift rules were flagrantly violated time and time again for at least the Atlanta and Salt Lake City Olympics. We are hearing more evidence of flagrant violation in other cases. I would like to know why you think the new gift rules just promulgated, which admittedly are quite vague, will be obeyed when the previous gift rules have never been obeyed.

Mr. SAMARANCH. The rules you termed as vague, quite vague, I think it was one of the agreements in the ethics commission. But that problem is no longer with us. It has disappeared completely. No visits, no gifts.

Ms. DEGETTE. Well, you see here is the problem, Mr. Samaranch. The visits, that's a fairly clear rule. But the gifts, gifts were prohibited in the past. And yet we have ample evidence that they occurred both in Atlanta and Salt Lake City. The new gift rule says only gifts of nominal value in accordance with prevailing local customs. What happens if someone says a gift of $500, $1,000 U.S. dollars is in accordance with U.S. customs? What is to prevent that under this new rule adopted by the IOC this weekend?

Mr. SAMARANCH. I think gifts were closely connected to trips. The article that you referred to would no longer be valid today. I would ask—I will have them remove it.

Ms. DEGETTE. You will have them remove the gift provision?

Mr. SAMARANCH. So since there are no more visits, there will be no more danger of gifts. And we are actually willing to have the ethics commission rescind that article.

Ms. DEGETTE. So what you are saying is you will have the ethics commission ban all gifts?

Mr. SAMARANCH. As I was saying, there are no visits, no more visits, and no more dangers of gifts.

Ms. DEGETTE. If there is no more dangers of gifts, why don't you just ban them?

Mr. SAMARANCH. Precisely. That's what we are going to do.

Ms. DEGETTE. Thank you, Mr. Chairman.

Mr. UPTON. Thank you. Mr. Burr.

Mr. BURR. Thank you, Mr. Chairman. Let me start by commending Mr. Samaranch for his English, and I appreciate your opening statement in English. That was helpful for all of us. Let me stay on the subject of the reforms passed by the IOC and specifically the ban on visits. The session passed the proposal to eliminate visits by IOC members by bidding candidate cities. But I am troubled by the wording in the second half of the rule change that states, and I quote, "It is also not considered necessary for representatives of candidate cities or third parties acting on their behalf to visit IOC members."

My question is what specifically does that language mean and is it legal, is it ethical, is it appropriate for bid cities to visit IOC members outside of that bid city's location?

Mr. SAMARANCH. During our last meeting in Lausanne, I think we did ban. The things we did ban were visits in both ways. IOC members no longer are allowed to visit the bidding cities, and organizing committees' representatives are not allowed to visit the national Olympic Committee in their own country. Based on the Olympic Committee investigation procedures for the bidding cities, I think all the members will have enough information to ascertain whether that or which one is the best city to be visited.

Mr. BURR. Have I by chance misrepresented what the rule of the reform says? I will read it again. "it is also not considered necessary for representatives of candidate cities or third parties acting on their behalf to visit IOC members."

I don't read into that statement a ban.

Mr. SAMARANCH. I think you are quite right. Perhaps we drafted it incorrectly. But the decision was to ban visits on both sides, both censuses.

Mr. BURR. Let me move on to the substance of the ethics commission, if I can, and ask you, Mr. Samaranch, did you select the members of the ethics committee?

Mr. SAMARANCH. No, we did not, sir. We only had appointed or suggested three names that would represent the IOC at the ethics board. The other four independent members was thanks to some good offices given by Mr. Mbaye with important personalities. They are Mr. Badinter, former minister of justice of France and former president of the constitutional tribunal; Mr. Perez de Cuellar, former secretary general of the United Nations; Mr. Furgler, three times president of the Helvetic Confederation, Switzerland. And the fourth, Senator Baker.

Mr. BURR. I think you saved the best for last in Senator Baker. I would agree with you that the credentials of these individuals are impeccable, but I will also point to the IOC rule as it related to the ethics commission. It states that the members of the ethics commission shall be designated by the president and subject to the executive board ratification.

Did you choose Mr. Mbaye, I believe I correctly pronounced his name, to chair the commission?

Mr. SAMARANCH. I did not. It was the executive board of the IOC that selected him.

Mr. BURR. Does Mr. Mbaye serve on the executive board?

Mr. SAMARANCH. He is the member and also the vice president.

Mr. BURR. And the structure, the ethics commission will report any violation to, in fact, the executive board of which Mr. Mbaye is the vice president of the board?

Mr. SAMARANCH. Yes, precisely.

Mr. BURR. Should this committee or should the public be concerned whether the ethics process can work when the ethics committee chairman is in fact the vice president of the board that would make a decision on the findings of the ethics committee?

Mr. SAMARANCH. I think—I don't think so, sir, because the sports world is quite familiar with Mr. Mbaye. He was the Justice in the Supreme Court of Senegal, his country, and also vice president of the International Court of Justice in the Hague. I think these credentials are sufficient for us to place our trust in him.

Mr. BURR. Will the ethics committee have the ability to—access the bid city and bid city officials for—to conduct their investigations?

Mr. SAMARANCH. The ethics board is empowered to take action and intervene in all matters that pertain to the IOC and other organizations that are in contact with them.

Ms. DEGETTE. Would you yield for one moment? I am listening to this line of questioning, and it seems that you have faith in the integrity of the ethics committee based on the individual who will be chairing it. And I am wondering what happens when he leaves? How can you be sure that someone who is also the vice president of the IOC can have that independence once the person you trust is gone? Again, this entire system seems to be based on personality, not structure.

Mr. SAMARANCH. As soon as when he goes, we will have to select another to replace him. The graveyards are full of indispensable people.

Mr. BURR. Mr. Samaranch, one of the reforms passed last weekend, in fact, lowered the age for an IOC—that an IOC member could serve until to 70 years old. The age limit used to be 72. In 1995 the age limit was raised to 75. Then in 1997 it was raised to 80 years old. When this rule change was made last weekend, it grandfathered every current IOC member under the age of 80 years old. What is the real purpose of this 70 year old age and what is to assure this committee that next time when have you a vote the age won't change?

Mr. SAMARANCH. Well, I can't give you assurances that rules will not be changed in the future, sir. People will come after me and these same individuals may be—will change the rules. I don't think any organization in the world can have unchanging or permanent rules. Could I have the first part of your question, sir?

Mr. BURR. The question dealt with how can we be assured that this age does not change? I used the reference of the original age of 72 years as the IOC membership began to age itself. We saw a change from 72 to 75 to 80, and now we have grandfathered every current member.

My last statement would be in line with the gentlelady, Ms. DeGette, and it is where I am headed on this. I think she summed it up very well. Mr. President, you said it very well that you can't be assured that the next president and the next committee vote might not reverse all 50 or 51 changes or all changes that you

make. The problem that we have is a cultural change with the system. Cultural changes are not successfully accomplished without the assurances that in the future that that foundation that they are established on is solid, that it is not just because the political winds, the investigations by this committee, or the outrage of athletes around the world.

I hope that the changes that were voted on last weekend will in fact receive the teeth that Senator Baker and his colleagues on the ethics commission will in fact have the tools to successfully complete their job and to bring the highest of integrity back to this International Olympic Committee. I yield back the balance of my time.

Mr. UPTON. Thank you. Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman, for calling on me.

Mr. Samaranch, to be a member of the IOC and to be president of the IOC is a pretty powerful position. As you indicated, the decisions that are made involve very high financial stakes. When high financial stakes are on the table, I think we want to know that those people that are making those decisions are accountable, that they are not going to be abusing the power that they have, and they are not going to be caught in a conflict of interest.

It is clear to me that the rules under which the IOC has been operating or the failure of rules under which they have been operating indicates that you have a broken system and it needs to be repaired. You acknowledge that as well. It reminds me of our own campaign finance system in the United States, which I think is also broken and needs to be changed. We all have to be mindful of conflicts of interest and appearances of impropriety.

Mr. Samaranch, I want to ask you today about two such conflicts of interest and appearances of impropriety. First, I understand that allegations have been raised about the manner in which NBC obtained the television rights for the next five Olympics. An allegation has been made that there is a conflict of interest because a senior NBC executive was also an IOC member. And moreover, I understand that the IOC accepted NBC's bid without even soliciting bids from the other American networks.

And then the other allegation that I want to ask you about involves an Olympic museum in Switzerland. I understand that you have been very active in obtaining financial support for that museum. I also understand that after winning the Olympic television contract, NBC made a million dollar donation to the museum. And I have to tell you that looks to me like a quid pro quo. But even more incredibly, a Japanese corporation gave $20 million to that museum at the same time that the IOC was considering whether to award the 1988 Olympics to Nagano, Japan. I would like you to respond to these allegations that have been made of possible improprieties, possible conflicts of interest.

Mr. SAMARANCH. Let me try my hand at answering your questions, sir. In the first place, let me say that we are very happy with the NBC contract. They have been with us for a long time now. They cover, in a very good manner, all of the games and as a matter of fact, NBC has a representative at the IOC. He is from Israel. I can assure you, though, that this gentleman does not take part in any way on negotiations.

If you so desire, I would be more than happy to explain how the negotiations are conducted with television and media.

Mr. WAXMAN. Mr. Samaranch, the appearance is that when a highly lucrative television contract is let out to one network and the other networks don't even get a chance to come in and present to you and your colleagues an opportunity to do as well, if not better, and then money is donated by the winner to a museum that you have been very involved in, doesn't that appear to be a conflict of interest, an impropriety?

Mr. SAMARANCH. With NBC, it was to expand the contract they already had with us. There were two very important points concerning television contracts. One, we want television in the open. In other words, no cable or pay-per-view; it would be broadcast.

Mr. WAXMAN. But you didn't have the bidding in the open; is that correct? It was a no-bid contract, nobody else got to compete?

Mr. SAMARANCH. No. There was no such thing for the people——

Mr. WAXMAN. I'm sorry, there was——

Mr. SAMARANCH. [continuing] request for bids for the renewal. We felt that NBC is a company that deserves our confidence and had our confidence.

Mr. WAXMAN. Mr. Samaranch, excuse me. My time is limited, as you know.

You may well be satisfied with NBC, but they got the contract without anybody else being able to compete. Then NBC gives a million dollars to a museum that you personally care a lot about. The other example that I gave you was Nagano wanted to get the selection—they get the selection and they give $20 million to the museum as well. That appears like a conflict. Certainly—did you require of them that they make this contribution to the museum in order to get television rights or in order to be selected for a site of the Olympics?

Mr. SAMARANCH. No, I didn't demand anything from NBC. NBC, all it did was to persuade sponsoring agencies and companies to make a donation to our museum. The museum is not my personal initiative. It is the home of the world of sports.

Mr. WAXMAN. Have you been asking and soliciting contributions to the museum for yourself?

Mr. SAMARANCH. I do not——

Mr. WAXMAN. I could not hear——

Mr. SAMARANCH. [continuing] but many of the sponsoring companies have decided to assist us in putting together this museum. This is no secret because at the very entrance of the museum there is a wall with the names of each of the donors inscribed in the bricks.

Mr. WAXMAN. Mr. Samaranch, you are giving us your explanations, but you still haven't addressed the fact that it appears that there was a conflict of interest. You have the power and the IOC has the power to let out the contract for television coverage. You don't ask for bids from anyone else and then a million dollars goes to this museum. And I don't know what else might have gone to anyone else not disclosed. The same thing with Nagano. They get the selection, and they give their $20 million to this museum. If we are going to have a system that is going to meet people's expectations of confidence in the integrity of the International Olym-

pic Committee and its president, we have got to avoid appearances of improprieties. These are clearly appearances of improprieties whether you acknowledge that or not. And if you don't, it makes me wonder whether you can see what many of us are concerned about when we hear about what happened in Salt Lake City and also from our last hearing that Atlanta was able to win its Olympic bid through the giving of gifts to the people who make the decisions.

Mr. SAMARANCH. Mr. Congressman, this is my personal opinion. My concern—and I am concerned about anything that is done sub rosa, but contracts that are closed—are open and in the public's view are not of concern to me because it is——

Mr. WAXMAN. Mr. Samaranch, in that regard, are you willing to release records dealing with the awarding of the television contract and the museum's finances?

Mr. SAMARANCH. I will be more than happy to make available to you a full list of donors to the museum together with a copy of the contract signed by NBC and the IOC.

Mr. WAXMAN. Mr. Samaranch—excuse me, are you finished?

Mr. SAMARANCH. For the last Olympic games in Nagano and Sidney, we have hired for the negotiations $3.5 billion.

Mr. WAXMAN. Mr. Samaranch, I don't want to argue with you whether you have got your money's worth. My question to you is whether we are going to get the records to know how that decision was made.

My time is up, but we are going to have Bonnie Blair testify before us later today. She didn't win her gold medal because the Olympics were comfortable with her. She didn't have to have the IOC approve her. She did it solely on the merits, and she competed against others who wanted that gold medal as well. But here the IOC gives a contract to one network and the others are not even allowed to compete. They weren't even allowed to come in and make their case to the powers that be why they should have been given the contract and then let you see who was the real—who was the best bidder, not the only bidder who you thought was doing a good job and deserved your support. That to me is what a real competition is all about, and the Olympics should be about real competition. And the IOC ought to make their decisions based on competition, not something that appears to be a conflict of interest and impropriety, a sweetheart deal.

My time is up. If the chairman would like to enable him to respond, if he wants to?

Mr. SAMARANCH. With my permission, sir, may I add something? You have requested documents and if you ask me officially I will be glad to make them available to you.

Mr. WAXMAN. I am so requesting, thank you.

Mr. UPTON. Mr. Barton.

Mr. BARTON. Thank you, Mr. Chairman. President Samaranch, in your opening statement you say that you first became aware of some of these improprieties a year ago and you have begun to take actions to correct those improprieties. You also agreed to testify under oath, so you have sworn that everything that you have say is the truth, the whole truth, and nothing but the truth. I want to read to you a statement from a Sports Illustrated article, I think

in February 1999, to get your response to that in light of the fact that you just said you first became aware of some of these problems a year ago.

I quote: "protestations by top level IOC members Samaranch, Pound"—and Pound is an IOC member, I believe, from Canada who is a vice president—"and other members of the executive board that they have had no evidence of malfeasance before the stories begin coming out of Salt Lake City are nonsense. In 1986 Wolf Lieberg, secretary general of the Swedish Olympic Committee, wrote Pound to complain that an IOC member had asked for sex from a woman member of the committee representing the city of Prolond in its bid for the 1992 winter games. Pound reportedly wrote back that while he was sympathetic, without a formal request it is very difficult to do anything."

Were you aware of this letter that Mr. Lieberg sent to your committee in 1986?

Mr. SAMARANCH. As I said earlier, we can only take action at the IOC when we have concrete facts. I read the same thing from a Swedish publication. We asked them for names, and they did not come up with any.

Mr. BARTON. So the fact that the secretary general of the Swedish Olympic Committee sent your committee a formal letter, you didn't consider that to be a formal request?

Mr. SAMARANCH. The letter that I received contained no names.

Mr. BARTON. Did you make any attempt in your office to follow up on this letter?

Mr. SAMARANCH. We are trying to find out who that member might be, but no success.

Mr. BARTON. I see. Let's fast forward to 1991. I have here a photocopy report to the International Olympic Committee by the Toronto, Ontario, Olympic council on the candidature of the city of Toronto to host the games of the 26th Olympiad presented to the IOC, Lausanne, January 9, 1991. It is approximately 25 pages long.

Have you ever seen or heard of the Toronto International Olympic report? This is in January 1991.

Mr. SAMARANCH. At this point, I have no recollection of having seen it, but I am sure that I have seen it. And I am sure that in that report there are no names.

Mr. BARTON. Ah. So for your esteemed committee to take action, you demand the disclosure of names. Even if it is an official document of the Canadian committee, that is not sufficient?

Mr. SAMARANCH. Before we can impose sanctions on anyone, we have to know who those sanctions are being imposed to.

Mr. BARTON. I am told that the Canadian Olympic committee or government, some body in Canada, kept the documents that went into filing this report for about 7 years before they were destroyed. Did you ask any of your cracker jack Olympic investigators to try to go to Canada to look at those source documents?

Mr. SAMARANCH. I did not know that the Canadian government had that report.

Mr. BARTON. I am not swearing that it was the Canadian government, but some documents existed that were maintained in Canada by a former body, and the staff says it was the government.

Mr. UPTON. If the gentleman would yield, am I right in your question to Mr. Samaranch that you asked Mr. Samaranch if he was there to receive the report from the Toronto committee?

Is that correct? Was that your question?

Mr. BARTON. Excuse me, I was——

Mr. UPTON. Was your question to Mr. Samaranch was whether Mr. Samaranch was present for the presentation of the report from the Toronto——

Mr. BARTON. My question was whether he was aware that this report was turned in. The salutation says Your Excellency. I am told that Mr. Samaranch requires that he be addressed as Your Excellency, so I assume that he was present, but that could be a mistake.

Mr. UPTON. Mr. Samaranch, was your—you do not recall this meeting that may have occurred by the Toronto committee before a number of the members of the IOC?

Mr. SAMARANCH. The meeting with Mr. Henderson from Toronto was held with the person who was in charge of talking to bidding cities.

Mr. UPTON. The reason I ask that is the information that we had that we have gotten from Mr. Henderson indicated that there were a number of members present including Mr. Samaranch and Mr. Pound, who I know is sitting behind you.

Mr. SAMARANCH. I can't deny that I attended that meeting. But again I reiterate that this report names no names and that is what really matters as far as we are concerned.

Mr. BARTON. Reclaiming my time, that begs the question. We have several documents on the record that were sent officially to your organization while you were president and apparently your response is if they don't name names, it doesn't count. So I guess my next question is, the reason that you decided to investigate Salt Lake City and Atlanta is because somebody named names?

Is that what differentiates your actions in the last year is because some stalwart investigative reporter began to name names?

Mr. SAMARANCH. Going back to Toronto, we requested them to supply us with names, and they did not do so.

Mr. BARTON. Those are open records kept by the Canadian Government and they remained open for at least 7 years. And I am told at the staff level no Olympic official has attempted to investigate those records, so they may not still be in existence. They have been destroyed. But for 7 years they were available, and no one at your committee made an attempt to investigate. But I want to go on. I only have a limited amount of time.

My next question is, of all these reforms that you have supported being implemented, I am told that none apply to you or the Office of the Presidency. Why is that?

Mr. SAMARANCH. Because I don't think this would be necessary.

Mr. BARTON. Oh. What if this subcommittee thought it might be necessary? Would you be willing to have them apply to the Office of the Presidency?

Mr. SAMARANCH. I would be glad to listen and then we will review your proposal.

Mr. BARTON. I see. Well, I guess I need to send you a formal letter naming names, and I will send such a letter that I formally re-

quest the International Olympic Committee to apply the reforms that they are applying to the IOC members to the President, the Office of the President. Would that be explicit enough to have you consider it?

Mr. SAMARANCH. Particularly if you make specific reference to the action or measures to be adopted regarding the President, we will be glad to review it.

Mr. BARTON. I appreciate that. Let me ask you about the suite of rooms at the Palace Hotel in Lausanne, Switzerland. Sports illustrated indicates that that costs the IOC half a million dollars a year and that it is for your exclusive use.

Is that true?

Mr. SAMARANCH. No, this is not true.

Mr. BARTON. Okay. What part of that statement is not true?

Mr. SAMARANCH. The total you alluded to, the half a million dollars. I live in a hotel in the city of Lausanne. I have two rooms; one is my bedroom and the other is a small salon. It is not very large.

That costs approximately $250 a day, and days in which I am out of town, like today, I pay $70 for them to keep the reservation, the room available to me. Let me assure you that that is far from being a luxurious suite.

Mr. BARTON. So when Sports Illustrated says, "demands a suite, not just a suite, but the Presidential Suite, the finest hotel room in the city, the IOC at a cost of some $500,000 a year rents a massive suite that takes up half the top floor of the Palace Hotel to house Samaranch when he stays in Lausanne," that is just an incorrect statement? Sports illustrated is wrong?

Mr. SAMARANCH. No, it is not that it is wrong, sir; it is a lie.

Mr. BARTON. It is a lie.

Mr. SAMARANCH. A lie.

Mr. BARTON. If it is a lie, are you willing today to state whatever the cost, you will pay it out of your own pocket and not charge the IOC? If it is only $250 a day and you only use it a few times a year and they can rent it out to other people, are you willing to take that upon yourself to pay that cost?

Mr. SAMARANCH. I don't think I have a reason to pay for that. I am the Chairman of the IOC. I have no payments made to me. They cover my expenses, the hotel in Lausanne, and also travel expenses when I had to come here to Washington and the same thing occurred. I never demand to have a very large suite. All I request usually is a bedroom and a room to receive people, such as the case of the hotel I am staying in here in Washington. That is all I request.

Mr. BARTON. So if we formally request, and again be explicit that we name the hotel, you will provide the documentation or instruct the IOC accounting department to provide the documentation that the statement you just made is true, that it is only $250 a day and it is just two small rooms and all that?

Mr. SAMARANCH. I don't think it will be necessary to request that, because you can read it in The Los Angeles Times today.

Mr. BARTON. Well, we may want to request it.

One final question, and then I yield back. Do you maintain personal effects in these two small rooms in Lausanne, Switzerland,

in the Palace Hotel; your clothing and personal artifacts that are only yours, that stay there when you are not there?

Mr. SAMARANCH. As I explained earlier, sir, when I am not in town, the IOC pays $70 a day——

Mr. BARTON. That is not—my question is does he maintain his personal effects in the suite, even when he is not there? Some of his clothing, some of his hygienic supplies, photographs of his family, various gifts that have been given to him by well-wishers around the world?

Mr. SAMARANCH. The answer is yes.

Mr. BARTON. Thank you, sir. I yield back.

Mr. UPTON. The gentleman's time has expired. The gentleman from Tennessee, Mr. Bryant.

Mr. BRYANT. Thank you, Mr. Chairman. Mr. President, thank you for coming today to testify. I am going to try to move mine right along. I know we have an extremely distinguished panel which follows you. I think they can add an awful lot of information to where we are today. After sitting here and listening to the questioning, I think you have been asked an awful lot already in terms of covering the territory that needs to be covered with you. I think we have done most of that, and I appreciate you being here today and being on the hot seat and taking some very difficult questions.

I think you can tell from the tone and tenor of the questioning by this panel that we are indeed very concerned about what we have learned over the last several months in particular and the last years of some of the practices involving the IOC, and I can appreciate that you too are very concerned about those.

I would, before I ask you just a couple of questions and yield back the balance of my time, I would like to reiterate what one of my predecessors in questioning has asked, and that is that you give extremely serious consideration to applying the ethical changes you are incorporating to your office. I don't think there is any question that you know this and we all know this, that on these types of issues, that the leadership at the top must set the example, must lead by example.

I think, again, you gather from the questions that have been asked, there are I think legitimate and serious concerns about some of the issues that have been involved that would be in the realm of ethical conduct.

I might add to that, because you answered some of the questions, it is your view they were not conflicts, and I am not going to get into all the different questions again, but there is a very important element to this that it doesn't have to actually be a conflict. Sometimes it is the appearance of the conflict that causes a great deal of difficulty. So I caution you that you incorporate both of those, not only concern with regard to avoiding conflicts, but also that same concern for avoiding the appearance of a conflict. I know you feel that way.

The two words that I have consistently heard in the hearings I have been in that involve the Olympics, are the spirit of the Olympics and how that spirit, everyone is concerned it not be tainted in any way; and that some feel that these allegations, and in fact they are beyond allegations, this misconduct, has tainted the Olympics. That is something we all want to avoid.

The second word that I hear an awful lot, and it gets to my question, is the word culture, that the culture of the Olympic Committee has been a result or has been a cause of some of these problems. The culture that has gone on for years, just the way that the Olympic Committee has done business, if you will.

I can appreciate the establishment of this commission. You have had some outstanding people that have participated in that, and again we are going to hear from them later. But it is going to be important that we have confidence that we have now a good set of rules set up. It is going to be very important that we also have confidence in the second part of that, that several of us have made reference to, that we make sure they are enforced properly.

Do you feel that the expulsion of those 10 members, either by resignation or by expulsion, do you feel like you have eliminated that culture from the committee?

Mr. SAMARANCH. I sincerely believe so, sir. We gathered evidence regarding these 10 members. Either they were expelled or they resigned. Other members were also sanctioned, but in various degrees. But I have full confidence in the current membership of the IOC.

Mr. BRYANT. In reading some of the articles that covered the meeting, I was able to discern some of the debate, and there was some opposition, relatively minor I think, but they were concerned. They raised as a defense this questioned their own personal ethics; they didn't need somebody to watch over them. But I think you led the majority appropriately to the fact that there is evidence out there that people have violated the rules.

Again, I want to commend you for overcoming that opposition. I think it is time that the people involved in the Olympic Committee rid themselves of that culture. Again, I think you have taken good steps in doing so.

I want to move on and hear from the second panel, because again they are going to talk about how this whole set of changes will come into play. Hopefully it will result in restoring that spirit that we expect from the Olympics.

But I wanted to conclude my questioning by asking you something I made reference to in my opening statement, and after listening to the rather lively examination of you, I simply want to reiterate that I trust that the fact that we have been involved in this, a lot of the clamor for reform has come from the United States, and certainly this panel has been questioning you about those issues, I trust that this will in no way affect any future involvement of the United States in terms of being a site city. Do you sense that there might be, not necessarily from you, but from others on your committee, there might be some—"retribution" is the wrong word, but some unanticipated or unhoped for results in terms of this country's hosting future Olympic Games?

Mr. SAMARANCH. Mr. Bryant, I am sure this will not take place. Members and myself are of the opinion that your country, the United States, has a very, very important position among the family of nations, Olympic nations. This is the country in the world that has organized the highest number of Olympic Games. I myself had the privilege of presiding over four Summer Olympic Games, two of which were held in the United States. Aside from the Salt

Lake City 2002 Olympic Games, we know for a fact that many cities in the United States are beginning to express interest in organizing and hosting the 2012 Games. As you probably know, we can only accept one candidate. The process of selection is conducted by each country's Olympic Committee, and I am sure that the bid that will come from the United States will be correct; they will stand identical chances of being selected, like all the others.

Mr. BRYANT. Thank you. I yield back my time.

Mr. WAXMAN. Will the gentleman yield?

Mr. BRYANT. I will be happy to yield to my colleague from California.

Mr. WAXMAN. Thank you very much. Mr. Samaranch, we have been hearing about all these problems because of Salt Lake City and Atlanta, and most of what we heard came not from an investigation by the IOC, but by the press and city officials in these two American cities.

Has the IOC confirmed that no serious wrongdoing or bid irregularities similar to what happened in Salt Lake City and Atlanta occurred in Nagano, Athens, or Sidney? Are you convinced that the IOC's house is totally clean when it came to those cities?

Mr. SAMARANCH. Many of the national organizing committees are no longer in existence. When this crisis came upon us, we wrote letters or memos to all the national organizing committees that had bid for the Summer Games or Winter Games. We sent 30 letters. In some of these letters there is an indication that if anything abnormal shows—and this letter was forwarded to the Ethics Board.

Mr. WAXMAN. Your investigation involved letters, but isn't it true that Nagano burned many if not all of its Olympic bid records? If the gentleman from Ohio would allow me 2 minutes, it is really his time now.

Mr. BRYANT. I would yield you whatever time the Chair——

Mr. UPTON. He has no time left.

Mr. WAXMAN. Mr. Chairman, let me ask you then, particularly I am asking Mr. Oxley, I have to run to another hearing, and I wanted to ask questions, so I would do it within 2 minutes rather than miss the opportunity for a 5-minute round later. You waited very patiently for your time. I leave it to your discretion.

Mr. OXLEY. It is okay. I will be glad to yield. I need to be recognized first, and I will yield to the gentleman from California.

Mr. UPTON. I accept the unanimous consent agreement that Mr. Waxman have 2 minutes.

Mr. WAXMAN. I thank my colleagues. Unfortunately, I have to go to another hearing, so I will not be able to be here for all the testimony. But what I wanted to ask about, Mr. Samaranch, is it seems like the only investigation the IOC did of other cities in the past was sent letters; and, as I understand it, when it came to Nagano, I have heard that they burned many if not all of their Olympic bid records. Is that an accurate statement?

Mr. SAMARANCH. I learned the same thing as you have.

Mr. WAXMAN. What does that mean to you? Why do you think they would do that? What are we supposed to make of the fact that a city would burn its Olympic bid records? Is it to keep it from you, to keep it from the press, from the world?

Mr. SAMARANCH. I don't know. I think you should direct that question to Nagano.

Mr. WAXMAN. The reason I am asking you is that the IOC doesn't appear to have done much of an investigation about any of the potential abuses by other cities except to send some letters asking them whether they knew of some abuses, and accepted pretty much what they had to say. It seems to me that the IOC, if you really cared to know whether abuses took place in the past, would have demanded records and called the people from Nagano on the carpet to find out why they destroyed their records.

We in the United States have had Salt Lake City and Atlanta held up to real scrutiny because we care about this issue. But it looks like we care about it, I am not sure the IOC cares about it.

Mr. SAMARANCH. I respect your point, sir. We did what we had to do. We sent those memos to all the national organizing committees and also the United States Olympic Committee, and all these letters were also forwarded to the Ethics Commission.

Mr. WAXMAN. Would the Ethics Commission be permitted to reopen these issues from these previous cities' bids to know whether there were improprieties?

Mr. SAMARANCH. Whenever new facts arise that will warrant opening up an investigation, the Ethics Board will do so.

Mr. WAXMAN. Thank you, Mr. Chairman, and particularly Mr. Oxley for giving me this opportunity to jump in on these questions. But it appears that I have heard it said over and over again, when facts come up, when we are presented with names, then we will do something about it. That kind of attitude doesn't give me confidence that the IOC really wants to know what abuses have taken place and that they are going to aggressively encourage their Ethics Committee to go out and investigate these matters and to take actions against those that have acted improperly.

Mr. Chairman, I hope that we will continue our investigation in this committee and continue our oversight on this whole question of whether these reforms are real or not.

Thank you very much. I yield back the balance of whatever time I might have had.

Mr. UPTON. The gentleman's time has expired.

The gentleman from Ohio has been very patient. We welcome the Chairman of the Finance and Hazardous Materials Subcommittee, Mr. Oxley, to join us today. You are recognized for 10 minutes.

Mr. OXLEY. Thank you, Mr. Chairman, for allowing me to participate in this important hearing. As the Chair knows, I, along with Chairman Bliley, cosponsored legislation dealing with antibribery as it related to the OECD Convention and bringing the United States into conformity with the OECD Convention.

Mr. Samaranch, there have been reports in the press about the IOC petitioning to be subject to the OECD Convention on combatting bribery of foreign public officials as one way to address some of the IOC's recent problems. However, my understanding is that only governments can join the Convention, and since the IOC is not a government, it could not join. I understand that this was confirmed for you recently in a letter sent by the OECD.

Mr. Chairman, I would like to quote from the letter. This a letter from Donald J. Johnston from the OECD to Mr. Carrard, who is

with us today, the IOC Director General. In part it states the IOC does not correspond to the definition of a public international organization in the meaning of Article I, paragraph 4 of the Convention, and that as a result its members could not be regarded as foreign public officials in the meaning of the Convention.

He goes on to say, I have asked the Secretariat in the context of this work, to put to the working group the idea of the Convention possibly covering the officials of nongovernmental international organizations such as the IOC.

Mr. Chairman, this was translated from French. I want you to know I did not do this personally, that is the translation. But I would like to make it part of the record and ask unanimous consent that the letter be made part of the record at this point.

I thank the Chair.

[The information referred to follows:]

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Le Secrétaire général
The Secretary-General

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Paris, le 6 décembre 1999

Cher Monsieur,

Je vous remercie de votre lettre de 24 septembre 1999, qui exprime le souhait du Comité International Olympique (C.I.O.) d'être régi par la Convention sur la lutte contre la corruption d'agents publics étrangers dans les transactions commerciales internationales.

J'ai transmis votre lettre au Groupe de travail de l'OCDE sur la corruption dans le cadre de transactions commerciales internationales qui regroupe des fonctionnaires des pays membres de l'OCDE et des autres pays ayant signés la Convention, et qui a la responsabilité de la mise en œuvre de la Convention. Le Groupe de travail sur la corruption s'est réuni du 25 au 27 octobre et a discuté le souhait exprimé par le C.I.O.

Le Groupe du travail a confirmé que le C.I.O., ayant le statut juridique d'une association de droit privé, régie par le Code civil suisse, ne correspond pas à la définition d'une organisation internationale publique au sens de l'article I, paragraphe 4 de la Convention et que donc ses membres ne peuvent être considérés des agents publics étrangers au sens de la Convention.

Le Groupe de travail sur la corruption qui réexamine la Convention d'une façon continue va réfléchir sur le champ d'application de cette dernière et notamment sur la définition de «bénéficiaires» des pots-de-vin. J'ai demandé au Secrétariat, dans le contexte de ces travaux, de soumettre devant le Groupe de travail la question de la couverture éventuelle par la Convention des fonctionnaires des organisations internationales non-gouvernementales telle que l'C.I.O.

Je vous prie de croire, cher Monsieur, à l'assurance de ma haute considération.

Donald J. Johnston

Monsieur François Carrard
Directeur Général
Comité International Olympique
Château de Vidy, Case Postale 356
001 Lausanne, Suisse

LETTER FROM: Donald J. JOHNSTON, OECD
TO: François CARRARD, IOC Director General
DATE: 6/12/99

...

Thank you for your letter of 24th September 1999 expressing the IOC's wish to be governed by the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

I have passed your letter to the OECD Working Group on Bribery in international business transactions which includes officials from the OECD member countries and the other countries which have signed the Convention, and which is responsible for implementing the Convention. The Working Group on Bribery met from 25th to 27th October and discussed the IOC's wish.

The working group confirmed that, having the legal status of a private law association governed by the Swiss Civil Code, the IOC does not correspond to the definition of a public international organization in the meaning of article 1, paragraph 4 of the Convention, and that as a result its members could not be regarded as foreign public officials in the meaning of the Convention.

The Working Group on Bribery, which is reviewing the Convention on an ongoing basis, will be looking into the scope of application of the Convention, and in particular at the definition of the "beneficiaries" of bribes. I have asked the secretariat, in the context of this work, to put to the working group the idea of the Convention's possibly covering the officials of non-governmental international organizations such as the IOC.

Mr. OXLEY. Furthermore, as the letter indicates—I am sorry, the letter does not indicate, but it is my understanding the Convention only deals with those who pay bribes, not with those who receive them. In the case of the IOC, the allegations dealt with bribes received, not bribes paid, and there is obviously a big distinction there.

Mr. Samaranch, I would like to ask you, would you agree that OECD member governments such as the United States and others should make the IOC subject to their own anti-bribery laws, laws which needed to be adopted in accordance with the Convention?

Mr. SAMARANCH. The issue of OECD came up during our negotiations or our contacts with Mr. Mitchell in London. They told me that the International Red Cross was a member of that organization and I told them that the IOC would have no problems in applying for membership at the OECD. They did so, as you so aptly pointed out, and their response which came to us about 5 days ago was that we were not eligible because we were not a governmental organization.

We will be very happy if the U.S. Government would lend its good offices to have us become members of the OECD. We would be very happy.

Mr. OXLEY. It is my understanding that the information regarding the Red Cross was in error, that in fact it is quite clear that NGO's, nongovernmental organizations such as the International Olympic Committee or indeed the Red Cross cannot become members of the OECD Convention.

Is that statement correct?

Mr. SAMARANCH. What I can tell you, sir, is that at that point the IRC was told that they—I was told that the IRC was a member. That is why we came up with the application. But if there is any other organization that is very much the same as OECD, we will be more than glad to consider the possibility of applying for membership.

Mr. OXLEY. I would appreciate that. Again, it appears to this member that we will need to take some leadership working with you to make certain that the member countries of the IOC make application to follow the OECD Convention, and we want to work with you toward that end.

Mr. SAMARANCH. Please bear in mind the fact that we have 200 countries in our membership.

Mr. OXLEY. I understand that. There may be some members, member countries, that are not—I am sure there are a number of them that are not signatories to the OECD Convention, and that is precisely why it is important that we work with those countries to make certain that they adopt not just for the IOC, by the way, but in general to expand the Anti-bribery Convention at the OECD. I think they did yeoman's work, and the IOC is an important part of that, but only a part of joining that Convention.

Mr. SAMARANCH. I can say that we fully accept your proposal, sir.

Mr. OXLEY. Let me turn to a question regarding the television contract, if I may. Mr. Samaranch, did you even know about the NBC donation before the contract dealing with Salt Lake City and Sidney was signed?

Mr. SAMARANCH. No, I did not.

Mr. OXLEY. Isn't it a fact that you were surprised when that announcement took place at the ceremony celebrating the contract?

Mr. SAMARANCH. It did not come as a total surprise to us because we had already received donations from sponsors, many of them from the United States.

Mr. OXLEY. But the specific gift to the museum from NBC network, that was a surprise?

Mr. SAMARANCH. It did not surprise.

Mr. OXLEY. It did not surprise. And how many sponsoring companies are on the wall there at the museum?

Mr. SAMARANCH. We have received about $80 million in donations, about 60 or 65 companies, but not only businesses, but also States and governments, the organizing committees, for instance, of the Games. In other words, all the names are there for the public to see. And we are very thankful for these donors, because thanks to them, we have been able to build this museum which is a source of great pride to us.

Mr. OXLEY. Thank you. Thank you, Mr. Chairman.

Mr. UPTON. Thank you, Mr. Oxley. I know that a couple of members have a couple more questions, so we are going to move this to a 5-minute round, and then I think we will be done with the first panel, and we will start with the second panel immediately following.

Mr. Samaranch, we appreciate your testimony and willingness to come today. I guess if I had a bottom line, I want to be perfectly clear that we want the Olympics and the Olympic movement to be clean as a whistle, and that means that the referees have to be able to blow the whistle and have to be able to throw a flag when there is a penalty, as we would see on a football field. We want no loopholes, none.

I want to go back to a question that I think Mr. Burr asked. I want to clarify your answer with regard to the visits to cities.

The way that a number of us read the documentation, you indicated that though IOC members will no longer be able to visit the cities, it is not necessary, and those were the words used, it is not necessary for the cities to visit the IOC members. I want to come back to you and to all of us up here, I think, the language "not necessary" means that it in fact is still permissible.

With your statement, does that mean you are going to amend what we had read before and in fact will block visits by cities to visit IOC members in their respective countries? Do we expect to see that clarification come about?

Mr. SAMARANCH. Let me address the two questions, if I may. I fully concur with you, we need a referee, and that referee is the Ethics Commission.

I would like to once again reiterate that the visits by organizing committees to members of IOC are banned. My Director General points out that perhaps you would have with you a draft of the recommendation, but the decision was to ban visits in either sense.

Mr. UPTON. On both sides.

Mr. SAMARANCH. And this is absolutely firm.

Mr. UPTON. Good. My last question before I move down the panel, I have a whole series of statements that were in the press, reports dating back to 1986 with the Los Angeles Times, the Washington Post, the New York Times, really spanning about 15 years, talking about abuse with the IOC members with regard to gifts, trips, and I suppose you could say cash as well, bribery. It is mentioned a number of times.

I want to make certain that this new Ethics Committee that is being established in fact will have the authority when they see, if they see press accounts like these in the future, that they will have the independence and authority to investigate fully these reports and that those investigations in fact will be made public once they are complete.

Mr. SAMARANCH. As I said before, the Ethics Commission has full powers and full independence. In fact, even their budget will be separated. And, as such, they are empowered to conduct all kinds of investigations.

Mr. UPTON. So that in fact if these appear again in major newspapers across the world, they will have the authority to pursue it?

Mr. SAMARANCH. Fully.

Mr. UPTON. Terrific. I yield to the gentlelady from Colorado.

Ms. DEGETTE. Thank you, Mr. Samaranch. I noted with interest Mr. Bryant's question and your response regarding whether the United States will be punished in some way for pushing for these reforms. I would like to ask the question in a slightly different way.

I look in the second row and I see the athletes who are here with us today. The American athletes who are not here and were not in the Olympics because of any kind of special bribery or special favors or anything, but simply because of their athletic committee—I would like to ask you directly in the spirit of the Olympics, do you believe the United States athletes will suffer in any way because of the United States' efforts to aggressively push these reforms?

Mr. SAMARANCH. I don't think so. Sports in the United States is an area that has the highest respect. The U.S. is a very important member in the Olympic movement and that is why I am here.

Ms. DEGETTE. Thank you.

Mr. SAMARANCH. And I am more than certain that the U.S. team will get tremendous results in Sidney and they will be treated with the same fair play that we devote to other countries, or all other countries.

Ms. DEGETTE. Thank you very much. Another question: What do you think the United States' role should be in monitoring the progress of implementation of these reforms?

Mr. SAMARANCH. It is actually up to you, madam, because we have two members from the United States in the IOC, Anita DeFrantz and Mr. Jim Easton. We will be more than happy to report regularly to you, if you so desire, through these two members who sit at the IOC.

Ms. DEGETTE. I think we would like to hear regular reports, probably on a quarterly basis, and in particular the thing we will be interested in knowing, as soon as possible, is the progress of the Ethics Committee in promulgating its regulations.

Mr. SAMARANCH. You will receive that if you so desire. Mr. Chairman, if I might, I would like to correct one thing. I said that there were two IOC members from the United States. As of last Sunday, we have three; the third one being Mr. Ctvrlik, Gold Medalist in the Olympic Games, and we take great pride in having him with us.

Ms. DEGETTE. Thank you very much for clarifying. Senator Mitchell and Mr. Duberstein conducted a very thorough review of the Salt Lake City bid, and because of that review, we were able to make very specific recommendations to our own National Olympic Committee, the USOC. Have the other former bid countries conducted similar reviews to see if they have got problems and to see if they can improve the function?

Mr. SAMARANCH. My Director General points out that there was an inquiry in Berlin.

Ms. DEGETTE. And do you think it would be worthwhile for the other countries to conduct such an audit to see how their experience can lend to the promulgation of the regulations?

Mr. SAMARANCH. I have always been in favor of whenever you can make things clear, you should do so.

Ms. DEGETTE. So to be clear, your answer would be yes?

Mr. SAMARANCH. Yes.

Ms. DEGETTE. Thank you.

Mr. SAMARANCH. There is also another inquiry in Sidney, I have just been advised.

Ms. DEGETTE. Thank you. Mr. Chairman, I think that it is critical to recognize that none of the reforms that were voted on last weekend were actually designed to detect and sanction the sorts of ethical lapses have undermined the credibility of the IOC. That effort is going to remain the task of the ethics program. But since the details have not yet been defined, the important reform is incomplete.

I guess I would say, simply put, as long as this Commission remains a work in progress, the IOC cannot be considered reformed.

Mr. Chairman, an ugly storm has engulfed the IOC over the past year, but I do believe—and I want to join you in thanking Mr. Samaranch for coming—the IOC has made progress toward substantial reform but significant work remains. As an old but useful saying goes, you may trust in God, but always tie your camel.

I welcome the witnesses before us today, and I look forward to hearing the rest of the testimony. The thing I look forward to seeing most of all is the regulations that are promulgated by the Ethics Committee, and until I see that, I guess what I would have to say is I am going to have to keep my camel tethered.

Thank you very much. Thank you, Mr. Chairman.

Mr. SAMARANCH. Thank you very much for your kind words, and I can assure you that many of the decisions we have made late last week are already part of the Olympic charter. As to the others, with regard to the others, we will have them clearly decided and included by the time that we hold the preparatory meetings in Sidney next year, in 2000.

Mr. UPTON. Mr. Burr.

Mr. BURR. Mr. Samaranch, you said that the United States plays an important role in the Olympic movement. Let me ask you if you think that Congress has a role in this process?

Mr. SAMARANCH. Given the tremendous importance of sports in any society, agencies of that society should also take an interest in sports, and in this case the International Olympic Committee, and we can only thank you for that.

Mr. BURR. I thank you for your willingness to testify in front of us.

Let me ask you, have you accomplished all the changes you personally feel need to be made?

Mr. SAMARANCH. I believe so. I believe we have already adopted the most important changes, and in all candor I might say that we might not have succeeded in including these changes unless we had had this crisis.

Mr. BURR. Let me ask the same question a different way: If changes did not require a vote of the IOC membership, are there any additional reforms that you personally would have liked to have adopted?

Mr. SAMARANCH. I think we are speaking frankly. I believe that we should, for instance, have the bidding and the selection of host cities to be made by the executive board, not by the plenary. But I think this would be the job of the next President.

Mr. BURR. Let me again take this opportunity to thank you for your willingness to be here, for your openness with this committee. I thank the Chairman and yield back the balance of my time.

Mr. UPTON. Thank you, Mr. Burr. Mr. Barton.

Mr. BARTON. Thank you, Mr. Chairman. Mr. Chairman, in the first round of my questions we established, according to the answers that President Samaranch gave, that the reforms that are being implemented for the IOC members, committeemen, do not apply to him, because in his own words they are not necessary that they apply to him. We established that they haven't investigated past reports of improprieties in the site selection process because no names were provided by those reports that were given to the IOC Committee and that as President, he apparently made no at-

tempt to try to document any of those prior charges. We established that the Sports Illustrated report that a half-a-million-dollar-a-year hotel suite is kept for his personal use in Lausanne, Switzerland on the top of the Palace hotel, is a lie, in his own words, because the dollar amount reported in the Sports Illustrated report is incorrect.

I am not going to go over any of that in this round. I am going to concentrate on a trip that his wife and a friend of his wife took to the Atlanta area in the spring of 1990.

My first question to President Samaranch: Is he aware that his wife did in fact travel to Atlanta at the expense of the Atlanta host city organization in the spring of 1990?

Mr. SAMARANCH. This took place many years ago, but I expected something like that to arise, so I would like to give you a brief rundown of events.

Mr. BARTON. My first question is simply is he aware that his wife did visit the Atlanta area?

Mr. SAMARANCH. Not only did I know it, but I also advised her to go.

Mr. BARTON. I would be happy to let him elaborate on that visit before I ask some more questions.

Mr. SAMARANCH. In 1989 I went to Atlanta to attend the opening ceremony of the organizing committee, the officers of this organizing committee presided over, with Mr. Billy Payne. We were good friends and we had worked together well. At that point I was alone, and they regretted the fact that my wife had not been able to come to Atlanta with me.

They insisted on inviting her and they did so, and I felt that she should accept the invitation and visit Atlanta.

My wife was already advanced in years and she cannot travel on her own. I am not going to tell you how old she is because she might be angry at me.

Mr. BARTON. I respect that.

Mr. SAMARANCH. But she attended the invitation, she was very well treated. I wouldn't call it an official visit, but it was a visit by the wife of the IOC's President.

With your permission, I have in hand a letter that is very significant. I will ask that it be read.

The Vice President, Washington, April 6, 1999, addressed Mrs. Juan Antonio Samaranch, International Olympic Committee, Chateau de Vidy, 1007 Lausanne, Switzerland: Dear Mrs. Samaranch, it was a pleasure to meet with you in Atlanta. I hope you were able to sample the warm hospitality for which the American South is famous and that you enjoyed your stay there. Should the city of Atlanta receive the honor of hosting the 1996 Games, I know its people and all Americans would ensure that these games are among the best ever. Best wishes as you plan this tremendous event. Sincerely. Signature, Dan Quayle.

Mr. BARTON. I will stipulate that Dan Quayle was Vice President of the United States at the time that letter was written, if the president will allow me to add that to the document.

Mr. SAMARANCH. Yes.

Mr. BARTON. Can I ask a question now that I have heard his response?

Mr. UPTON. Yes.

Mr. BARTON. What formal purpose, if any, was served for the good of the Olympic movement by having the Atlanta organization spend at least $13,000 to host your wife on her visit to Atlanta, Charleston, and I believe Orlando on that trip?

Mr. SAMARANCH. Perhaps this is part of what the letter says, which is the American—the South is famous for its hospitality.

Mr. BARTON. I will agree with that. I am from Texas. I understand we are famous for our hospitality. But my question is——

Mr. SAMARANCH. She was invited and they felt they should defray the costs. But I don't think this point is really that important.

Mr. BARTON. It is not important that your lovely wife, who I am sure is a lovely lady—and I don't mean that sarcastically—she has no formal vote in the proceeding; we have documents that show she was not interested in even looking at any of the venues, she just wanted to go to artsy-craftsy places and participate in high society. So I think it is well and good if she wants to visit the South and have that hospitality, but I don't think the Olympic movement and the host cities bidding to host Olympics should have to pay her expenses.

Mr. SAMARANCH. You are probably right, sir. This is a problem of the organizing committee. This was an invitation based on friendship.

Mr. BARTON. I understand.

Mr. SAMARANCH. And this is all I can advance.

Mr. BARTON. My final question, and I want to read one statement from the Sports Illustrated article and see if this too is a lie. This again is from the February article of Sports Illustrated, and I quote: It says, "Before Samaranch took over the presidency in 1980, IOC representatives had to pay their own way to cities bidding for the games. Within a year, they were getting not one but two first class tickets from prospective cities, plus all expenses. In 1983 spending money of $100 a day was added to the package required of bid cities."

Is that a true statement?

Mr. SAMARANCH. I think your question has to do with what members of the IOC received——

Mr. BARTON. No. According to Sports Illustrated, before Mr. Samaranch became President in 1980, IOC representatives had to pay their own way to cities bidding for the games. Within a year after he became President, members of IOC representatives were required to give two first class tickets, and by 1983, $100 a day for expenses. That would appear to me that President Samaranch suggested to the IOC membership board or at least acquiesced when this change was made. So that bid cities had to pay these expenses before 1980, before he became the President, IOC representatives had to pay their own way. So that is my question. Is this one of the reforms he instigated when he became President in 1980?

Mr. SAMARANCH. I don't think there were visits scheduled before 1980, none. So perhaps there is some degree of confusion.

Mr. BARTON. So this is something if we again send a specific letter asking specific questions, he can check his files and see what caused this particular change in policy to be made?

Mr. SAMARANCH. With your permission, I would like to give you my version. No visits were organized prior to 1980 to the bidding cities. IOC members were expected, and did pay for their own expenses when they attended meetings. I thought this was unfair. During the first IOC session that I presided over in 1981, we adopted the decision to pay members of the IOC all expenses, transportation, hotel, for all members. But alone, not with second or a companion.

Mr. BARTON. Who paid that? The IOC was going to pay it or you were going to require the host city to pay it?

Mr. SAMARANCH. No, I am talking about the sessions of the IOC. They were paid by the IOC. But, Mr. Congressman, if you are really interested, we will be more than glad to respond to a request in writing from you.

Mr. BARTON. I understand. Thank you, sir. Thank you, Mr. Chairman.

Mr. UPTON. Thank you, Mr. Barton.

Mr. Samaranch, we appreciate very much your willingness to come here today, and in particular we thank the interpreters, who we expect gave us the right answers back and forth. But we also want to thank Mr. Carrard, who spent a number of trips, a number of many hours, communicating with members of the committee and keeping us posted on the developments. We appreciated his openness and his willingness in every which way.

Mr. Samaranch, we thank you for your testimony. As I indicated in my opening statement, we expect to continue oversight to make sure that this new Ethics Commission does have the teeth so it can look into possible abuses. We want the Olympic rings to be free from tarnish and we know and hope that you are on our side as well. You are now, as we might say, formally excused. We appreciate very much the time you spent with us today.

At this point we will have the second panel, which includes Dr. Henry Kissinger, Senator Howard Baker, and because of flight troubles, for the time being we also now have Mr. Ken Duberstein, who is the vice chair with Mr. Mitchell, chair, in compiling the Mitchell-Duberstein report.

If folks that are visiting the committee would take their seats so we can continue, we have a number of pressing commitments yet today. We appreciate the willingness of the panel and, obviously, the ability of Mr. Duberstein to step in the big shoes of Mr. Mitchell again. For purposes of introduction, we will yield to Mr. Bryant.

Mr. BRYANT. Thank you, Mr. Chairman.

I would like to introduce one of our very distinguished witness and home State friend from Tennessee, former Senator Howard Baker, Jr. I can take about 3 hours and adequately introduce him, but given the nature of the time we have here, I am going to give just a short, very, very abbreviated introduction of our Senator Baker.

After serving in the U.S. Senate from 1967 until 1985 and as President Reagan's Chief of Staff from February, 1987, until July 1988, Howard Baker has returned to private life and the practice of law.

Following undergraduate studies at the University of the South and Tulane University, Senator Baker received his law degree from

the University of Tennessee. He served 3 years in the United States Navy during World War II.

Senator Baker first won national recognition in 1973 as the Vice Chairman of the Senate Watergate Committee. He was the keynote speaker at the Republican National Convention in 1976 and was a candidate for the Republican Presidential nomination in 1980. He concluded his Senate career by serving two terms as minority leader and two terms as majority leader.

Senator Baker has received many awards, including the Presidential Medal of Freedom, our Nation's highest civilian award, and the Jefferson Award for the greatest public service performed by an elected or appointed official.

Senator Baker is currently an original member of the International Olympic Committee Ethics Commission, which was established this past March to strengthen the IOC's ethical guidelines and provide a clear standard of conduct for all members of the Olympic family.

I welcome you, Senator Baker, my friend from Huntsville, Tennessee, and look forward to your testimony.

Mr. UPTON. Mr. Leader, welcome back to the better side of the capitol, and we will begin with you.

As for all three, your testimony will be made, in its entirety, as part of the record. We would like to limit your remarks to 5 minutes. I know Dr. Kissinger needs to catch a train back by 1:30. And I do have to swear you in.

As you know, we have a long-standing practice in this committee of swearing in our witnesses. Do any of you have objection to that? Do any of you need counsel, as provided in the committee rules?

[Witnesses sworn.]

Mr. UPTON. You are now under oath.

Mr. Leader, we will begin with you.

TESTIMONY OF HON. HOWARD H. BAKER

Mr. BAKER. Mr. Chairman, may I assert the privilege of going first for the purpose of saying that while I served in the other body I was aware of this body. It was brought to my attention forcefully from time to time.

I also would point out that both my father and mother served in this branch of the Congress. So I am a third-going congressional brat.

My thanks to my friend Ed Bryant for the generosity of his introduction. You covered everything I can think of, except that my grandmother was sheriff of Roane County, Tennessee, just for the record.

Mr. Chairman and members of the committee, I am here to speak on the creation and implementation of an ethics code and an Ethics Commission for the IOC. As you say, while I can submit the statement, which I do herewith for inclusion in the record, I will abbreviate it and cover the principal points that I think are relevant to your inquiry.

First of all, it is a pleasure to serve on this commission. It is a distinguished commission made up of former United Nations Secretary General Javier Perez de Cuellar of Peru; the former president of Switzerland; the former president of the French Constitu-

tion Court, Robert Badinter of France; and five-time Olympian Charmaine Crooks of Canada. The three current IOC members appointed to the commission are Judge Keba Mbaye of Senegal, who is chairman and former vice president of the Court of Justice; Kevan Gosper of Australia, who is an IOC vice president and former chairman and chief executive officer of Shell Australia; and also an Olympic silver medalist, Chiharu Igaya of Japan.

Mr. Chairman, when I was asked to accept this position, frankly, it came as a surprise, and I inquired why I might be asked to do this job. It was pointed out that I had had experience as an attorney in constructing an ethics code, more than one ethics code, for major U.S. and international corporations. So I went into this job hoping that I could bring, and I believe I have had an opportunity to bring, some insight into how others construct Olympic codes, how they are put in place, how they are made useful, how the provisions of the code are enforced, and how you go about determining that violations of the code have occurred.

And also, Mr. Chairman, I think perhaps the most important part of any ethics undertaking is to make sure that the membership involved, in this case country committees seeking the presence of the Olympics and those involved in the Olympic movement, fully understand that the leadership of the International Olympic Committee is committed to these statements of ethical conduct. And for that purpose, the Ethics Commission has adopted a code, has adopted bylaws, and has made it clear that the education of the membership of the IOC is one of the essential and first elements of a successful program.

We are in the process now, Mr. Chairman and members of the committee, of choosing a "special representative." Special representative is the word chosen by the commission. My own description of that person is an ethics officer in the context of an American corporation or an American enterprise who would choose someone to implement that code, to administer its provisions and to ascertain that action must be taken or should be taken by the body itself.

The Ethics Commission of the IOC is roughly comparable in U.S. corporate terms to perhaps a committee of the board of directors, an audit committee perhaps, who has the stated responsibility to see that the code is fully complied with and to investigate allegations and charges that violations have occurred, and also to see that there is an appropriate education of those who will be affected by and involved with the ethics program.

Mr. Chairman and members of the committee, I feel optimistic about the progress we have made so far. There have been lively, sometimes enthusiastic debates within the commission on the terms of the code itself and on the terms of the bylaws. The commission charged Kevan Gosper and I with writing those bylaws, and we believe that we have successfully provided for the implementation and the general principles established in the code itself. But, as I said earlier, we are now involved in the business of choosing an administrative officer, an ethics officer, if you please, designated here as a special representative.

Now, in deference to my friends on the committee, I am going to abbreviate the rest of these remarks and make three points.

The first is, Secretary Kissinger has made a major contribution to setting the stage for a new era in ethical conduct for the IOC. Senator Mitchell—my friend Senator Mitchell and my friend Ken Duberstein have taken the next step and made a major contribution to the furtherance of that purpose. It is my hope that the Ethics Commission now can complete the structural arrangements that will provide the oversight, the investigatory authority and the education necessary to have a successful ethics program for the IOC.

The three points I would make, Mr. Chairman, are these:

First, the IOC is worth saving. It is a great institution with a great history. It has most recently been involved in conduct that has brought criticism and difficulty for the organization itself, but it is worth saving. It is a great institution and has a great future.

The second point I would make is, I believe by and large the members of the Olympic Committee, the Executive Committee, and all those I have been associated with are men and women of goodwill, and they are willing to accept a code or standards of conduct that will rectify the apparent difficulties of the past.

I have already covered the third point, that the essence of any ethical program is education, to make sure that those who are involved and may be impacted by this code understand that management, so-called, at the very highest level, is committed to the enforcement of these provisions. And in my view that means not only investigating charges that may be brought by people in writing or otherwise about the conduct of particular people or groups or countries but rather to make sure that there is a positive requirement that those involved have a responsibility to report violations as they occur. Because it is virtually impossible for an ethics officer, and certainly for an Ethics Commission, to ascertain every misfeasance, every violation of this code that is likely to occur.

And there will be violations. We do not live in a perfect world. And the best we can do is to set up a mechanism that can sense out and understand the charges as they are made and find evidence of misconduct and bring it to the attention of the commission itself to make a judgment.

Now, the commission itself, under this setup, does not impose sanctions. Rather, it makes recommendations to the Executive Committee. And I think that is appropriate. Once again, the parallelism between an audit committee and a national board or a U.S. board of directors is not inappropriate. Because in that case, while the audit committee might have the responsibility and often does have the responsibility for administering the code and supervising its application, it is the board itself and the management of the company that finally must determine what to do about it.

So here the sequence of events is that the ethics officer, in this case designated as a special representative, will seek out evidence of misconduct, will respond to charges of misconduct, and will make recommendation to the Ethics Commission. The Ethics Commission will then inquire into those matters and will decide whether or not to make a recommendation to the Executive Committee on what should be done. That is the chain of events.

It is not dissimilar to those that have been adopted by major international corporations. I think it is appropriate to the IOC model. I think there is a high likelihood that it can work. I think

the atmosphere is appropriate to the circumstance. And I believe that we have a good opportunity to see that the blemishes against the reputation of the IOC will be erased and that the future will be improved.

And I thank you, Mr. Chairman.

[The prepared statement of Hon. Howard H. Baker follows:]

PREPARED STATEMENT OF SENATOR HOWARD H. BAKER, JR.

Chairman Upton, Ranking Member Klink, and Members of the Subcommittee, I thank you for inviting me to discuss my views on International Olympic Committee reform and the role of its Ethics Commission.

The IOC Ethics Commission was established this past March to strengthen the IOC's ethical guidelines and provide a clear standard of conduct for all members of the Olympic Family, as well as ensuring that these guidelines are reflected in the policies and practices of the IOC, the National Olympic Committees and organizations associated with efforts to host the Olympic Games. The Commission takes responsibility for considering and acting upon all ethical matters affecting the Olympic Movement.

I was invited to join former United Nations Secretary General Xavier Perez de Cuellar of Peru; former Swiss President Kurt Furgler of Switzerland; former President of the French Constitution Court Robert Badinter of France; and five-time Olympian Charmaine Crooks of Canada, in serving as outside members of the Commission. Three current IOC members were also appointed to the Commission: Judge Keba Mbaye of Senegal, Chairman of the Commission and former Vice President of the International Court of Justice; R. Kevan Gosper of Australia, IOC Vice President and Chairman and Chief Executive Officer of Shell Australia; and Olympic silver medalist Chiharu Igaya of Japan.

When I was invited to join this group, I assumed that it was based on my prior experience in constructing and applying ethics codes in the U.S. corporate context and I believe that the work product that I have advocated for the Commission is generally in keeping with the philosophy of recognized codes of ethics in this country and elsewhere.

In May, the Ethics Commission adopted Code of Ethics that sets forth the basic ethical guidelines to be followed by the entire Olympic Family, including IOC members and those representing cities bidding to host the Olympic Games. By adopting the Code during its June session in Seoul, the full IOC made a firm commitment to its letter and spirit.

I am pleased that in addition to the Statutes and Rules of Procedure, the Ethics Commission adopted my recommendation that we create a specific set of guidelines to govern the implementation, monitoring and enforcement of the Code. The Commission asked that I work with a fellow Commission member (Kevan Gosper of Australia) to develop bylaws to the Code that would accomplish this purpose. We felt that the IOC should establish a permanent ethics office that would be responsible for the day-to-day management of a comprehensive ethics program modeled after some of the more successful corporate programs, but tailored to fit the unique needs of the IOC.

As a result of that effort, bylaws to the Code were adopted by the Ethics Commission this past Friday which I believe materially assist in its definition and enforcement. The Commission voted to appoint a Special Representative who will be given the resources necessary to develop and manage a comprehensive Ethics Program for the IOC. This will facilitate the full implementation of the Code of Ethics, as well as the monitoring of its application and the enforcement thereof. As I previously urged, the Special Representative will consider other ethics programs successfully established by corporations and organizations from around the world and the Commission has authorized the Special Representative to engage private experts to assist in this effort.

I expect the Commission to immediately begin the process of selecting a qualified candidate for this most important position and I look forward to being an active participant in this process.

In terms of the overall management of the Ethics Program, the Special Representative and requisite staff will be charged to educate all Olympic Parties about their obligations under the letter and spirit of the Code of Ethics; serve as a permanent resource in connection with the application of the Code; monitor such application; investigate alleged breaches of conduct; regularly report to the Commission on the results of any investigation; and make ongoing suggestions about how the Ethics Program can be improved.

The Special Representative will report to, and consult with, the Ethics Commission on a regular basis, particularly during the first year, when the Ethics Program is in its developmental stages. This reporting is in additional to the Special Representative's regular monthly reporting equirements.

In general, the Special Representative works at the direction of the Ethics Commission, pursuant to its objectives and priorities, and in a manner consistent with the Ethics Commission's Rules and Procedures. In this context, the Ethics Commission will ensure that the Special Representative has sufficient autonomy, consistent with best business and governmental practice.

I am satisfied that this action by the Ethics Commission is a major step toward the development of a credible, comprehensive and effective system for promoting positive ethics and addressing breaches of the Code where they occur.

To encourage the Special Representative to move as quickly as possible in developing the Ethics Program, I am encouraging the Commission to specifically require the Special Representative to accomplish the following objectives during the first year of his or her tenure:

- The development of an organizational chart for the IOC Ethics Program that will clarify its size and scope, as well as fully describe its functionality;
- The creation of an IOC Ethics Program Handbook that clearly and comprehensively sets forth the standards of conduct that all Olympic Parties will be expected to uphold. This Handbook will consolidate and clarify all relevant rules and guidelines from the Olympic Charter, as amended, the Code of Ethics and attendant Rules and Statutes, and the pertinent new reforms adopted this past weekend;
- The crafting of recommendations to the Ethics Commission suggesting ways to more fully develop the applicable procedures for the Ethics Commission and the Ethics Program to ensure fairness and efficiency in the investigation and processing of breach of conduct allegations. These recommendations will reflect careful consideration of the kinds of cases that have previously been considered by the IOC and the Ethics Commission and those that are reasonably foreseeable; and
- Establishing a comprehensive education and training program for the Ethics Program that will ensure that all Olympic Parties are made fully aware of the goals, standards, procedures and resources of the Ethics Program. To facilitate this objective, the Special Representative will work closely with, and encourage the active participation of, Olympic Organizations.

To encourage transparency, I am also urging that the Special Representative work closely with the Ethics Commission to determine, on a regular basis, the extent to which non-confidential information about the Ethics Program's activities can be made available to the public.

Mr. Chairman, I know that some confusion has arisen over the last few days regarding the scope of the Ethics Commission's jurisdiction and its overall mandate. I would like to briefly give the Committee my views on this issue, which I believe are fully consistent with those of my fellow Commission members and the IOC.

In establishing the Ethics Commission this past March, the IOC intended that it would become the principal entity within the IOC's organization responsible for considering and acting upon all ethical matters affecting the Olympic Movement. Although the Commission did defer to the IOC Executive Board with respect to the cases involving IOC members Kim and Coles, it only did so because the Executive Board had already launched an investigation into those matters prior to creation of the Commission and it didn't make sense to begin a concurrent investigation. I do believe that the Commission has the authority and mandate to consider any new allegations arising out of matters previously investigated and acted upon by the Executive Board.

In any event, the deferral on those two cases should be considered as an exception, not the rule, and it was not intended to set a precedent that the Commission would not consider any matter involving circumstances occurring prior to its creation. I do agree with my friend and fellow Commission member Mr. Perez de Cuellar that the Commission must ultimately be focused on promoting positive ethics and preventing scandals of the magnitude we have seen over the past year from occurring again.

A fair question has also been raised about the willingness of the Commission to take the initiative to look into allegations of unethical conduct that are not supported by a written Complaint, as required in the Commission's Rules. While I believe the requirement of a written Complaint may have some merit in terms of minimizing the number of frivolous complaints that the Commission will have to consider, I also know that it is entirely possible for meritorious claims to be made in other ways. I would hope that when the Special Representative makes recommenda-

tions to the Commission regarding the efficacy of its Rules and Procedures, they will reflect a careful examination of this issue. At that time I am certain that the Commission will consider modifying its procedures if necessary to ensure that we achieve our broad mandate to fully address ethical matters within the Olympic Movement.

I am also happy that the IOC voted this past weekend in support of the major reforms developed by the IOC 2000 Reform Commission, which counts Dr. Henry Kissinger among its members. These reforms—which were strongly influenced by the good work done by the Special Bid Oversight Commission chaired by Senator Mitchell and Vice-Chairman Ken Duberstein—will bring about permanent and positive change to the way the IOC operates. Some of these reforms will be critically important to the Ethics Commission's effort to fully implement and enforce the Code of Ethics, such as the inclusion in the Olympic Oath of a commitment to compliance with the Code of Ethics; requiring a contract with all bid cities that stipulates adherence to the Code; allowing the Ethics Commission to appoint three members to the newly-established Nominations Commission, which will screen prospective candidates for IOC membership; and, of course, the banning of travel to bid cities. The adoption of broad reforms by the IOC is indeed a watershed moment in its long history and I applaud the huge effort required to make this a reality.

While I was initially skeptical about whether the IOC would undertake serious ethical and structural reforms in a fairly short period of time, it is now my distinct impression that the IOC—its leaders and its members—fully recognize the need to restore the Movement's credibility. And, as evidenced by the actions taken this past weekend, I believe that they are willing to make the tough decisions necessary to do so. The entire Olympic Movement must now join with the IOC in accepting shared responsibility for preserving the integrity of the Movement for generations to come and ensuring that the Olympics and the spirit of Olympism will rise above the difficulties of the past year. Ultimately, we all want the Olympics to be about the athletes and the competition, not about ethical scandals.

Thank you for allowing me to express my views and I will be happy to entertain your questions.

Thank you, Mr. Leader.

Mr. UPTON. Dr. Kissinger, welcome back.

TESTIMONY OF HON. HENRY KISSINGER

Mr. KISSINGER. Thank you, Mr. Chairman.

When I was asked to join the reform commission, I had the same reaction as Senator Baker. I did not know much about the organization of the IOC. Frankly, I didn't know the difference between the IOC and the national committees and the various groups composing it. But I did have an experience as a boy in Germany when the Olympic Games were held there in 1936 and brought about for a brief period an easing of pressure on the community to which I belonged.

And so from this early time on, I have associated the Olympic movement with humanitarian purposes, with contributing to a world in which people can compete on the basis of merit and excellence and not on the basis of any other consideration. So I was honored to have an opportunity to contribute to the charge that was given to us, which was to reform the International Olympic Committee so that it would be transparent, its actions predictable, and on the highest ethical level.

I know all the members of the Ethics Commission—or almost all the members of the Ethics Commission. I know all the outside members well. Senator Baker has been a close friend of mine for decades and needs no introduction here. But also the French member and also Perez de Cuellar, a man of extraordinary distinction.

I happened to work on the committee in which I participated in the reform commission with the judge from Senegal who is chairman, and I want to assure the members who have raised very jus-

tified concerns whether the vice chairman of the IOC could be relied upon to be scrupulous, he is one of the most distinguished individuals that I have met, and he was a driving force in the reforms that were actually adopted. And Senator Baker has already referred to Kevan Gosper from Australia. So I have enormous confidence in the Ethics Commission. And it is of course true that the Ethics Commission, as a continuing supervisory body, will have a major responsibility for the spirit in which the other reforms are carried out.

We were organized in three groups, and I was particularly familiar with the organization of the Olympic Commission and somewhat, through Paul Allaire, with the requirements for auditing of regular reports and procedures which parallel those of major American and international corporations.

Our purpose in addressing the issue of organization was to set up a system where this election of members, their conduct and their organization, would be transparent and would be open to the outside world. So we proposed a selection committee of seven members, three of whom are outsiders, one of whom is an athlete, and three members of the IOC. So a majority of the members of the selection committee are outsiders. We proposed an age limit of 70 in order to make possible a rotation and various limitations on terms of office for the President and for the Executive Committee.

We believe that, coupled with the creation of an Ethics Commission, insofar as any organization can guarantee a behavior that is widely understood and generally accepted, we have come as close to achieving this as we were able to. I must stress that on the commission on which I serve we were never aware of any particular views that Mr. Samaranch might have, and I can think of no proposal that was made that was not accepted.

The basic guidance toward which I tried to orbit the activities of the commission was the Mitchell report. I met with Senator Mitchell, Mr. Duberstein and their associates at great length, before I even met with any member of the IOC. I did talk with Ken Duberstein because Senator Mitchell was otherwise engaged. I talked to Ken Duberstein at least once a week as we were progressing on our work, and I have the impression—of course, he can speak for himself—that what we proposed is consistent with the recommendations of the Mitchell Commission and could not have been achieved without the work that the Mitchell Commission had done.

I also stayed in close touch with the athletes and with General McCaffrey in the White House in order to bring about a reconciliation between the approach of the IOC to the drug problem and the view of the White House to the drug problem, and I believe that this problem has been solved to the satisfaction of both sides by creating an independent commission.

These were the basic thrusts of our effort. I think we owe it to the members of the IOC to say that there were of course some bad apples. But the vast majority of the IOC members are trying to serve the ideals of the Olympic movement. And certainly all the ones that I met that were actually engaged in the reform program were actively supporting the effort that was being made. And I believe that after a very short period of time enough fresh blood is

going to be introduced to achieve the objectives that we all share and to which this committee has so greatly contributed.

Thank you very much.

Mr. UPTON. Mr. Duberstein. Welcome back, particularly in light of your pinch-hitting role for former Leader Mitchell, who is stuck in Michigan.

TESTIMONY OF HON. KEN DUBERSTEIN

Mr. DUBERSTEIN. Mr. Chairman, it is an honor to appear before this subcommittee yet again. Senator Mitchell, as you stated, was supposed to testify. He was detained by the fog in Michigan, certainly not by the fog in Washington.

I am honored to be in a program with two gold medal winner Americans, Henry Kissinger and Howard Baker. They are the best in American public service.

I am appearing today as the vice chairman, pinch-hitting for George Mitchell, of the special commission appointed by the U.S. Olympic Committee President Bill Hybl in December, a year ago, to review the circumstance surrounding the selection of Salt Lake City to host the 2002 Winter Olympic Games. Serving with me on the commission were Chairman George Mitchell, my other Vice Chairman Don Fehr, and members Roberta Cooper Ramo and Jeff Benz.

We made public our recommendations on March 1, which seems like a long time ago. As we reported to the Senate Commerce Committee in April, and to you in October, we concluded that the activity of the Salt Lake City bid committee was not isolated. Rather, it was part of a broader culture in which candidate cities provided items of value to International Olympic Committee members as a way of influencing their votes. This culture, we concluded, was made possible in part by the closed nature of the IOC and by the absence of transparency and accountability.

We also concluded that some of the actions of the USOC in support of the Salt Lake City bid effort were inappropriate, and we made a series of recommendations in this regard. The USOC's response was quick and decisive, and by the time of the Senate hearing in April, I was able to report that the USOC had implemented all of our recommendations.

We made 15 recommendations to the IOC. They largely fell into three categories: financial transparency, site selection, and IOC structure and accountability.

The actions taken by the IOC last weekend, we believe, represent real progress in all three categories. We commend President Samaranch, Henry Kissinger, Howard Baker, Paul Allaire, Dick Ebersol, Peter Ueberroth, Bill Hybl, and the others, all of whom participated in the reform effort. Let me underscore, we believe that progress has been made.

In the first two categories, financial transparency and site selection, the IOC's actions were significant. They generally were consistent with the recommendations of our commission. In one important respect, on the matter which sparked the controversy, visits to bid cities by IOC members, the ban adopted by the IOC goes even further than we recommended.

In the third category, structure and accountability, the actions taken by the IOC, while positive, may need a bit further refinement and certainly continued scrutiny.

We recommended changes in the method of electing IOC members. We felt that one source of its problems was its closed, self-perpetuating nature. Although recent changes provides for representation of athletes, national Olympic committee presidents, and sports federation leaders, they will be chosen by the IOC itself after being submitted by the IOC executive board. But, importantly, athletes will be selected by athletes.

In addition, we recommended that representatives of these constituencies comprise a substantial majority of the IOC. They are not quite there. We recommended term limits. Although a mandatory retirement age of 70 was adopted, there is no limit on the number of 8-year terms that an IOC member can serve. They must, however, go through a process of being renominated and reelected, and we think that is a significant step in the right direction.

We recommended the discontinuation of the practice of interlocking directorates between an IOC member and the NOC or the OCOG of that member's home country. The IOC referred that matter for further study.

The IOC did recommend that the IOC members retain automatic entitlement to membership on the national NOC, although the 45 IOC members drawn from the athletes, the International Federations, and the National Olympic Committees would not be permitted to vote.

We recommended the creation of an independent Office of Compliance. This has been referred to the independent IOC Ethics Committee on which Senator Baker serves for their consideration.

So with respect to structure and accountability, there were many positive changes. But, in our view, they were not as finalized as were the changes in financial transparency and site selection, and the new reforms need to be fully implemented and carefully scrutinized.

One other subject deserves mention. Our commission regarded as important our recommendation that the IOC require prospective host countries to designate the IOC as a public international organization under its laws pursuant to the OECD Convention on Combating Bribery on International Business Transactions. In the U.S., this would mean coming under the coverage of the Foreign Corrupt Practices Act.

The IOC petitioned the Secretariat of the OECD to have the IOC so designated, although as Congressman Oxley and others have stated, to date, because of procedural reasons, this has not been done. Nevertheless, we applaud Mr. Samaranch for the IOC effort in this regard. We hope that the IOC, the OECD Secretariat, and the Olympic Games' bidding and host countries will continue to work toward implementing the convention's provisions.

Of course, the test of the effectiveness of the measures adopted by the IOC will be in their implementation and enforcement. A mechanism to ensure compliance must be fully constructed. Without one, lasting reform will be difficult to achieve. I understand, however, that the development of a strong enforcement program is at least partly the responsibility of the IOC Ethics Commission. We

hope that they will ensure a strong code of ethics that is effectively enforced. One of its members, Senator Baker, let us just make it clear, his judgment and his integrity speaks volumes about the IOC appointment and asking Senator Baker to undertake those serious responsibilities.

Mr. Chairman, a scandal has focused attention on a situation in which reform was long overdue. President Samaranch and his colleagues have responded to the challenge. They have taken important steps in the right direction. The IOC needs close monitoring and frequent checkups. The real test lies ahead in implementation and enforcement. They need to manage effectively what they have promised, and we need to ensure they continue on the reform course they have so finally established.

Thank you, Mr. Chairman.

[The prepared statement of Hon. George Mitchell follows:]

PREPARED STATEMENT OF HON. GEORGE J. MITCHELL, CHAIRMAN OF THE SPECIAL BID OVERSIGHT COMMISSION, UNITED STATES OLYMPIC COMMITTEE

Mr. Chairman and members of the Subcommittee, I appear today as the chairman of the special commission appointed by U.S. Olympic Committee President Bill Hybl in December 1998 to review the circumstances surrounding the selection of Salt Lake City to host the 2002 Winter Olympic Games. Serving with me on the Commission were Vice-Chairmen Kenneth Duberstein and Donald Fehr, and members Roberta Cooper Ramo and Jeffrey Benz.

We made public our recommendations on March 1, 1999. As I reported to the Senate Commerce Committee on April 14th, we concluded that the activity of the Salt Lake City Bid Committee was not isolated. Rather, it was part of a broader culture in which candidate cities provided items of value to International Olympic Committee members as a way of influencing their votes. This culture, we concluded, was made possible in part by the closed nature of the IOC and by the absence of transparency and accountability.

We also concluded that some of the actions of the USOC in support of Salt Lake City's bid effort were inappropriate, and we made a series of recommendations in this regard. The USOC's response was quick and decisive, and by the time of the Senate hearing in April I was able to report that the USOC had implemented all of our recommendations.

We made fifteen recommendations to the IOC. They largely fell into three categories: financial transparency; site selection; and IOC structure and accountability.

The actions taken by the IOC last weekend represent progress in all three categories. I commend President Samaranch, Dr. Kissinger, Senator Baker, and all those who participated in the reform effort.

In the first two categories—financial transparency and site selection—the IOC's actions were significant. They generally were consistent with the recommendations of our commission. In one important respect, on the matter which sparked this controversy—visits to bidding cities by IOC members—the ban adopted by the IOC goes even further than we recommended.

In the third category, structure and accountability, the actions taken by the IOC, while positive, fell short of our recommendations.

- We recommended changes in the method of electing IOC members. We felt that one source of its problems was its closed, self-perpetuating nature. Although the recent changes provide for representation of athletes, National Olympic Committee presidents, and sports federation leaders, they are not to be elected or appointed by their respective constituencies. Rather, ultimately they will be chosen by the IOC itself, after being submitted by the IOC Executive Board. In addition, we recommended that representatives of these constituencies comprise a substantial majority of the IOC, but the IOC has only provided for 45 of its 115 members to be drawn from these groups.
- We recommended term limits. Although a mandatory retirement age of 70 was adopted, there is no limit on the number of eight-year terms that an IOC member can serve. Those current IOC members who would be affected by the new mandatory 70-year retirement age are "grandfathered" in to the age of 80.
- We recommended the discontinuation of the practice of interlocking directorates between an IOC member and the NOC or OCOG of that member's home coun-

try. The IOC did not adopt that recommendation, but referred the matter for further study. The IOC did recommend that IOC members retain automatic entitlement to membership on the national Olympic committees though the 45 IOC members drawn from the athletes, international federations, and national Olympic committees would not be permitted to vote.

- We recommended creation of an independent Office of Compliance. This apparently has been referred to the IOC Ethics Committee for consideration.

So with respect to structure and accountability, there were some positive changes. But, in our view, they were not as complete or as meaningful as we had recommended or as were the changes in financial transparency and site selection.

One other subject deserves mention. Our commission regarded as important our recommendation that the IOC require prospective host countries to designate the IOC as a public international organization under its laws pursuant to the OECD Convention on Combatting Bribery on International Business Transactions. In the U.S. this would mean coming under the coverage of the Foreign Corrupt Practices Act. The IOC has petitioned the Secretariat of the OECD to have the IOC so designated, although I have been advised that to date this has not occurred for procedural reasons. Nevertheless, we applaud the IOC for its effort. We hope that the IOC, the OECD Secretariat, and the Olympic Games bidding and host countries will continue to work toward implementing the Convention's provisions.

Of course, the test of the effectiveness of the measures adopted by the IOC will be in their implementation and enforcement. A mechanism to ensure compliance has yet to be constructed. Without one, lasting reform will be difficult to achieve. I understand, however, that the development of a strong enforcement program is at least partly the responsibility of the IOC Ethics Commission. We hope that they will ensure that a strong Code of Ethics is developed and enforced. One of its members is our distinguished former colleague, Senator Baker, whose judgement and integrity should serve this important part of the process well. Mr. Chairman, a scandal has focused attention on a situation in which reform was long overdue. President Samaranch and his colleagues have responded to the challenge. But the real test lies ahead, in implementation and enforcement. These are important steps in the right direction but the IOC needs close monitoring and frequent checkups.

Mr. UPTON. Thank you very much.

I know that Dr. Kissinger has a train to catch shortly, so I am going to deviate from the normal practice.

I have one question for you, Dr. Kissinger, and we may have a couple of members that may have specific questions for you, so we will take that time out of turn.

When you were here in October and testified you made the point very clear, and that of course was before the reform commission had reported out and, obviously, the vote this last weekend, you made it very clear that if for some reason those reforms failed, and in fact at the hearing some thought that the chance then was only 50-50 that it would pass, that you would be the first one back to criticize the IOC for not making the necessary reforms.

As we look ahead and obviously focus on the enforcement of those reforms, the testimony by you and Mr. Baker and Mr. Duberstein, the implementation and enforcement of that is so important. Will you make that same commitment to us again, knowing full well that in fact the reports will be public by the Ethics Committee, that if in fact they do fail to enforce that, at any point along the line, that you will—in fact will take that same responsibility to tell not only us but the world and the IOC members that they are off the track again?

Mr. KISSINGER. Well, I have no formal right to do this, but as an individual—and I have no formal function with respect to a supervisory role at the IOC—but if it should come to my attention, and I certainly will continue to take an interest in the Olympic movement, if they are not living up not only to the letter but also to the

spirit of what has been done here, I would certainly be very vocal about it and I would surely come back to this committee.

May I make one point about term limits that my friend Ken Duberstein made? I am a professor of political science, and endless Ph.D. Theses have been written on the subject of how you create organizations, and you can find plausible arguments in either direction. I know of no corporation that prevents reelection, other than age.

And, actually, this was not a matter where the IOC objected to the proposal. It was the considered judgment of our committee, right or wrong, that in light of an age limit of 70 and of the need for some continuity of the need for reelection through this election committee so that you didn't come up automatically for reelection that that met the needs of the Mitchell proposals.

But this is one of those issues about which political scientists and experts in organizations will argue forever. I just want to make clear this was not a failure of a reform proposal, this was a judgment that all of us outsiders made, and we were certainly free to come to a different conclusion.

Mr. DUBERSTEIN. And the key was that each member would be renominated and have to go through a reelection.

Mr. KISSINGER. First he has to be renominated, then he has to go through the seven-member selection committee, four of whom are outsiders. So it is not an automatic reelection.

If you will forgive me, I must catch a train.

Mr. UPTON. Does anyone have just a brief question for Dr. Kissinger before he leaves?

Mr. Burr.

Mr. BURR. I want to just extend to Secretary Kissinger the same question that I gave to Mr. Samaranch; and that is, of the reforms that took place, are there others that you would have liked to have seen that you found through your participation in this that were not included in the package? And, if so, what were they?

Mr. KISSINGER. Except for the term limit one, I really don't know any, and I did not push for the term limit one, I believe that the essential recommendations were adopted.

I also would like to say that the chairman of the USOC, Bill Hybl, was an invaluable contributor to the reform process and gave tremendous support to all of us.

Mr. BURR. I thank the chairman, and I thank Mr. Kissinger.

Mr. UPTON. Mr. Barton.

Mr. BARTON. Thank you, Mr. Chairman.

I will ask this to Senator Baker, too, but, Secretary Kissinger, what is your opinion on the reforms that are being implemented for the IOC members also applying to the office of the presidency of the IOC?

Mr. KISSINGER. On the what?

Mr. BARTON. That the reforms that have been voted on for the members of the IOC, those same reforms apply to the office of the presidency of the IOC. Because currently none of these reforms actually apply to the office of the president of the IOC.

Mr. KISSINGER. Well, I frankly had not focused on that, but I would assume that the premise is that the President of the IOC will want to carry out these reforms without being technically com-

pelled to do so as far as his own office is concerned. I would certainly expect that the President of the IOC would set an example to the rest of the organization for meticulous adherence to the letter and the spirit of the reforms.

Mr. BARTON. Thank you, Mr. Secretary.

Mr. UPTON. Thank you, Dr. Kissinger.

When we were here last, when Mr. Duberstein testified, and, Mr. Baker, we also had transportation trouble that day as well, as I recall, as you had an event in North Carolina that sent you off from our second panel, a lot was said. In fact, it was Mr. Duberstein's testimony of trust but verify, and that is exactly what we want to see come about here.

I would like to share your optimism and your confidence in the new system. I am not quite there yet. We are anxious to see that the code of ethics, as it is drafted up—we are anxious to see that perhaps the first number of cases and how they are dealt with—we are interested to see, obviously, the full implementation and the progress that is made and perhaps further refinement with the scrutiny that comes about.

But there was something that did come about, and I do not know if you saw this, I guess it was in Sports Illustrated this last week, posted from Switzerland, and I just want to run through with you some of the events that take place that sort of adds to our not full confidence. It adds to our skepticism in terms of being fully effective, the new Ethics Committee.

I read, "John Kim was indicted in September on Federal charges that he lied to investigators and entered the U.S. with a fraudulently obtained green card." Mr. Kim, a member of the IOC—his son, I'm sorry.

"Kim received a severe warning from the IOC earlier this year for alleged ethics violations.

"Asked last Wednesday whether Kim's status was under review as a result of his son's indictment, Director-General Francois Carrard said, 'There are no facts as far as we are concerned. It would be a matter for the Ethics Commission'."

Sent to the right place. Those are my words.

The story reads, "Commission members, however, said they have no power to initiate further investigations on the case, which IOC spokesman Franklin Servan-Schreiber said is 'closed until there is new proof'."

"Ethics commissioner member Robert Badinter said that 'we will not be Scotland Yard'."

It goes on.

How does that comport with the power that the Ethics Committee has on obviously a case that is pretty recent versus back in the 1980's or even earlier in this decade?

Mr. BAKER. Mr. Chairman, I would say a few things.

No. 1, the commission is still very much a work in progress. As I said in my earlier testimony, in the summation of my testimony, while we have adopted the code, we have adopted the bylaws, we are now in the process of writing rules and regulations and finding an administrative officer, an ethics officer, a special representative.

And, by the way, it is my view that we ought to pick that person, the administrative officer, before we finish the drafting of the rules

and regulations, because he or she should have some role to play there.

On the question of whether or not we go into matters that are in the past and prior to the creation of the commission or prior to the perfection of the commission's activities, it is a very thorny issue. My friend, Mr. Badinter, also said at one point, or one of my fellow members did, that we are a forward-looking commission, and indeed we are.

And you finally then get to the question, where do you close a matter? Do you go all the way back to the very earliest selection process and review the whole thing? I don't think so. Do you take a look at new allegations and new charges that were not considered? I certainly do think so. Is the commission a self-starter? Yes, in my view it is.

And without any allegation of misconduct, it seems to me that if the administrative officer or his staff or the commission or any member of the commission ascertains that there is a reason to believe that there has been an infraction of the code or of appropriate conduct, that they should be a self-starter and go forward with it.

But there has to be a dividing line someplace. And while we cannot go back and review everything that has ever happened, I do think that the commission, that the administrative officer, should be open to taking a look at anything that looks like it ought to be looked at and that perhaps may not have been looked into before. But it is like prior jeopardy in the legal parlance. You have to stop someplace.

Mr. UPTON. You would not necessarily close the door on this investigation, which is pretty recent?

Mr. BAKER. I would not close the door on that or any other investigation. If something new comes up that is clear it was not considered, then I think it is entirely appropriate for the Ethics Commission to take a look at it.

Mr. UPTON. Ms. DeGette.

Ms. DEGETTE. Well, Senator, I really agree with what you have just said in terms of independent investigatory authority. Because something that I am very concerned about hearing in the testimony today so far is this testimony about, well, we never investigated abuses because no one reported them to us. And of course, as we know, if any organization is going to engage in a culture of corruption, you are not going to have reporting because everybody is going to back each other up.

So I guess I would like to hear from you what you think that the Ethics Committee will be doing in its regulations to empower it to have this independent investigatory authority. I never got what I considered to be a very clear answer from Mr. Samaranch as to how we are going to break this cycle that has built up and how we are actually going to investigate whether it is happening, whether or not we have a specific allegation of abuse by a specific individual.

Mr. BAKER. Well, I think, first of all, you might like to have a little insight into how we finally derived the wording of the ethics code. One of the most energetic debates we had within the commission was whether or not there is a positive requirement for those who participate in Olympic activities to report a violation. Some

said, well, you know, we just cannot do that. We would turn ourselves into, as one member said, into a bunch of McCarthyites. I said, well, in my view, you cannot have an effective ethics code unless you have a corresponding requirement that you report what you find.

Ms. DEGETTE. Right.

Mr. BAKER. And while that is not dealt with directly in the ethics code, I think finally there is a unanimous view that the Ethics Commission has the positive responsibility to investigate whatever comes to their attention in whatever way.

Ms. DEGETTE. But no proactive responsibility was put on IOC members to report, is what you are saying, and that kind of disturbs me.

Mr. BAKER. It is not spelled out in the code itself. But I say now, in my view, not only does the Ethics Commission have that responsibility, but I believe the Executive Committee has that responsibility, the IOC has that responsibility, and I think anybody involved, including national committees, should have, and I believe does have, the responsibility under the code to tell us if they see a violation of provisions of the code.

Ms. DEGETTE. I understand what you are saying. I saw Mr. Duberstein nod. Do you think it will be possible, as we flush out these committee rules, to have some kind of affirmative responsibility to report any gifts that are received or trips that are taken or so on?

Mr. BAKER. Well, I hope so. Yes, on trips that are taken, I certainly think so.

Ms. DEGETTE. Well, to follow up on the gifts, Mr. Samaranch just said a few minutes ago that he thinks the gifts should just be banned since they are an adjunct to the trips, and the trips are bad. So I will look forward to that change.

Mr. BAKER. By the way, I have a view of that. I don't think you ought to ban the trips. I think the trips are useful. I think what ought to happen, and I have said this, but it is not incorporated in the policy directives, I think what ought to happen is the IOC itself should pay for those trips.

Mr. DUBERSTEIN. Which is, in fact, the recommendation of our commission.

Mr. BAKER. Exactly.

Mr. DUBERSTEIN. But the IOC went——

Ms. DEGETTE. So is that going to lead to another change in the rules, do you think? I might happen to think the trips would be useful, too, but the IOC should pay. But that is not what the IOC did.

Mr. BAKER. No. It is not in the rules and, really, it is a matter of policy, I think, absent any specific provision. What I am saying is I would feel better if it were done that way.

Ms. DEGETTE. Mr. Duberstein, feel free to jump in. Do you feel it would be helpful to have some kind of hotline, where people could report some kind of potential abuses?

Mr. BAKER. That was discussed also, as we debated and finally adopted the ethics code. Many corporations do have that. They have a hotline not only to make it easier for people to report allega-

tions of misconduct and violations of the code, but also so they can do it anonymously.

Ms. DEGETTE. Right. Well, do you think a hotline will happen? We are talking about all these ideas, and maybe they are good ideas, but I do not hear this happening.

Mr. BAKER. We are still a work in progress, and that is my view, but I guess I have not given up on that yet.

Ms. DEGETTE. All right. Just one last question, if I may. And by the way, we have enormous respect for you, for the other members of the panel, everybody who is working on this. We know you are all very diligent, and you are all very well respected. The concern I have got, and someone I think on the other side mentioned this in the previous questioning, what happens when you are all gone?

How can we institutionalize an Ethics Committee that will not be primarily or even solely reliant on personalities and the goodwill of the vice chairman and of you good folks?

Mr. BAKER. Well, I appreciate the compliment, and I usually decline to think about what happens after I disappear.

Ms. DEGETTE. Just after you leave the committee.

Mr. UPTON. We will use the John McCain example. We will give you some dark glasses and prop you up like he is going to do with Alan Greenspan.

Mr. BAKER. I would agree. But you are doing here the best thing you can do, and that is to ventilate these issues, to call public attention and to the attention of the IOC apparatus. Believe me, I know firsthand the IOC is listening to this and the Executive Committee is listening to it, and they are taking to heart the suggestions that you have made, that the Ethics Committee makes. This is the most effective thing that can be done.

The Congress of the United States has no jurisdiction over the IOC. Maybe we can get at it in some indirect ways. But the surest way to deal with this, in my view, is to make sure it is a prominent, well-ventilated issue.

Mr. UPTON. Mr. Burr.

Mr. BURR. Thank you, Mr. Chairman. And given as much time as you spent with Senator Thurmond, Senator Baker, I don't expect you to go anywhere anytime soon.

Let me set the record straight. And I don't think Mr. Kissinger meant specifically what he said, but I have questioned individuals, the chairman of the Ethics Committee, who is the vice president of the Executive Committee, and I have not questioned his character or his integrity, I question structurally whether the ability to serve as the chairman of an Ethics Committee and the responsibility he then had as a vice chair or vice president of the Executive Committee could in fact be performed by the same individual. Clearly, if you believe that that works, then I can accept that.

I think the question that we all have about this process is structure. Is the structure in place that outlasts all of us and is one that the IOC can turn to in troubling times?

So let me get to maybe not what the Ethics Committee is doing but how you envision the Ethics Committee handling certain things. Do you envision the Ethics Committee recommendations to be transparent or will they be closed at the Executive Committee level?

Mr. BAKER. Let me take them in reverse order. Should the deliberations of the ethics committee be totally transparent?

Mr. BURR. Maybe not the deliberations but the findings of the Ethics Committee.

Mr. BAKER. The findings certainly should be transparent. The deliberations, you may have cases where you would want to protect the innocent or make sure that you protect sources or for other reasons that you would want to hold in confidence some of the deliberations of the commission.

Mr. BURR. But you would expect the findings of the Ethics Committee that you turn over, based upon the structure that I understand, to the Executive Committee of the IOC to be open, those recommendations?

Mr. BAKER. I don't believe it is dealt with anyplace in our bylaws or our proposals, but I would expect that to be so, yes.

Mr. BURR. Do you envision the Ethics Committee having the capabilities of disciplining IOC members or can that only be done under the structure by the Executive Committee?

Mr. BAKER. I don't think the Ethics Commission actually will have any authority to sanction or punish anyone. What we do is act as a fact-finding group, make a recommendation to the Executive Committee, and perhaps then from the Executive Committee to the full IOC. But we have no authority as an Ethics Commission to do that.

Could I say a word about Judge Mbaye?

Mr. BURR. Yes, sir.

Mr. BAKER. I met Judge Mbaye before I agreed to be on this commission, but I must tell you I am mightily impressed by him. He is careful, and he is deliberate, but he is also determined, and he is determined to see this undertaking works. And the fact that he is also a member of the Executive Committee does not really bother me at all. Perhaps it might at some future time, but I really am not really concerned about that, and I am certainly not concerned with Judge Mbaye.

Mr. BURR. If this were not the IOC and this was a corporation that you served on the board of and that corporation set up an Ethics Committee within its company and the Chair of the Ethics Committee was in fact the vice president of the board, would you have a problem with that?

Mr. BAKER. Well, I was on a board, and before I went on the board I was asked to draw a code of ethics. And then after I got there, I became a member of the audit committee, which had responsibility for overseeing the performance of the ethics code. We had no chairman. We were a committee. But had we had a chairman, and were it a member of management, I don't think it would have bothered me. Because we had a majority of directors, outside directors. As a matter of fact, all but one was an outside director on the audit committee. And it never occurred to me that there was anything wrong with that.

And, honestly, I don't think I will worry about this.

Mr. BURR. Again, my question is not toward the integrity or capabilities of Mr. Mbaye, it is more toward the structure. Is that the structure we want for the future?

Let me go on. Do you envision that the Ethics Committee can investigate charges on their own, or would they have to be directed by the Ethics Committee?

Mr. BAKER. Well, that is a very good question. I have heard expressions of several variations on that subject. My own personal view is that the Ethics Commission, and more likely the ethics officer, should have free rein to investigate anything that comes to their attention or that they suspect. And if it is in writing, that is fine, but they might even require it to be in writing. But I don't think there should be any restriction on the scope of the permissible inquiry that the Ethics Commission can make.

Mr. BURR. According to an IOC press release dated October 28, 1999, it stated that the Ethics Committee plans to develop within 12 months a process by which the Olympic parties will certify that they will comply with the letter and spirit of the IOC code of ethics. Let me just ask you, why will it take so long to develop?

Mr. BAKER. Well, I am not so sure it will. But I do think, as I said earlier, that it is as important that we have an educational program as it is that we have a code. Because those who are potentially impacted by this code or by the rules and regulations must be aware of the fact that not only the commission itself is behind these provisions but so is the top management, so to speak, of the IOC.

I have no view on how long it will take. It has taken us a long time to get as far as we are, and it is still very much a work in progress.

Mr. BURR. But you do see that as a vital part of the compliance by bid cities?

Mr. BAKER. The compliance part is important, and it is going to take awhile. And to be absolutely honest and candid, you don't get instant agreement within this commission on every item that comes up. It takes awhile for it to percolate through and to develop a consensus.

Mr. BURR. That must be odd for you, after leaving the legislative branch up here, not to have full agreement?

Mr. BAKER. Absolutely unheard of.

Mr. BURR. Last question. Is the Ethics Committee currently investigating any allegations of wrongdoing? Not asking for specifics, I am just asking in general.

Mr. BAKER. If I may, Mr. Burr, I think I will reserve on that for the moment.

Mr. BURR. The gentleman certainly has the right to do that, and I respect that.

I thank the Senator, and I thank Mr. Duberstein.

Mr. Chairman, I yield back.

Mr. UPTON. The gentleman's time has expired.

The gentleman from Texas, Mr. Barton.

Mr. BARTON. I thank the chairman.

I want to comment on something that Senator Baker said in response to an earlier question, that the U.S. Congress does not have direct jurisdiction over the International Olympic Committee. That is very true. I am told, though, that the U.S. Government directly gives several hundred million tax dollars every Olympic cycle to the IOC, or USOC, indirectly through our Tax Code another several

hundred million, and then U.S. corporations through sponsorship and commercial dealings several billion dollars. So I think there is a reasonable right of the Congress to be concerned about this, and I know that you share that.

Senator Baker, I may not have this quote exactly right, and I would beg your excuse before the fact. But when I was a lad watching the House and the Senate growing up in Texas, I remember a certain Senator on a certain committee saying something to the effect, "What did he know and when did he know it?" Do you recollect who said that and when that person said that?

Mr. BAKER. I also recall that at lunch, on the day before I said it, with my press secretary Ron MacNamy, where I said we have to summarize this thing some way. It is drifting away. And I am going to ask what did the President know and when did he know it. And my press secretary said, "No, don't use that, it doesn't have any clout." And I was about half convinced.

But I do think it summarized the whole thing, and I don't think it is inappropriate to this inquiry. And it should be extended beyond just the President. It should be extended as well to the management of the IOC and specifically to the Ethics Commission. As long as I stay on the Ethics Commission, I intend to make sure that everything is possible for me to know about appearances of impropriety or about allegations of impropriety. That may be very difficult, but I feel that is the responsibility of the management and of the commission to do.

Mr. BARTON. Well, I want to commend you, Senator Baker, for having the courage in the early 1970's, as part of the Select Committee on what was commonly called the Watergate Investigative Committee, as a member of the minority party in the House and the Senate, to make that statement, to stick to your guns. Ultimately, the fact that a person of your commission and your eminence asked that question led to the resignation of the President of the United States. And I think President Samaranch, who is still in the room, is to be commended for appointing, for lack of a better term, what we in Texas would call a posse that puts people of your eminence and Dr. Kissinger and Senator Mitchell and some of the international community on it.

But I would point out that, to use that analogy a little further, if the sheriff or President Samaranch sends the posse in the wrong direction, you can look all day and have the best sharpshooters and bloodhounds and troubleshooters and not find anything. So I am a little concerned about the responsibility for implementation, as the other members are, and I have a few questions for you in that regard.

Sports Illustrated reports that of the 112 members on the IOC board as of February, 90 were appointed by President Samaranch. Is that concurrent with what your understanding is of the current make-up of the IOC?

Mr. BAKER. I have no reason to dispute that at this point.

Mr. BARTON. If that is in fact true, how independent do you think the current IOC board membership can be in implementing all of these various reform measures, given the fact that the incumbent president intends to remain in office?

Mr. BAKER. Let me regress for a minute and say that throughout my participation in this inquiry and the construction of the ethics code, I could not have asked for more cooperation than I have had from President Samaranch. I have talked to him privately, I have talked to him in groups, and I came away convinced that he was fully dedicated in a manner of trying to clean this up, so to speak, and that he fully supported our effort to draft a code that would institutionalize this new regime. So I have a very high regard for President Samaranch. I know that he testified effectively this morning, but I wanted to add that.

Now, on the independence of the IOC, the very best way that you could do that, I think, is the way that we talked about a moment ago, and that is to make sure that the deliberations the IOC, of the Ethics Commission, the executive committee are all transparent to the maximum appropriate extent, and that as you point out, the Congress—in particular this committee—keep track of the evolution and development of this work in progress so that you can publish, so that you can call the country's attention to the successes and perhaps the failures of our efforts to institute a new day at the IOC. I really don't have any fear of undue influence by President Samaranch. I think he is well meaning and dedicated, I think he has given distinguished service, and I really have no reason to think that that would change.

Mr. BARTON. Are we going to have a second round, Mr. Chairman, on this panel?

Mr. BRYANT [presiding]. I have been told that it's up to me. That could be dangerous.

Mr. BAKER. Would the chairman accept a suggestion that if we have a second round, that we have sandwiches?

Mr. BRYANT. Only Mr. Upton might think on it. The chairman, the real chairman will be back here shortly. I will certainly leave it to his discretion. I suspect he will, if there are——

Mr. BARTON. Let me ask you one more question, and then I will defer my other series for the second round, if we have a second round.

Why should not the reforms that are being implemented for the IOC board members not also be applied to the office of the presidency and the other executive offices?

Mr. BAKER. Well, I have listened to that question and Dr. Kissinger's answers. To tell you the truth, I haven't thought about that. But part of the reason I haven't thought about it, I guess, is because I have become such an admirer of President Samaranch. But I will think about it, and I will see that the matter is addressed and properly debated in the Ethics Commission. I am not——

Mr. BARTON. Dr. Kissinger's basic response was that he hadn't thought about it too much either, and he just assumed that whoever assumed the presidency would honor the spirit and the letter of the reforms to the rest of the membership. I would simply offer suggestions to your committee that the reforms on travel and acceptance of gifts and reporting and transparency be formalized for the Office of the Presidency and the other executive offices if for no other reason than to assure congruity and conformity.

Mr. BAKER. I thank you for the suggestion and I will see that it is passed on. I will promise to pursue the matter. I might also say,

Mr. Barton, that my dad, who was in Congress years ago, taught me that if I ever testified before a congressional committee to always make sure that I didn't speak more clearly than I thought.

Mr. BARTON. We appreciate this panel testifying without the benefit of interpreters. That helps us. Mr. Chairman, I yield back the balance of my time.

Mr. UPTON. We have a little problem with the time because I know that—we are going combine Panel III and IV together. I know that some of those athletes will not be able to stay much longer because of transportation. So if we can, I would like to conclude with this round. If we have a passing question, come see me. Let me go to Mr. Bryant first.

Mr. BRYANT. Thank you. Mr. Duberstein and Senator, I would like, if either one of you have opinions on two questions that I have, if you could maybe express those rather succinctly, and we will try to move this along. I think we probably took a little longer than we anticipated with our first panel. But in terms of this Ethics Commission, is it too early to determine whether or not the members of the IOC—I don't know, perhaps I am assuming there has been some feedback—are taking this seriously, because I mentioned the culture that we feel. We heard a lot about that in the first hearing, that is sort of out there. In addition to that—this is not my second question, but in addition—are they going to take it seriously; are there powers that this commission will have, the special representative will have to get their attention?

Mr. BAKER. Mr. Bryant, I think that the IOC itself and the staff of the IOC and perhaps those who know of our deliberations, country committees and the like, do take it very seriously indeed; and there have been lots of suggestions about what should or should not be included in the code or the bylaws or the implementation plan.

Once again, I think the surest way to make certain that the reforms survive and endure beyond the life of this commission or even this executive committee is to make sure that groups like this committee continue to have an interest in it. I know it is intrusive and unpleasant and an inconvenience to the IOC to have hearings like this, but it is the surest guarantee that these issues will be addressed and they will persevere in their effort to create a new day.

Mr. BRYANT. Mr. Duberstein, do you want to add anything to that?

Mr. DUBERSTEIN. The only thing that I would add is our commission and Senator Mitchell and I had concerns, until the time that we traveled to London to meet with Mr. Samaranch, Mr. Carrard. We spent a good bit of time with them. Subsequently, we have talked with one or both of them on a number of occasions and became convinced of their not only dedication to reform, but to the transparency of the IOC and to the more full participation and representation at the IOC. I think it is significant that Mr. Samaranch came here today to appear before this committee. I agree with Congressman Barton as far as jurisdiction, but the fact is that Mr. Samaranch came here and testified and took all the questions that were asked. I think that should suggest to you that the commit-

ment to reform on Mr. Samaranch is something that he is now living every day. I think that is reassuring.

Mr. BAKER. Could I add to that just for one moment? I am talking a little out of school, but I could tell you that there are many people on the IOC structure who thought it was inappropriate and unwise for President Samaranch to appear here. He persisted from the beginning, saying that he felt he should, and he did, and I am glad he came.

Mr. DUBERSTEIN. I agree.

Mr. BRYANT. This will call for a short answer one way or the other, but both of you if you could answer this, both members of the panel, based on your experiences thus far as a member of the IOC Ethics Commission, are you satisfied with the progress that has been made to implement the necessary procedures to ensure the Ethics Commission will be successful in overseeing compliance with IOC rules and the ethics code?

Mr. BAKER. Yes, I am. There is always many a slip between the cup and the lip, but—I will repeat what I said earlier. This was not a cut-and-dried deal. There was a lot of controversy about the provisions of the code. It was finally unanimously adopted. I think the commission is fully on board and enthusiastic. I think the executive committee is. I believe that President Samaranch is, and that's way down the road. That is coming along.

Mr. DUBERSTEIN. I do agree with what I observed and my conversations with Senator Baker.

Mr. UPTON. Mr. Oxley.

Mr. OXLEY. Thank you, Mr. Chairman. Let me first thank both of you for excellent work on behalf of the International Olympic Movement. It has been spectacular and I think your presence here today points that out.

This whole issue has become one that the press has focused in on essentially because of bribery or at least alleged bribery and as a result of trying to get a bid for a particular city. And I suspect that had that not happened, we wouldn't be here today and a lot of the allegations that floated around for years probably would have continued to go unnoticed. But as a result of that, the bribery allegations, a lot of good reforms have come out of it.

As I mentioned to the other panel, to President Samaranch, Congress last year passed a bill that I introduced with Chairman Bliley to implement the OECD convention against bribery of foreign public officials. We have had in this country a history of legislation dealing with foreign corrupt practices. Senator Baker, you are well aware of that. Mr. Duberstein, you are as well. In many cases we took the lead. In many cases we were the only country that had a similar type of legislation. And it was in many ways a disadvantage for our companies insomuch that we lost billions of dollars in contracts overseas over the years as a result of our strict adherence to the Foreign Corrupt Practices Act.

Finally over the OECD leadership and the convention, the anti-bribery convention gives an opportunity for all of the countries to essentially sign on to that and put us on the same level that everybody else is. As a matter of fact, as many of you know, the laws in some countries actually rewarded companies for providing bribes, actually allowed companies to write it off on their taxes.

So we have come a long way and I think the U.S. has taken that leadership and part of that was this anti-bribery statute that we were able to pass last session. One of the provisions in the legislation said that for the first time, briberies of officials of international organizations would be illegal under our Foreign Corrupt Practices Act. The IOC was not on the list of organizations covered because it was simply not covered by the International Organization Immunities Act. In drafting the bill, it did take into account the possibility that other organizations might need to be added to those subject to the FCPA. This provision allows the President to designate new organizations as subject to the FCPA by executive order. I, along with Chairman Bliley, wrote to the President in March—March 26, as a matter of fact—raising the issue. I understand that the Mitchell commission also raised that issue.

Mr. Chairman, I will just quote briefly from the letter that Chairman Bliley and I sent to the President in March. "We made it clear during this process that we expected prompt action by the administration to implement the treaty, including encouraging other nations to expand their own anti-bribery laws. The implementing legislation gave you the specific authority to add international organizations such as the IOC via executive order to the list of organizations covered by the Foreign Corrupt Practices Act, our Nation's tough anti-bribery law."

We go on to quote USOC president William J. Hybl in which he wrote to the president asking that you take this step recommended by the commission. In making this request, Mr. Hybl states, "The United States Olympic Committee fully supports this recommendation by the Special Bid Oversight Commission and respectfully requests that you issue such an order."

As Mr. Hybl points out in his letter, issuing such a Presidential executive order would make it illegal to bribe an IOC official under the FPCA.

Mr. Chairman, I would like to ask unanimous consent that this letter to the President be made a part of the record.

Mr. UPTON. Without objection.

[The letter follows:]

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON COMMERCE
March 26, 1999

The Honorable WILLIAM JEFFERSON CLINTON
President of the United States of America
The White House
Washington, D.C. 20502

DEAR MR. PRESIDENT: The recent events regarding the ethical lapses concerning the International Olympic Committee ("IOC") raise serious issues that must be addressed promptly. Like all Americans, we were shocked and discouraged to learn that bribery and other illicit inducements may not only be common in the Olympic site selection bid process, but also that these practices allegedly were employed by some members of the Salt Lake City Organizing Committee for the Olympic Winter Games of 2002 ("SLOC"). The very notion of IOC members profiting through their association with the Olympics is anathema to the diligence and dedication the world's athletes show in preparing for Olympic competition.

We worked together last year to successfully pass the implementing legislation necessary for the Organization for Economic Cooperation and Development ("OECD") Convention on Combating Bribery of Foreign Officials in International Business Transactions. We made it clear during this process that we expected prompt action by the Administration to implement this treaty, including encouraging other nations to expand their own anti-bribery laws. The implementing legis-

lation gave you the specific authority to add international organizations, such as the IOC, via Executive Order, to the list of organizations covered by the Foreign Corrupt Practices Act ("FCPA"), our nation's tough anti-bribery law. We did this so you could act promptly, without seeking additional legislation, in a circumstance just like this. Given that you signed our legislation into law last fall, we are interested in learning why you have not exercised your authority in this regard in the four months since the scandal first broke.

Furthermore, on March 1, 1999, Senator George Mitchell presented the Report of the Special Bid Oversight Commission to the United States Olympic Committee ("USOC"). This Report reviewed the circumstances surrounding Salt Lake City's bid to host the Olympic Winter Games and recommended improving the policies and procedures associated with the Olympic bidding process. Addressing the need for the IOC to make fundamental changes to increase its accountability, the Commission encouraged "the USOC to consider requesting the issuance of a presidential Executive Order that names the IOC 'a public international organization' within the meaning of FCPA."

Accordingly, on March 3, 1999, USOC President William J. Hybl wrote you, asking that you take this step recommended by the Commission. In making this request, Hybl states: "[t]he United States Olympic Committee fully supports this recommendation by the Special Bid Oversight Commission, and respectfully requests that you issue such an Order." As Mr. Hybl points out in his letter, issuing such a Presidential Executive Order would make it illegal to bribe an IOC official under the FCPA.

In light of the foregoing, namely that you now possess the specific authority to take action and a recommendation to do so from this nation's own Olympic Committee, do you intend to issue an Executive Order designating the IOC as subject to the FCPA? If you do not plan to issue such an Order, please include an explanation of your decision not to act.

During our consideration of the implementing legislation, we made it clear that convincing other nations to ratify and implement the Convention was critical to its success. If we want to return integrity to the Olympics, we urge you to encourage as many nations as possible not only to ratify and implement the OECD Convention, but do so in a way that specifically makes bribery of IOC members illegal under their own anti-corruption laws. We are interested in learning what you have done in this regard. Accordingly, please describe the steps taken by the Administration, if any, to encourage other nations to implement the OECD Convention in a manner so as to make bribery of an IOC official illegal. Also, please identify, as of the date of this letter, the nations the Administration has contacted to urge them to implement the OECD Convention in such a manner as to specifically make the bribery of IOC officials illegal. We would greatly appreciate your response to our questions by April 13, 1999.

Fairness, clear rules and objectivity are critical in the sporting world. The Olympic spirit reflects the highest ideals in this respect, or at least it should. Athletes spend years of hard work in training in order to pursue the Olympic dream. Their tireless dedication to excellence should not be sullied by corruption, or by acquiescence to corruption.

If you have any questions about this request, please contact us or have your staff contact Mr. Edward Hearst of the House Commerce Committee staff at (202) 226-2424. We look forward to hearing from you on this important matter.

Sincerely,

TOM BLILEY, *Chairman*
Committee on Commerce

MICHAEL G. OXLEY, *Chairman*
Subcommittee on Finance and Hazardous Materials

Mr. OXLEY. Thank you, Mr. Chairman. I would like to ask both of the you, Mr. Duberstein and Senator Baker, do you think the President should designate the IOC as an organization subject to the Foreign Corrupt Practices Act?

Mr. DUBERSTEIN. Yes.

Mr. BAKER. So do I.

Mr. OXLEY. Mr. Duberstein, would you require a host nation to be made part of the OECD Anti-bribery Convention and make illegal bribery of the IOC members illegal?

Mr. DUBERSTEIN. I think that would be quite useful, Congressman.

Mr. OXLEY. Senator Baker.

Mr. BAKER. I have a different view. I have no objection to that, but I feel like before a country can be considered as a host country, a host committee, that they should make a positive affirmation of their commitment to comply with the code of ethics, and the code of ethics will also cover that point.

Mr. OXLEY. The idea would be that there would be at least an incentive there for any prospective host country to adopt the Anti-bribery Convention as a means of assuring that the bribery would not take place. Is that a reasonable assumption?

Mr. BAKER. I think so. I have no objection to it. But once again, my experience in this context is with the ethics code. We considered that in the ethics code, whether or not subscribing to the provisions of the ethics code ought to be a condition precedent to considering a country as a host country.

Mr. OXLEY. Mr. Chairman, we still await responses by the administration to our letter regarding any positive movement toward including the IOC under the anti-bribery statute. And perhaps we could work together to make certain that the administration understands how serious this committee is and, I am sure, how serious these gentlemen are about following through on that idea.

Mr. UPTON. I would just like to say that I would like to work with you on that. Though I thought the administration was trying to seek, though, in a little different form, but they were in fact trying to get the IOC underneath the Foreign Corrupt Practices Act. I thought they had sent that signal as poorly written.

Mr. OXLEY. Under the legislation, as I indicated, the President by executive order could do that today, and it has not been forthcoming. I think it is important that we make the administration understand how serious we are about that issue. I thank the Chairman for his indulgence in allowing me to sit in on the subcommittee and I yield back.

Mr. UPTON. Thank you very much. I would like to say that a number of us will have additional questions that we will submit in writing.

A couple of us have questions that we would like to pursue in person, and I will first recognize Ms. DeGette.

Ms. DEGETTE. Thank you, Mr. Chairman. I will be brief. I just have two questions.

Senator, you testified a few minutes ago, at least I thought that you testified that the Special Representative can conduct or can gather evidence and conduct investigations on his or her initiative. But as I read the minutes adopted this weekend, they note that the Special Representative proceeds with the approval of the Commission, or if it's not meeting, of the Chairman. So I read those minutes that they could be interpreted in a slightly different way than your testimony. This raises the whole issue we have been talking about today, which is that these minutes really need to be fleshed out a lot more clearly. I think that you have got a lot of work cut out for you.

Based on that, I have two questions. First of all, do you think that the IOC should consider elevating the Special Representative

to a higher status than it is now, so in fact that office can have independent investigative authority?

Mr. BAKER. I don't think there is any doubt but that the fair intendment of the ethics code in the bylaws is that the Special Representatives—Special Representative should be independent and should have the budget and the staff to carry out his or her duties.

I guess I would verse that a little different on the question of whether or not they could proceed with the concurrence of the Executive Committee or Ethics Commission. I said earlier, and I believe and I hope that my fellow commissioners believe, that the Special Representatives—Special Representative has the full authority to follow whatever leads occur to him or her. They require no authorization from the Ethics Commission or anyone else to pursue them. The Special Representative has no authority to sanction. The Ethics Commission has no authority to sanction, but I think the Special Representative should be fully empowered and I believe is fully empowered to pursue any lead that occurs to him.

Ms. DEGETTE. Following up on that. I know your staff, in particular Kevin Jones, has been very helpful to our staff in trying to work this through. This just points out to me we are seeing confusion in the minutes adopted this weekend. We are seeing clarifications that are needed. I am wondering if we can try to have a series of follow-up conversations to see how the details are really being fleshed out with the first one of them to occur the first week of February of next year.

Mr. BAKER. Sure, I would be glad to. Thank you for your remarks about Kevin, who has been very helpful to me in this whole matter. He does it as I do it without any employment with the IOC.

May I reiterate, this is still a work in progress. We are still trying to create a structure here and I welcome your observations and we will take account of them.

Mr. UPTON. Mr. Barton.

Mr. BARTON. Thank you, Mr. Chairman. I will be very quick. I just have three questions.

First of all, I heard your complimentary comments on President Samaranch. I am sure those are sincere and well taken. But I would assume that Senator Baker and Mr. Duberstein would agree that there are other men and women of eminence and integrity in the world that could also serve as President of the IOC. Do you agree with that?

Mr. BAKER. Certainly so.

Mr. BARTON. The second question deals with independent spousal and family travel and recipient of gifts. Are some of these reforms that are going to be put in place, do they deal with that issue which would be separate from the IOC membership itself, or is that still an open question?

Mr. BAKER. No, I think they will be dealt with as a matter of policy as well as a matter of structure. I reiterate what I said before. It was not adopted as policy by the Executive Committee or the Commission, but my own view is that country visits are great but they ought to be paid for by the IOC. I must tell you, having your wife along is a major advantage. If the IOC will pay for it, I have no objection to it.

Mr. BARTON. My question, Senator, is not on a spouse or family member attending an official visit. My question is on an independent spousal or family visit, which has occurred repeatedly from the Office of the Presidency on down the IOC. These are independent visits where the IOC member or the executive officer is not there. The example that I alluded to was the president's wife attending Atlanta and making no bones about the fact that she wasn't interested in looking at the potential venues. She wanted to go shopping and wanted to see some of the cultural sites of the South. My question is independent family/spousal visits, not attending or an official visit.

Mr. BAKER. I know trouble when I see it. I am not about to talk about a wife attending these meetings. I take your point and I understand.

Mr. BARTON. It is something that needs to be looked at. I am just bringing to it to your attention.

Mr. BAKER. I will adhere to that.

Mr. BARTON. There are a number of reports over the years that have alluded to that.

My last of my questions is somewhat more complicated. If you want to cogitate on it and present a formal response for the record because of time, I understand that. But I am told when you attended your first IOC either Executive Committee meeting or maybe preliminary session that you appeared—you came back and were appalled at the lack of any regular order. I know you are from the Senate and we sometimes in the House think that the Senate doesn't have any regular order, but we have a Rules Committee and a Jefferson's Manual, and we adhere to certain procedural rules. Apparently when the IOC conducts a meeting, there are no rules, as in whatever the presiding officer makes them at that meeting.

Should it be made in order that you actually recommend a set of procedural rules so that the way votes are taken, the way items are put on the agenda, the way things are brought up for consideration, all of the things that we take for granted in a democracy, but appear to be done, if at all, very murkily in the IOC hierarchy?

Mr. BAKER. It is a pretty informal group, at least the Ethics Commission is. I will acknowledge to you that after my first meeting I was tempted to resign. But then I thought better of the whole thing and made my recommendations and many of them were adopted. I think that it is a worthwhile endeavor. But I have no—I see no crying need for a formal code of procedure for the Commission. I have never been to an IOC meeting or Executive Committee meeting so I can't speak to that. But I think the Commission works okay. Judge Mbaye runs it in a very effective manner.

As I repeat, in the first meeting I certainly got off to a rough start. We had some pretty enthusiastic disagreements on some points. But it all came together, it is working as a group. I think it is effective. I think the code they have adopted is good, perhaps even excellent. I think that the bylaws that have been adopted are good and relevant and I think that our next big challenge is to find the right Special Representative, our administrative officer. But I have come a long way since that first meeting when I was sort of

nonplused by the way that it went. But I think things are going well and I think they will continue.

Mr. BARTON. I was told that at last week's meeting, one of the motions was made on a particular reform measure, and there were 90 members present who were allowed to vote and the vote was called and 10 voted for it and it was moved that it was adopted. In the U.S. Senate, if the vote were 10 to 80, the nays would have it. I think there is work to be done in that area and I would commend that to your Commission to look into.

Mr. BAKER. One of my law partners who is chairman of the firm, always at firm meetings says, I perceive a consensus.

Mr. BARTON. I thank the panel. Thank you, Mr. Chairman.

Mr. UPTON. Thank you again, both of you, and Dr. Kissinger has left early to catch his transportation. We appreciate very much your testimony. I just want to say that we look forward to hearing both your frustrations and the words of success as this moves forward in the future. I know that you will be willing and able to communicate it to this panel. We appreciate very much your time and wish you a very happy holiday season. Thank you. Good to see you.

If we could have the third and fourth panels assemble. I know that in particular Bonnie Blair has a 3 o'clock plane that I am told is on time. I made it to National in 6 minutes, so that may be an Olympic record, and you are supposed to be faster than me. But if at this time we could have the remaining two panels together, Mr. John Naber, Mr. Bill Stapleton, Mr. Robert Ctvrtlik, Ms. Bonnie Blair, Mr. Kerrie Strug, Mr. Kevin Szott, Mr. Billy Mills, and Mr. Peter Westbrook come to the table.

As you know, our process is taking testimony under oath. If you raise your right hand.

[Witnesses sworn.]

Mr. UPTON. We will start with Ms. Blair who still has a chance to catch the flight. You can take any chair. We know who you are, you have been identified. We need that mike.

Your statement in its entirety will be made a part of the record. Thank you.

TESTIMONY OF BONNIE BLAIR; JOHN NABER; BILL STAPLETON, CHAIRMAN, USOC ATHLETES ADVISORY COUNCIL; ROBERT CTVRTLIK; BILLY MILLS; KERRIE STRUG; PETER WESTBROOK; AND KEVIN SZOTT

Ms. BLAIR. Can everybody hear me? Obviously, it kind of seems already that everybody knows who I am. In my original statement, I said good morning but I think now it is afternoon. We do appreciate and, I guess, on behalf of the all of the athletes, you letting us be here and in a sense kind of speak our minds as well.

I am Bonnie Blair. I have been in four winter Olympics, consecutive Olympics, starting in Sarajevo in 1984 and going on through Lillehammer in 1994. I was able to have the, I think, the great fortune to be able to win 5 Olympic gold medals and one bronze for myself as well as the United States. As of right now, that's the record for the most medals for a female American, which that is something I am still proud of.

During the course of the Olympics, being able to be up on the medal stand is something that is difficult to express in words what

that feeling is like. Having that medal draped around your neck, hearing the Star Spangled Banner played, there is nothing quite like it ever in my wildest dreams. I was lucky enough to be able to do that five times.

But through all of that and the great victories that I have had, one of the most greatest victories that I felt was a race where I actually didn't receive a medal, where I actually placed fourth in the 1500 in Lillehammer. That was a personal best for me.

So I think a lot of times for us, especially as athletes, when you achieve something that is beyond your wildest dreams, that is success. I think success comes from a lot of different areas in life; in the Olympics, in everything that we do. Sometimes success just doesn't always mean finishing first. But for sure as an athlete, as an Olympian, I didn't go to the Olympics not thinking of gold. That was something that was obvious in all of our minds. Like I said, success comes on a lot of different levels. To me, striving for a personal best was something that I was just as proud of achieving as it was the Olympic medals that I received as well.

I think also as a competitor, as an Olympian, you can't be afraid to compete. Whatever the level, whatever the race, you go out there and give it everything that you have got. And maybe sometimes people think of being scared of something. It's kind of iffy. But I guess part of that also has to come with the possibility of knowing that you might have to accept change and risk. Because, for sure, as athletes a lot of things can change: your age, your health, your condition. But you always have to be willing to be up to the challenge of the change, of taking that risk.

I think that's one of the things where the IOC has come up against something. They know that they have had to make a change. They have had to make something different, to do something different, to try to always be the best that you can be. And that's what is happening.

I know as an Olympian, I have been just as disappointed as a lot of you have of the things that have happened over the course of the last year. But they know that they have to make change. They are having to do something different. In my eyes, what has gone on over the last year, especially over this last weekend, they are taking those steps to make the change. I think all of us here were the ones that were going to keep backing then. We are going to keep supporting them and challenging them to keep making it better and to be the best that they can be.

I have definitely been proud of my relationship with the Olympic Committee, starting off with speed skating as a whole here in the United States with our Olympic Committee and being a part of the Olympic Movement worldwide. It is definitely a position in my life that I know is going to carry on for a lifetime. And I want to continue to work with them, hopefully try to keep making things better so that they can be the best that they can be for the future of what our Olympians are going to be. I know that they are going to make the change. To me it has been obvious and I think that we have to stick with them and try to help them as best we can. Thank you.

[The prepared statement of Bonnie Blair follows:]

PREPARED STATEMENT OF BONNIE BLAIR

Good Morning, Mr. Chairman and members of the Subcommittee. My name is Bonnie Blair. I am a recently-retired Olympic speedskater and I am pleased to appear before this committee.

I have had the tremendous good fortune and the high honor of representing the United States at four consecutive Winter Olympics: Sarajevo in 1984, Calgary in 1988, Albertville in 1992, and Lillehammer in 1994. During the course of my Olympic competition I won five gold medals which, I understand, is a record for an American female Olympian.

It was a thrill each time I stepped up on the platform and heard the Star Spangled Banner play as the gold medal I won was placed around my neck. But to me, "winning" is a relative term. The greatest victory I ever experienced was my finish in a race in which I did not receive a medal, but in which my performance far exceeded any of my previous competitions in that event. That, to me, was a victory because I had achieved something I never dreamed I was capable of achieving, although I had been working hard to prepare.

Don't get me wrong, as an athlete, and as an Olympian, I always skated for the gold. But I am saying that there are other measures of success—in life as in sport. Being the best that you can be, without fear of failure. We have to recognize and honor even our smallest triumphs, the personal-best-goals that we set for ourselves, even if they seem less than noteworthy to others. That is the Olympic ideal, and is at the base of what motivates all of us as we prepare for competition, whether in the Olympic Games or in life.

The successful athlete knows that you can't be afraid to compete, whatever the pressure, whatever the race. This brings me to a bit of a contradiction and that is, in order to be successful consistently, we need to be flexible enough to change and risk. For an athlete, conditions change. Age, experience, health and conditioning change. Equipment and technique change, too. If I had resisted change as a competitor, I would have been left behind long before I experienced the success I did. We see this element of change manifesting itself in the global environment, too. Attitudes change, policies change, even governments. Why? Because the bottom-line goal is to make things better.

I have personally been troubled by the events surrounding the International Olympic Committee as they have unfolded over the last year. I believe these problems have served as a detrimental distraction from the Olympic ideals of competition and personal excellence, and have forced the concentration of the athletes onto matters unrelated to their quest and pursuit of excellence.

The way I see things, the International Olympic Movement is on the cusp of great and much-needed change. It must not fear change, but welcome it as a competitive challenge to make it a better organization; responsive to athlete interests and respectful of the ideals it has always represented. The athletes, who are the backbone and reason for the Olympic Games deserve to have the honor and nobility restored to the great tradition that is the Olympic Movement. For that matter, so do the world citizens who make up the audience that cheers for the victors, weeps for the tragic figures and ultimately exalts in every athlete's participation in the Games.

From what I have read over the weekend, the IOC has taken the first steps toward restoring the integrity of the Olympic Movement and I encourage them to continue their progress. In this we, the Olympic athletes, want to be a part of the process because we truly care. We will not let you fail because we will bring the same energy toward the restoration of the Olympic ideal that we brought to our preparation for competition as Olympians and Olympic Hopefuls.

My association with the Olympic Movement is a major factor in who I am and I am proud of my association with it. The current difficulties, I believe, are only temporary, and we are now on the road back. Let all of us who really care about the Olympic Movement be part of the restoration process, applaud the successes, however seemingly insignificant, and help the IOC be the best that it can be. That is the Olympic spirit, the Olympic way, and I know that a characteristic Olympic effort will yield a result that will make everyone involved a winner.

Mr. UPTON. Thank you very much.

Ms. DEGETTE. Mr. Chairman, may I ask unanimous consent to ask Ms. Blair one question before she leaves?

Mr. UPTON. Sure.

Ms. DEGETTE. Ms. Blair, as you have heard, sitting through the whole testimony today, our real concern is that the IOC be as good as it can be also, and that's why Congress has really been trying

to pressure for these reforms for a long time. What I would like to ask you is, is there concern—I might ask the rest of the athletes this later—is there concern among the athlete community that Congress's efforts to clean up the IOC is going to somehow result in retaliation against the U.S. athletes?

Ms. BLAIR. I certainly hope not. I think one way to look at it is that everybody is trying to make the steps to make it better. I think John Naber will talk a little bit more on his end and what he has been involved in. I think that's been a big forefront on the athlete part. But I think it is coming from all different areas as well as from the sponsorships, those people taking a stand, too. But I think in a sense it is kind of like everybody coming together to make that wheel spin in a perfect circle so that we can be the best that we can be in all different areas.

Ms. DEGETTE. So you think that the athletes support this effort to make the IOC reform?

Ms. BLAIR. I think the athletes always want to have whatever is best. I think as far as the athletes go, a lot of the things that happened, you never really touch them specifically. We go to the Olympic Games and we compete. We are kind of like in tunnel vision. A lot of the things that happen on the outskirts beforehand, we don't have a lot of anything to do with that. So our main focus was always to go out there and strive to be the best that we can be. I think for anything, you always wanted to be the best that you can be, whatever the circumstances. Obviously, we have been hit with a battle of a lot of frustrating circumstances. I think in the long run it is going to make it bigger, better, and stronger.

Mr. UPTON. I don't mean to cut you off, but if you are going to make your flight, you better go.

Ms. BLAIR. I guess I will try.

Mr. UPTON. Thank you very much. We appreciate it.

Again, I regret that we needed to put these panels together, but as you all know, we had some starting problems this morning because of the airport trouble and whatnot. I think really at this point, because of the time constraints, even though a wonderful video was prepared and certainly I intend to watch it, we will not do it at the liberty of everybody else that has been waiting.

Oh, do you want to watch it? All right. We will roll the videotape as they say. But I do want to say, too, in putting this panel together when the video was made, I know that John Naber is not shown on the video and he on his own has received 5 gold medals and 1 silver and that needs to be certainly recognized. But let's roll the tape. Thank you.

[Videotape shown.]

Mr. UPTON. We appreciate the USOC doing that. I only wish it was about a couple of hours longer. It was really terrific and I appreciate your efforts on behalf of this country. We appreciate your willingness to come today as well. We are sorry about the schedule. Those things happen. At least we didn't have 10 votes today that would have required us to get up and back. We appreciate your willingness to appear as one panel as that will save a little bit of time.

At this point all of your statements will be made part of the record in their entirety. If you could limit your remarks to no more

than 5 minutes, hopefully a little bit shorter, that would be terrific. We will start with Mr. Naber. Thank you very much.

You need to pass those mikes down as well. And also we want to make a unanimous consent request that the report, which you had a large degree in helping to write, of your organization is now made a part of the record as well, by unanimous consent.

TESTIMONY OF JOHN NABER

Mr. NABER. Thank you, Mr. Chairman. Before I begin my remarks, I want to acknowledge that although I won my gold medals underneath the flag of the U.S. Olympic Committee and the USA, I am also a member of Character Counts Sports. I am also a member of OATH, Olympic Advocates Together Honorably, and the Healthy Competition Foundation which are a lot of different organizations that care about what is good in sport.

As part of that I want to acknowledge that the Olympic motto is "Citius, Altius, Fortius," which is swifter, higher, stronger. Not swiftest, highest, strongest. It is not about winning, it is about getting better. As Bonnie Blair just said, her losing race was one of the ones she was most proud of.

It is because of that philosophy of personal improvement that I offer my remarks and it is in that spirit which I hope they are received. I know we are limited on time so I just want to cover four quick points and one underlying commonality that goes through them all.

First of all, whenever I watch professional sporting events on television, football, basketball, baseball, it makes me wish I was a better athlete. Whenever I watch the Olympics, it makes me wish I was a better person. It is the stories of individuals overcoming obstacles and trying their best, not just about winning. It is that that I love about the Olympics. Even the International Olympic Committee's own stated fundamental principles say, and I quote, "that the Olympic Movement is a philosophy which seeks to create a way of life based on the joy found in effort, the educational value of good example, and respect for fundamental ethical principles."

"The goal of the movement is" and I continue quoting "to contribute to building a better world by educating youth through sport practiced without discrimination of any kind which requires mutual understanding and the spirit of friendship, solidarity, and fair play."

I think everybody on this panel would be perfectly happy if the IOC merely lived up to its own statement of fundamental principles. Now, with the commitment of fair play and sportsmanship, the Olympic Games, currently five wonderful gifts from this community: significant government funding for host city infrastructure; generous availability and access over the public airwaves; vast tax-deductible corporate sponsorships; the unbridled enthusiasm of wide-eyed spectators and young kids; and the undying affection of those of us who are the focus of the games, the athletes themselves.

With so many stakeholders, surely you have to call the Olympic Movement a public trust. It should be protected by the public for the good of all humanity. Now, the report, as recently suggested by the IOC Commission, the IOC 2000 Commission, that were unanimously accepted are wonderful. The abuses that brought those

things to light, the bid city scandal, frankly was like an iceberg that rips out the side of the ship. But though it did make the changes possible, it would have been unthinkable 13 months ago.

So it is without any sarcasm that I join the rest of the speakers when I say congratulations to Juan Antonio Samaranch, IOC Executive Board, and the 110th council, the Congress in Lausanne, for accepting all of these responsibilities. In my view, it turned this 105-year-old luxury liner a full 15 degrees to port. They made a big change in the last year for a luxury liner.

While many of the accepted reforms have the promise of potential change, they are still vulnerable to manipulation and abuse. If the reforms are not both implemented and enforced in a manner that is in keeping with those fundamental principles, the ship is destined to spring a leak and sink once again.

Let me begin with the first of four issues, the ethics. If we pretend that all people who ever hold or will hold an IOC post are always ethical and always make good decisions, perhaps you don't need a fully functioning, ever vigilant proactive investigator. Presumably, the number of lifeboats on the Titanic were perfectly adequate for the trip they intended to take. In sport, however, accidental violations of a rule are as common as ethical lapses are in life. At the Olympic Games, the athletes enjoy a clearly defined set of rules and well-trained officials whose only job it is to bring those transgressions to light.

Well, though the scandal has precipitated the creation of the Ethics Commission, the measure of their efficiency or efficacy is not their credentials—they are all above reproach, they are all fabulous people—but rather, the method by which they were chosen, the independence of their thinking, the transparency of their process, and the binding authority of their decision. Maybe the word "independence" has lost something in the translation, but I didn't see clear independence reflected by some of these reforms. If each member of the Ethics Committee is hand-picked behind closed doors, has no authority to root out ethical lapses but only makes suggestions that must be ratified by the Executive Board, then this group will be no more successful than the individual conscience of each IOC member. Giving the Ethics Commission the responsibility to eliminate the perception of IOC misconduct without giving them the power to do so, it is like finding a man drowning 20 feet from shore, tossing him a 15-foot rope and saying that you have met him more than halfway.

The creation of their Special Representative post is a great first step. But his or her selection process and responsibilities and the independence and the loyalties are still unclear.

Let's move on to the second area, performance enhancing drugs, which has the ability to be the single greatest thorn in the Olympic Movement's side because it attacks the very validity of the gold medals themselves. The great Norwegian speed skater and humanitarian, Johann Olav Koss, was approached by a pre-teen Olympic hopeful who said, Mr. Koss, what kind of drugs did you have to take in order to win the gold medals?

That skepticism affects the winners and the cheaters alike. Sadly, any critics of the IOC can now add to their complaints any dissatisfaction they may have with the results of pending drug test-

ing, and it needs pointing out that many of the international federations have indicated their unwillingness to play along with the international drug testing programs. The difficulties are substantial, with unproven new testing protocols, sophisticated drug users remaining one step ahead of the authorities, even the rumor of concealed positive drug tests for fear of offending or in any way embarrassing the Olympic Movement. In the aquatic vernacular, I would say either the net is too loose, the fish are too smart, or somebody is playing catch and release.

It's a wonder to me then why the IOC wants to remain in the word's cross-hairs with this responsibility. For the results of all drug testing to be universally believable, we have to remove the impression that there might be any incentive to conceal a guilty person's guilt. A zero tolerance additive is believable only from a truly independent body.

No. three, the third area of concern is the duration of the IOC terms—the two are frequently used to curtail the runaway power of entrenched position—is the application of term limits. This method allows any organization the opportunity to gradually build into the system a polite way of allowing new blood onto the committee and encouraging those with decades to leave service without a hint of rancor of scandal. The current new members, however, will be elected to 8-year terms with the possibility of unlimited reelections by their fellow members. Unlike U.S. corporations or other groups, they not accountable to the vast body. They only have to receive their votes from their own brothers and sisters. Since the votes are cast by IOC members, the possibility of the same group electing itself over and over again is real and frightening. Furthermore, since all of their 8-year terms begin January 1, they all come up for renewal at the same time, eliciting the possibility of a votes-for-votes scandal, and that's also frightening.

In the Olympic Games, the defending champion or current world record holder doesn't get a bye into the finals or a head start into the race. He or she is not automatically to return to the games 4 years later. Each victory must be fairly earned and each battle won on the merits on that date. The chance of an upset is what keeps the challengers working so hard and at the same time keeps the veteran on his toes.

Here is the fundamental truth. There is no room for entitlement at the Olympics and there shouldn't be in IOC membership.

My final area of concern is athlete representation, pretty much moot at this point, I am delighted to say. Recent rules allow for these new athletes to join the IOC, but they have to leave the IOC 8 years after their most recent Olympic appearance, which ties their athletic ability to their term, and it is in fact a de facto term limit. I don't mind getting new blood on the committee. I think it is unfair to issue term limits to the athletes while not issuing term limits to the rest of the IOC. We want a level playing field.

The criteria to serve as a representative of the active Olympians, also, I should note, the election timing stinks. To hold an election in the middle of the Olympic Games when athletes are at their most heightened critical moment in their life, it is really unfair. It seems a bit flawed, and each election could easily be a popularity

contest with the public name of the medalists as opposed to their legitimate desires to serve the good of the movement.

Last is their voice on the Executive Board. If you are going to put these athletes on, let them vote and choose their representative to the Executive Board right now. That has to be approved by the IOC president, although perhaps that may change in the near future.

The overriding concern, the fundamental common flaw in all of these four areas, in my opinion it is called the lack of IOC accountability. While they created the Ethics Commission, I don't know that they have agreed to abide by every decision that the Commission makes. While they have reduced the age limit, they have put no limit on their own terms, thereby indicating a reluctance to let go of the positions until the last possible moment. They have created an international drug testing program. They seem reluctant to let it loose to allow the system to work without their influence. And while they have added seats for athletes, they have limited the pool of the athletes they can choose from, and in fact, limited the length of the athletes' terms to frankly their most athletically fruitful years.

Though they have shown a recent willingness to be inclusive, the system is still stacked in their favor because there is no authority to which they willingly hold themselves accountable. There is no system of checks and balances and far too many decisions seem to be made behind closed doors and by claim.

Olympians may be the finest athletic specimens on the planet, but even they are held accountable to the rules of support, the official decisions, the governing bodies, the testers for drugs, and, of course, the IOC.

After accepting all 50 reforms, though, I have to say the IOC bought my vote. At least they bought the benefit of my doubt. I am willing to trust the IOC to be genuine in their call for democracy, transparency, and responsibility. I know many IOC members personally and I can vouch for their motives always being for the benefit of the movement without seeking personal glory or gain. We must remember that every IOC member is in fact a volunteer. They are giving of their time.

Juan Antonio Samaranch did concern me, though, by his comments earlier in the day when he said, "My first responsibility is to the IOC members." He said that today. Even so, we must remember that without accountability to others, unprincipled and expeditious choices become easier to make and, sadly, easier to overlook. Leaders need to be accountable to someone other than themselves, not just in word but in deed. There must be an ongoing means for an independent review of the IOC and an occasional inspection of this luxury liner's moral compass to maintain her true heading.

By announcing this area well in advance, Mr. Chairman, you put all of the players on notice that their decisions will be made public, that their critics will be heard, and that their deeds will have to stand up to the scrutiny of media attention. I won't repeat the phrase that Reagan said before—okay, I will: Trust, but verify.

[The prepared statement of John Naber follows:]

PREPARED STATEMENT OF JOHN NABER

Before I begin my remarks, I want to make clear that though I won my medals for the United States of America, and am the democratically elected president of the US Olympians (our nation's Olympic Alumni), and serve on the CHARACTER COUNTS! Sports Advisory Board, I sit before you today as one of many members of OATH (Olympic Advocates, Together Honorably), the only truly independent, international, athlete-led organization of Olympians in the world. I am grateful for this opportunity to share thoughts and observations that I've gathered during my over twenty three years in the Olympic movement.

Because we are limited for time, today, I'll be focusing my remarks on four areas of discussion, as they pertain to the recently adopted IOC reforms, and the one common bond they seem to share. But let me begin by calling attention to the reason I am glad to be here.

The Olympic Motto of "Citius, Altius, Fortius" means "Swifter, Higher, Stronger"... not "Swiftest, Highest, Strongest". The Olympic Games should be about personal and professional improvement, not about winning at all costs. This quest for improvement reflects the athlete's desire to set new records, to enhance performance, to improve themselves while following the ideals of sportsmanship and fair play. It is in that spirit that I seek to point out any imperfections or suggestions for the purpose of improving the Olympic movement and I hope my remarks will be delivered for the future benefit of all Olympians and stakeholders.

THE OLYMPIC GAMES AS A PUBLIC TRUST:

When I watch professional sporting events on television, (the Super Bowl, NBA Playoffs or World Series), it makes me wish I was a better athlete. But when I watch the Olympics, it makes me wish I was a better person, because of its collection of young men and women trying to work hard and overcome obstacles to reach their personal potential and dreams, without any realistic hope for financial security.

The International Olympic Committee's own Charter includes a statement of Fundamental Principles, in which the purpose of the Olympic movement is described as (and I quote) "a philosophy... (which) seeks to create a way of life based on the joy found in effort, the educational value of good example and *respect for fundamental ethical principles*." The goal of this movement is (and I quote again) "to contribute to building a... better world, by educating youth through sport, practiced without discrimination of any kind... which requires mutual understanding with a spirit of friendship, solidarity and fair play."

With its commitment to fair play and sportsmanship and all that is best in the world of sport, the Olympic Games enjoy significant government funding for host city infrastructure, generous availability and access over the public airwaves, vast tax-deductible corporate sponsorships, the unbridled enthusiasm of wide eyed spectators and children from around the world, and of course the undying affection of the focus of the Games, the athletes themselves. With so many "stakeholders" surely the Olympics can be called a "public trust," one that needs to be protected by the public for the good of all humanity.

The reforms recommended by the IOC 2000 Commission, and recently accepted by the IOC General Session last week are a remarkable testament to the disinfectant power of sunlight. The abuses that were brought to light by the "Bid City Scandal," like an iceberg that rips out the side of the ship, have made changes possible that would have been unthinkable a mere 13 months ago.

Had these changes come about on their own, without public pressure, I would have been among the first to champion the IOC for its progressive stance, and forward thinking leadership.

Even so, it is without any sarcasm that I now sincerely applaud Juan Antonio Samaranch, the IOC Executive Board and the 110th Session Congress for overhauling this 105 year old "luxury liner" called the International Olympic Committee, and steering her a full fifteen degrees to port in little more than a year.

The reforms suggested by the IOC 2000 Commission go a long way towards making sure the ship never hits that same iceberg again, but historically, the people at the helm have shown little evidence of their willingness to be accountable to the concerns of the ship's investors, passengers or crew. It's for that reason that I am now cautiously optimistic when I am told that the gash in the hull has been patched, and we're ready to resume full speed, without at the same time receiving adequate guarantees of the craft's future safe passage.

While many of the accepted reforms have the promise and potential of great positive change, the structure of those reforms is still vulnerable to manipulation and abuse, and, if the reforms are not implemented and enforced in a manner that is

in keeping with the IOC's own Fundamental Principles, the ship is destined to spring a leak, and sink once again.

ETHICS COMMISSION:

The first area of my concern is potentially the most far-reaching reform, which was made in the creation of the Ethics Commission and the new position of the Special Representative. While their work is not yet done, I want to share my enthusiasm for their task ahead. Mr. Samaranch himself noted "There has been a breach of trust between the IOC and the public, and it will take time to heal." We should not expect immediate results, but I am looking forward to the prompt and adequate resolution to any remaining cases pertaining to the "votes-for-bribes" issue or any other ethical lapses as well.

If we assume that all people who hold *or ever will hold* a seat on the IOC are fundamentally good and wise, and will always follow each and every rule, ethical or otherwise, then there's probably not going to be a need for a fully functioning, ever vigilant, proactive investigator. Presumably, the number of lifeboats on the Titanic was perfectly adequate for the smooth voyage that was anticipated.

In sport, however, accidental violations of a rule are as common as ethical lapses are in life. Sometimes ignorance of the rules is to blame, or perhaps the strength of the temptation is also too much to bear. At the Olympic Games, the athletes enjoy a *clearly defined set of rules,* and well trained officials *whose only job* is to bring any transgressions to light.

In my Olympic swimming races, eight competitors performed in front of about 20 trained officials. The officials were not there because the IOC expected someone to break the rules, but rather to give everyone another reason not to. Their presence also insured that the eventual winners would not have to see their victories disputed.

The existing Ethics Commission members each have reputations that are impeccable and beyond reproach, but to blindly trust that all ethical lapses will disappear because the IOC put really ethical people on a commission, is like entrusting the repair of four cavities, three partial crowns and a root canal to someone who has good teeth, instead of a dentist's diploma.

Though the scandal has precipitated the creation of the Ethics Commission, the measure of its efficacy is not the credentials of the members, but rather the method by which they were chosen, the independence of their thinking, the transparency of the process and *the binding authority of their decisions.*

If each member is hand-picked behind closed doors, and has no authority to root out ethical lapses but only to make suggestions for further ratification, this group will be no more successful than the conscience of each IOC member. Giving the Ethics Commission the responsibility to eliminate the perception of IOC misconduct, without giving them the power to do so is like finding a man drowning twenty feet from shore, tossing him a fifteen foot rope, proudly claiming you've met him more than half way.

The primary responsibility of the Ethics Commission should be to create a lasting document, an "Honor Code," with a clear and specific definition of appropriate (and inappropriate) conduct, with remedies attached. The USOC has a similar document already in place for its various coaches. Only after we understand this document, can we begin to measure it's likely impact. Rules have been in place before, but the people also must follow them. Just as the liberty of a nation can be traced to its citizens' adherence to well written laws, so too, the reputation of the IOC will depend on its members' willingness to follow these guidelines.

Naturally, this document must be made easily available to the public.

I also commend the IOC on the creation of the "Special Representative" post. It is a great *first* step, but his/her selection process, job responsibilities, independence, powers and loyalties are currently unclear.

Early in my swimming career, I was caught and disqualified for doing an illegal turn. I never made that same mistake again, for two reasons. 1) the prompt execution of appropriate punishment made me a better person (I learned my lesson), and 2) I knew the "stroke & turn judge" would still be watching over me the next time I swam. The ongoing threat of being caught put me on my best behavior, and eventually helped me earn a reputation for honesty as well as excellence.

WORLD ANTI-DOPING AGENCY (WADA):

Now, let's move on to the second area of my concern, the use of performance enhancing drugs which is the single greatest threat to the Olympic Games, because it attacks the very validity of the gold medals themselves.

The great Norwegian speed skater and humanitarian, Johann Olaf Koss, was approached by a pre-teen Olympic hopeful, who asked "What kind of drugs did you have to take in order to win your gold medals?" This attitude of skepticism affects the "clean" and "dirty" champions alike.

I am delighted to see the progress made on this issue by the IOC. Their commitment of financial ($25 million) and other resources has not gone unnoticed or unappreciated. The decision to create the World Anti-Doping Agency (WADA) is long overdue.

Sadly, any critics of the IOC can now add to their complaints any dissatisfaction they may have with the results of the pending drug testing, and it needs pointing out that some of the International Sports Federations have indicated a reluctance to "play along."

The difficulties are substantial, with unproved or new testing protocols, sophisticated drug users remaining one step ahead of the authorities, or even the rumor of concealed positive results so as to avoid official embarrassment. In the aquatic vernacular, either the net is too loose, the fish are too smart or someone is practicing "catch and release."

Even so, for the results of all drug testing to be universally believable, we have to remove the *impression* that there might be any incentive to conceal an athlete's guilt. A "zero tolerance" attitude is believable only from a truly *independent* testing body.

I've had a life-long admiration for IOC member and fellow Olympic swimmer, Richard Pound. His work on WADA has been relentless and perhaps thankless as well, and yet, even so, I still believe that it is in the Agency's best interest to be completely independent, transparent, and accountable to all the passengers on board, where there can be no suspicion about the fairness of the testing or the reliability of the published results.

IOC TERM LIMITS:

The third area of concern to me is the duration of the IOC terms.

When it comes to IOC membership, I believe that someone's age is irrelevant to their ability to serve the Olympic cause so therefore the IOC's established age limits are irrelevant, but limiting the length of time someone may sit on the IOC is not.

A tool frequently used to curtail the runaway power of entrenched position is the application of term limits. This method allows any organization the opportunity to gradually build into the system a polite way of allowing "new blood" onto the Committee, and encouraging those with decades of service to leave without a hint of rancor or scandal.

Though the IOC 2000 recommendations included regular elections for all members, (one eight year term allows members to attend four Olympic Games, two summer and two winter), but the reforms did not go far enough.

Current and new members, however, will be elected to eight year terms, with the possibility of **unlimited** re-elections, by their fellow members.

Since the votes are cast by other IOC members, the possibility of the same group voting for each other year after year, is both disturbing and real. Further, all existing members will be up for renewal at the same time, and without staggered terms, the likelihood of a "votes-for-votes" scandal is frightening. Besides, for an organization like the IOC, it is the *addition* of new members, added *regularly,* that will allow it to keep on top of the significant issues that concern all stakeholders. If the IOC decided that it's wise to give their own President a limit to the number of years he/she may serve, why not then make the General Membership also subject to this same restriction?

In the Olympic Games, the defending champion or current world record holder doesn't get a "bye" into the finals, or a head start in the race. He or she is not automatically invited to return to the Games four years later. Each victory must be fairly earned, each battle won on its merits *on that day.* The chance of an upset is what keeps the challengers working so hard, and at the same time, keeps the veterans "on their toes."

There is no room for "entitlement" at the Olympics, and there shouldn't be in the IOC membership.

"ACTIVE ATHLETE" REPRESENTATION:

My final area of concern is also my favorite issue, athlete representation.

Much of the progress made in the allocation of power to the athletes themselves is due to the work by members of the IOC's Athletes Advisory Council (AAC). Their professional behavior and devotion to the movement has made it possible for a greater role for athletes in the future of the IOC. In fact, ten AAC members were

recently placed on the IOC, a clear step towards a spirit of inclusiveness and cooperation.

The recent change in the rules now allows for fifteen (15) seats on the IOC to be reserved for "active athletes" (as defined as someone who participated in the Olympics during the past four years) to be elected (by other Olympians), but also must resign eight years after their last Olympic competition. This is a de-facto term limit to which the other IOC members are not subject.

Though I'm told it's a mere formality, those that are elected by their peers still have three more hurdles to cross. This "potential gauntlet" includes the new IOC "Selection Committee" which must approve their qualifications, followed by a review by the IOC Executive Board, and finally the election by the IOC General Session.

While I wholeheartedly agree with the sentiment that seeks to include the opinions of today's competitors, this particular reform falls short in providing true accountability on a level playing field in three areas.

IOC INTERFERENCE:

First, if the IOC truly seeks to have the unvarnished opinions of the athletes included in discussions, the athletes should also be trusted to elect someone with their own best interests in mind, without fear of being overruled or edited by the IOC.

Criteria to serve as the representative of the active Olympians should not be limited by *current* athletic prowess, but rather the ability to gather the confidence of the various Olympic performers. If they have to leave the IOC, let it be for term limits (shared by all members) and not the falling off of their athletic skills.

The athletes' concerns might be better addressed by someone with years of experience, someone like a Donna de Varona, who swam to gold in 1964, served as an Olympic television announcer for years, lobbied on the Hill for the Amateur Sports Act and Title IX, Co-Founded the Women's Sports Foundation and recently was Chairperson for the Women's World Cup of Soccer. Under current rules, the Olympic athletes would not be allowed to elect her as their representative.

Let the athletes elect whom they want, and *then* they'll get the representation they deserve.

ELECTION TIMING:

Secondly, the election process is sadly ill timed.

For most competitors, the Olympic Games symbolize more than a sporting contest. It's a Mecca for personal dreams and ambitions. Living in the village and meeting the international cast, seeing the sights and hearing the sounds, all of it is to be relished for a lifetime.

To hold a campaign and election in the midst of the Olympic Games themselves, when the athletes' minds must necessarily be on more pressing issues, seems a bit flawed, and can easily result in a popularity contest instead of an election.

To put it another way, making the ship's passengers **themselves** stand the midnight watch in the rain, just might take a bit of fun out of the cruise.

Voters need to listen to the candidates articulate their positions, and clearly affirm their willingness to devote the time and energy necessary to serve. And without a recall option, those elected are not accountable to their athletic peers, but only to their new brotherhood, the IOC.

ATHLETE ON IOC EXECUTIVE BOARD:

Thirdly, the concerns of the "active athletes" should be addressed at the Executive Board by a representative chosen by the "active athletes," not appointed (or even approved) by the IOC President.

Good governance should not be measured by the possibility of having a contrary point of view reach the IOC Executive Board, but rather the impossibility of the IOC to *prevent such conflicting opinions* from being heard.

To discover the openness and accountability of this "overhauled organization," we only have to ask ourselves, "What response might we expect if the IOC doesn't like the contrary opinions of a potential member?" and "What can they do about it under this new system?"

While I'm not suggesting that opposition to the IOC's policies should serve as an automatic qualification for membership. Most responsible organizations don't avoid, but rather *seek* the dissenting point of view.

THE OVERRIDING CONCERN:

What do these four areas have in common? In my opinion it's the lack of IOC accountability. While they created the Ethics Commission, I don't know that they've

agreed to abide by every decision the Commission makes. While they've reduced the age limit, they've put no limits on their own terms, indicating a reluctance to let go of their positions until the last possible moment. While they've created an international drug testing program, they seem reluctant to set it loose to allow the system to work without their influence. While they've added seats for the athletes, they've limited the pool the athletes can choose from, and in fact limited the length of the athletes' terms to their most athletically fruitful years.

Though they have shown a recent willingness to be inclusive, the system is still stacked in their favor, because there is no authority to which they willingly hold themselves accountable. There is no system of checks and balances, and far too many decisions seem to be made behind closed doors, or by "acclaim."

Olympians may be the finest athletic specimens on the planet, but even they are held accountable to the rules of their sport, the officials, their governing bodies, the drug testers, their coaches, and of course the IOC.

If I wanted to be cynical, I might see these reforms as a way for the IOC to give lip-service to the outrage of public opinion, but in fact, I am trusting the IOC to be genuine in their call for democracy, transparency and responsibility. I know many IOC members personally, and their motives have always been for the betterment of the movement, without seeking personal glory or gain.

I shared membership on the 1976 Olympic Team with Anita DeFrantz, and rejoiced at her election to the IOC. I served with Jim Easton on the Los Angeles Olympic Organizing Committee, and I know Dick Pound has always tried to make each decision with the best interest of the athletes in mind, I've seen no duplicity there.

But even so, we must remember that without accountability *to others,* unprincipled and expeditious choices become easier to make and easier to overlook. The leaders need to be accountable to someone other than themselves, not just in word, but deed.

There must be an ongoing means for an independent review of the IOC, an occasional inspection of the ship's "moral compass" to maintain her true heading.

The "danger radar" needs to be on alert for potential "crises on the high seas," and most importantly, the passengers on board (those who paid for their ticket with years of athletic effort and personal sacrifice) deserve the service one might expect on such a well traveled, historically significant and world renowned vessel.

We realize that for these reforms to be effective, they need time to work. New members have recently been added to the IOC, and I have faith that changes are (or soon will be) on the horizon. After the IOC's overwhelming endorsement of all fifty IOC 2000 recommendations, the IOC leadership is entitled to my cautious but optimistic support. Rest assured, I will not be the only person keeping a close eye on the goings on in Lausanne.

By announcing this hearing well in advance, Mr. Chairman, you put all the players on notice that their decisions will be made public, that their critics will be heard, and that their deeds will have to stand up to the scrutiny of media attention. In your action, I can see the wisdom of Ronald Reagan's quote of the Russian idiom, "Trust but verify."

Mr. UPTON. Thank you very much.

Mr. Stapleton.

TESTIMONY OF BILL STAPLETON

Mr. STAPLETON. Thank you. Mr. Chairman, members of the subcommittee, I am a former Olympic swimmer. I competed in the 1988 Olympic Games in Seoul, South Korea. In my professional life I'm a lawyer and represent Olympic and professional athletes, one of whom, Lance Armstrong, this year's winner of the Tour de France, recently testified here on Capitol Hill regarding government funding of cancer research. In my role as a sports attorney and agent, I hear the views of actively engaged world class athletes every day, and I am here to share their thoughts with you.

Most importantly, I am also here today in my capacity as the Chairman of the United States Olympic Committee's Athletes Advisory Council, a duly elected body within the USOC, which represents the interests and perspectives of current and recently former athletes who, presumably, are or at least should be the

foundation of the Olympic Movement. As you can imagine, I have heard quite a bit of feedback from athletes around the world in the past year. I am happy to report that athletes like Lance Armstrong are much more concerned about preparing to win Olympic medals and repeat Tour de France victories than they are about corruption in the IOC. However, I am disappointed to report that most athletes that I have talked to consider what happened in Salt Lake to be business as usual within the IOC, and they have little faith in reform.

This is the first of what are now three hearings into the International Olympic Committee bid scandal in which athletes have had a prominent presence. While I appreciate this opportunity to be here, this emphasis on Olympic sport officials is appropriate because the controversy is not about Olympic athletes, but about those who may have abused an athlete support institution for self-aggrandizement. In doing so, they have damaged the reputation and image of the formal institutions they represented.

But fortunately, the image of the Olympic Movement and the athletes who are at its heart have been left unscathed. Indeed I have seen survey results that confirm that the support and respect for America's Olympic athletes is at its highest point ever. Frankly, most athletes who train for Olympic competition don't care that much about the scandal because they are too busy preparing to represent their country in the Olympic Games in Sidney and in Salt Lake.

But for those of us whose careers are behind us, such as many of those on this panel, who are committed to preserving the tradition of excellence of the Olympic Games and increasing opportunities for tomorrow's Olympians, we are furious with what has been done in the name of and at the expense of the world's Olympic athletes and their noble aspirations. Perhaps the problem is that athletes have not been permitted to be involved in the process to the extent that we should, and that we must be permitted to be more visible and active in setting the course for the governance of the Olympic Movement. This scandal might end up being the best thing that could happen to the IOC and the International Olympic Movement because it has forced an examination, not just of the IOC's processes but also of its culture, and has revealed serious deficiencies.

Action to correct these deficiencies was initiated by the IOC this path weekend. We applaud what they accomplished and the spirit in which the IOC membership dealt with this difficult matter. But I submit that the corrective process has just begun and that there is much still to be addressed and remedied before meaningful progress is realized.

When this scandal was first revealed, the USOC commissioned its own investigative body, headed by Senator George Mitchell, to examine the USOC practices and to make a series of recommendations, a number of which relate to the IOC. The USOC Athletes' Advisory Council considers the Mitchell Commission's recommendations to be extremely important to ensuring that the scandal does not repeat itself.

We are disappointed with the IOC's disposition of some of these Mitchell Commission recommendations. Significant athlete partici-

pation in the governance of Olympic institutions is, in my view, a necessity. What constitutes significant is open to debate, but in the United States, by both Federal statute and USOC policy, a minimum 20 percent participation of athletes of all Olympic sports governing bodies is required.

In this country, the Congress, with the leadership of Senator Stevens and certain important Members of the House, passed the Amateur Sports Act of 1978, which was recently amended in 1998. That statute requires the U.S. Olympic Committee and the national governing bodies it recognizes to set aside 20 percent of the membership or voting power of their governing boards and committees for actively engaged or recently competed world-class athletes elected by athletes.

As I am certain no one from the USOC or national governing bodies will dispute, these athlete representatives have fundamentally and positively impacted the governance of Olympic sports in this country. These athlete representatives bring with them to the board room the knowledge gained from having recently competed at an elite level in their sport. In addition, these athletes are directly accountable to the athletes that elected them.

The IOC has finally recognized the athletes who participate in its governance, but I believe the athlete quota on the newly configured IOC, a mere 15 out of a board comprised of 115 people, is insufficient and suggests tokenism. Further, these athlete representatives, some are not elected by their peers, but are selected through an undemocratic process which I would phrase as co-optation, whereby an elite panel, appointed by the IOC leadership, selects and recommends candidates for membership.

Finally, given that an individual is only eligible to serve as athlete representatives in the IOC for the period of 4 years after they compete in the Olympic Games, given that few, if any, athletes have time available to both compete at an elite level and serve as an IOC member, this limit effectively limits athlete participation to the 4-year period after they last competed. This limit does not allow time for an athlete IOC member to come up to speed on the relevant issues and to become politically viable.

As a result, I suspect the athlete voice will be tolerated, but it cannot be completely effective. I believe this is a recipe for maintaining the status quo and is a significant obstacle to the realization of true reform.

Further, it appears that the concept of limits is the most elusive, if not nonexistent, quality to the term limits proposal adopted this past weekend. I find this provision in the reforms to be the most offensive. First, the effect of the new provision is minimal on current IOC members, so it may be decades before the current membership is appreciably altered. The provision adopted merely substitutes a renewable 8-year term for a much longer term that lasted until the IOC member turned 80 and imposes a mandatory retirement age of 70, but, as noted, exempts current members.

Under this system, it is unlikely that entrenched interests will continue to dominate unchecked as they always have. It is these entrenched interests and failure by these IOC members to enforce self-control that contributed significantly to the mess we are in today. More importantly, when this infinitely renewable term limit

is viewed alongside the clearly defined term limit for athlete representatives, it is clear that the only IOC members with true term limits are athletes.

The Mitchell Commission made a number of recommendations that would make the IOC more transparent and accountable, such as annual audits, disclosure policies and the creation of an enforcement mechanism. In so many of these areas, the reforms that were adopted partially addressed a deficiency, but did not go far enough. The audit provision, for example, prescribes annual audits of IOC finances, but allows public disclosure only quadrennially. Rather, in addition, the need for an Office of Compliance was confirmed, but was not established.

The most important question, however, is how will these reforms be implemented? I encourage this committee to continue its oversight. The IOC could put anything down on paper, but unless these provisions are translated into practice in a manner consistent with the spirit in which they were adopted, they are just words. The key to effective implementation is a formal mechanism for enforcement and the will of the current IOC membership whose tenures have been protected to enforce proposals that may be contrary to the individual interests of some. I seriously question whether that will exists, but am willing at the moment to give them the benefit of the doubt. Nevertheless, I encourage its new athlete IOC members, although small in number, to bring to their jobs the same dedication to vigilance in this process that they brought to their own preparation for Olympic competition. I think the future of the IOC is somewhat in their hands, and I urge them to strive for meaningful reform.

I am thankful that this Congress has opted to insert itself into this important issue, and I believe that if it had not done so, we would not be confronted with a reformed IOC today. However, I urge the members of this committee to study very carefully the impact of any legislation currently pending or that might be introduced that would negatively impact the IOC as this legislation might have a serious impact on America's athletes who are training for Sidney and Salt Lake City Olympics.

Thank you for being willing to take your time on this issue, which is important to all the American athletes who have realized or hope to realize their Olympic dreams.

[The prepared statement of William J. Stapleton follows:]

PREPARED STATEMENT OF WILLIAM J. STAPLETON, CHAIRMAN, USOC ATHLETES' ADVISORY COUNCIL

Mr. Chairman and members of the Subcommittee. I myself am an Olympian, having competed in the 1988 Olympic Games in Seoul, South Korea in swimming. In my professional life, I am a lawyer and represent Olympic and professional athletes, one of whom, Lance Armstrong, this year's winner of the Tour de France, recently testified here on Capitol Hill regarding government funding of cancer research. In my role as a sports attorney and agent, I hear the views of actively engaged world-class athletes every day and I am hear to share their thoughts with you. Most importantly, I am also here today in my capacity as the Chairman of the United States Olympic Committee's ("USOC") Athletes' Advisory Council ("AAC"), the duly elected body within the USOC which represents the interests and perspectives of the current and recently former athletes who, presumably, are, or at least should be, the foundation of the Olympic Movement. As you can imagine, I have heard quite a bit of feedback from athletes around the world in the past year. I am happy to report that athletes like Lance Armstrong are much more concerned about preparing to

win Olympic medals and Tour de France's than they are about corruption in the IOC. However, I am disappointed to report that most athletes I have talked to consider what happened in Salt Lake to be business as usual within the IOC and they have little faith in reform.

This is the first of what are now three hearings into the International Olympic Committee ("IOC") bid scandal in which athletes have had a prominent presence. While I appreciate this opportunity to be here, this emphasis on Olympic sport officials is appropriate because this controversy is not about Olympic athletes, but about those who may have abused an athlete support institution for self-aggrandizement. In so doing they have damaged the reputation and image of the formal institutions they represented, but fortunately, the image of the Olympic Movement and the athletes who are at its heart have been left unscathed. Indeed, I have seen survey results that confirm that the support and respect for America's Olympic athletes is at its highest point ever.

Frankly, most athletes training for Olympic competition don't care that much about this scandal because they are too busy preparing to represent their country in the Olympic Games in Sydney next September. But for those whose careers are behind them, such as many of those on this panel, who are committed to preserving the tradition of excellence of the Olympic Games and increasing opportunities for tomorrow's Olympians, we are furious with what has been done in the name, and at the expense of the world's Olympic athletes and their noble aspirations. Perhaps the problem is that the athletes have not been permitted to be involved in the process to the extent that we should, and that we must be permitted to be more visible and active in setting the course for the governance of the Olympic Movement.

This scandal might end up being the best thing that could have happened to the IOC and the international Olympic movement because it has forced an examination not just of the IOC's processes, but also of its culture, and has revealed serious deficiencies. Action to correct these deficiencies was initiated by the IOC this past weekend; we applaud what they accomplished and the spirit in which the IOC membership dealt with this difficult matter. But I submit that the corrective process has just begun, and there is much that must still be addressed and remedied before meaningful progress is realized.

When this scandal was first revealed, the USOC commissioned its own investigative body, headed by Senator George Mitchell, to examine USOC practices and to make a series of recommendations, a number of which relate to the IOC. The USOC AAC considers the Mitchell Commission's recommendations to be extremely important to ensuring that this scandal does not repeat itself. We are disappointed with the IOC's disposition of some of these Mitchell Commission recommendations.

Significant athlete participation in the governance of Olympic institutions is, in my view, a necessity. What constitutes "significant" is open to debate, but in the United States, by both federal statute and USOC policy, a minimum twenty percent participation of athletes on all Olympic sport governance bodies is required. In this country, the Congress, with the leadership of Senator Stevens and certain important members of the House, passed the Amateur Sports Act of 1978, which was amended in 1998. That statute requires the U.S. Olympic Committee and the national governing bodies it recognizes to set aside 20% of the membership or voting power of their governing boards and committees for actively engaged or recently active athletes who are elected by athletes. As I am certain no one from the USOC or the national governing bodies will dispute, these athlete representatives have fundamentally and positively impacted the governance of Olympic sports in this country. These athlete representatives bring with them to the board room table the knowledge gained from having recently competed at an elite level in their sport. In addition, these athletes are directly accountable to the athletes that elected them.

The IOC has finally recognized that athletes should participate in its governance, but I believe that the athlete quota on the newly-configured IOC—a mere fifteen out of a board comprised of one hundred and fifteen people—is insufficient, and suggests tokenism. Further, these athlete representatives are not elected by athletes, but are selected through an undemocratic process known as "cooptation," whereby an elite panel appointed by the IOC leadership selects and recommends candidates for IOC membership. Finally, given that individuals are only eligible to serve as athlete representatives in the IOC for the period of four years after they compete in the Olympic Games; given that few if any athletes have time available to both compete at an elite level and serve as an IOC member while still actively competing, this limit effectively limits athlete participation to the four year period after they last competed. This limit does not allow time for an athlete IOC member to come up to speed on the relevant issues and to become politically viable; as a result, I suspect the athlete voice will be tolerated but it cannot be effective. I believe that

this is a recipe for maintaining the status quo, and is a significant obstacle to the realization of true reform.

It appears that the concept of "limits" is the most elusive, if not non-existent, quality of the term limits proposal adopted this past weekend. First, the effect of the new provision is minimal on current IOC members, so it may be decades before the IOC's current membership is appreciably altered. The provision that was adopted merely substitutes a renewable eight-year term for a much longer term that lasted until the IOC member turned 80, and imposes a mandatory retirement age of seventy, but, as noted, exempts current members. Under this system it is likely that entrenched interests will continue to dominate unchecked, as they always have; it is these entrenched interests, and failure by these IOC members to enforce self control, that contributed significantly to the mess that has brought all of us here today. More importantly, when this infinitely renewable term limit is viewed alongside the clearly defined term limit for athlete representatives, it is clear that the only IOC members with true term limits are the athletes.

The Mitchell Commission made a number of recommendations that would make the IOC more transparent and accountable, such as annual audits, disclosure policies, and the creation of an enforcement mechanism. In so many of these areas the reforms that were adopted partially addressed a deficiency, but didn't go far enough. The audit provision, for example, prescribes annual audits of IOC finances, but allows public disclosure only quadrennially. In addition, the need for an Office of Compliance was confirmed, but was not established. Rather, it was turned over to the newly-created Ethics Commission for study and possible future action, and that Ethics Commission has apparently adopted the position that it will not investigate allegations that arise in the future about bid-related misconduct affecting Salt Lake City or earlier bids.

The most important question, however, is how will these reforms be implemented? The IOC could put anything down on paper, but unless these provisions are translated into practice in a manner consistent with the spirit in which they were adopted they are just words.

The key to effective implementation is a formal mechanism for enforcement and the will of the current IOC membership, whose tenures have been protected, to enforce proposals that may be contrary to the individual interests of some. I seriously question whether that will exists, but am willing, at the moment, to give them the benefit of the doubt. Nevertheless, I encourage the new athlete IOC members, although small in number, to bring to their jobs the same dedication to vigilance in this process that they brought to their own preparation for Olympic competition. I think the future of the IOC is somewhat in their hands, and I urge them to strive for meaningful reform in the same way that they sought in their competitive endeavors the glory of sport and the pursuit of excellence.

I am thankful that this Congress has opted to insert itself into this important issue and I believe that if it had not done so we would not be confronted with a reformed IOC today. However, I urge the members of this committee to study very carefully the impact of any legislation currently pending or that might be introduced that would negatively impact the IOC, as this legislation will have a serious negative impact on America's athletes who are training for the Sydney and Salt Lake City Olympics and beyond.

Thank you for being willing to take up this issue, which is important to all of America's athletes who have realized or hope to realize their Olympic dreams.

Mr. UPTON. Thank you very much.

Mr. Ctvrtlik. Did I say it right? I listened to that tape.

TESTIMONY OF ROBERT CTVRTLIK

Mr. CTVRTLIK. Excellent, and I submitted a written report that maybe you can make an official record, and I will try to stay within your 5-minute time limit. Your stamina and endurance is amazing.

Chairman Upton, members, thank you for inviting me here today. As the tape did show, I am a three-time Olympian, two-time medalist, representing the United States of America. I am sorry that I didn't have time to relay what has really happened this last weekend over in Lausanne to the prior two speakers, because I think their testimony might have been a little bit different. But, as

you know, we all are volunteers, and we can only be in so many places at one time.

I accepted your invitation a few days ago to testify as an elected member of the IOC Athletes Commission. What that means, that is elected at the Olympic Games by all the athletes of the world. I have also recently been named to the IOC session as of 36 hours ago.

For the last 14 years, I represented the United States on the volleyball court. In 1988, I was fortunate enough to win a gold medal, and in 1992 I was unfortunate enough to shave off all my hair when we won the bronze medal. And in 1996 I saw the Olympics from a completely different light, when we lost by one point before we made it to the medal stand. So I feel competitively I know what the Olympics brings to athletes.

But in the last 2½ years, since I was elected by the athletes to the IOC as a representative, I began to see the sports administration side of the movement. I have served on the IOC Sports Environment Commission, the IOC 2000 Reform Commission this whole year, and I just recently was nominated or appointed to the World Antidoping Agency.

But today we want to talk about what reforms—to talk about the reforms in taking care of the Olympic Games, which, as John mentioned, I do consider as well to be a public trust. But I, as opposed to the previous two speakers, have every confidence that what was enacted over these last days will be the first step in regaining that trust.

Not too many people realize that President Samaranch was the one that was instrumental in getting all 10 elected athletes on the IOC 2000 Reform Commission. We weren't just wallflowers on the Commission. We were on the plenary session, we were in on the executive board, as well as in every working group.

We were allowed the microphone alongside Dr. Kissinger, Mr. Bhoutros Bhoutros-Ghalli, some of the American representatives, Mr. Peter Uebberroth and Mr. Dick Ebersol, and there was something somewhat magical that happened when athletes took the floor as opposed to sleeping, some of the members; it seemed like everyone seemed to sit up and really listen to what the athletes had to say.

In consultation with members of the Mitchell Commission and the United States Olympic Commission athlete representatives, we came up, as the IOC Athlete Commission representatives in the Reform Commission—on the Reform Commission, we came up with five major recommendations that we would like the IOC Commission to enact. The first, we wanted to make all of the active athlete commission members IOC members for the length of their term. Second, we definitely wanted to have one athlete elected to the executive board, the highest governing body within the IOC Movement. Third, we wanted to give the athletes power to elect their own chairman, because as we have heard earlier today, the chairman within the IOC has quite a bit of sway on how the meetings are conducted. We also wanted our own budget, and we wanted to lengthen the terms from the present 4 years to 8 years so that we can make the relationships that you need within the IOC to com-

pete and put forth ideas against powerful international federation presidents, as well as the different NOC representatives.

Once again, this was a wish list. We put these things forward; we presented them in our different commissions. What happened this last weekend, after some small negotiated changes, we achieved major victories in every one of the five categories, the recommendations that we put forward.

Now, you might say, as Bill Stapleton just alluded to, maybe we should have 20 percent as opposed to 15 percent, or have two people on the executive board as opposed to one. But the propositions and recommendations we put forward were accepted with almost unanimous vote by the IOC members.

Personally, I can say I am very proud to have been a part of this throughout this last year, as I think it is going to go back in the history as one of the most pivotal weekends in the history of the IOC.

But just to conclude, 10 active athletes have been elected to the IOC no less than 3 days ago, and these 10 were very symbolic of the Olympic Movement. Just like the Olympic Movement itself, we have stories of our highs and lows as well as the obstacles that we had to overcome to achieve our excellence. But within the 60,000 living Olympians, the stories that all of us have, they are just typical of the sacrifice and dedication that we have put forth. But on behalf of the nine elected active athletes on the IOC Athletes Commission that were present through all of the reforms this entire year, I can say we fully, 100 percent, unanimously supported the findings that have been passed this last week during the 110th IOC session. We have been pleased and honored to be equal participants, not on the outside of the IOC, but we were inside, being able to talk to anyone we wanted, make the arguments that we wanted, and, as was done by Hassiba Boulmerka in one of the sessions, she took 20 to 25 minutes of everyone's time to make one argument.

We are not resting on the laurels of what they just passed. We understand this is not the conclusion, the end of the race, but as athlete members who are now on the inside, we will be extremely vigilant. All the future sessions are on television. It will be very difficult for the IOC members not to heed publicly what the IOC athlete elected representatives want to put forth.

So, rest assured we will be very vigilant to safeguard the Olympic ideals that all of us here have worked to embody and just thank you for your time. I will answer any questions at the end that you have. Thank you very much.

[The prepared statement of Robert Ctvrtlik follows:]

PREPARED STATEMENT OF ROBERT CTVRTLIK, MEMBER, IOC ATHLETES COMMISSION

Chairman Upton, Congressman Klink, Members of the Committee, thank you for inviting me here today. I am Bob Ctvrtlik, a newly-elected member of the International Olympic Committee, three-time Olympian, and two-time medal winner representing the United States of America.

I accepted your invitation some days ago to testify as an elected member of the IOC Athletes Commission who was actively working on IOC reform. Today, I am one of the first active athletes ever elected to the IOC. As a result of the fundamental reforms passed this weekend, all 10 elected members of the Athletes Commission are now voting members of the IOC.

For 14 years, I represented the United States of America on the volleyball court, competing in the Olympic Games of 1988, 1992, and 1996. I have been blessed to

have experienced Olympic competition from different perspectives: from the Gold medal platform in 88, the Bronze medal platform in 92, and from the floor when in 1996 I left my heart on the court when we lost our last match before the medal round—by one point.

Since my playing career ended 2½ years ago, I have been working on the sports administration side of the Olympic Movement. This started at the 96 Olympic Games, where I was one of the seven Summer sport athletes elected to serve on the IOC Athlete's Commission. Since my election to the IOC, I have served as the athlete representative on the IOC Environmental Commission and the important IOC 2000 reform commission that reviewed the IOC's structures and policies and recommended the 50 reforms passed this past weekend in Lausanne. I should also mention that a couple of weeks ago, I was appointed to the World Anti-Doping Agency—another major achievement of the Olympic Movement.

We're here today to talk about the reforms and taking care of the Olympic Games. I consider them to be a public trust. I have every confidence that the reforms enacted by the International Olympic Committee will go a long way to restore this trust. I would like to share with you my impression of the process that has occurred over the last year.

President Samaranch, who during my years on the Commission has always supported the rights of the athlete, maneuvered around opposition to have all elected members of our commission placed on the IOC reform commission. We were included at all levels, in the plenary session, in the working groups, and also on the executive board.

We were allowed the microphone alongside world leaders such as Dr. Henry Kissinger, Mr. Bhoutros Bhoutros-Ghalli, Mr. Peter Uebberroth and Mr. Dick Ebersol. If we had a view it was not only tolerated, but encouraged. From day one, I had the feeling that the world leaders and the IOC members seemed to pay special attention when one of the athletes would take the floor.

Through consultation with other athlete leaders, we came up with a list of five reforms we felt were critical to making the athletes a permanent and effective part of the governing structure:

- Making all of the Athlete's commission members IOC members with full voting rights;
- Electing at least one athlete to the executive board;
- Giving the Athlete's Commission the power to elect our own chairman;
- Providing the Athlete's Commission our own budget; and
- Lengthening the term of the athlete representatives so that they would have enough time to develop the relationships needed to effect policy.

Once again, this was a wish list, and we were determined to achieve as much of this as possible.

Compare this list with the following selection of reforms that were adopted by the 110th session of the IOC are:

- Athletes will elect nominees for the chairman of the Athlete's Commission and the President of the IOC will appoint someone from our list.
- We will elect a nominee or nominees for the Executive Board, and the entire session will vote on which of our nominees they select.
- We will be granted a budget to be used to advance the Athlete's Commissions agenda.
- The length of terms for future Athlete Commission Members will be extended to 8 years from the current 4. (In addition they will also be staggered)
- Most importantly, all elected athletes will become IOC members with complete voting rights for the length of their terms.

We were able to achieve, after some small-negotiated modifications, major victories in all of the categories in which we asked the IOC to change. Now of course, some people might say you should have gotten 17 members instead of 15, or some small change such as that. But in general, the IOC included us in the process, listened to our ideas, presented them to the IOC Members, and passed them with a nearly unanimous vote. We feel these gains are a major victory for the athletes of the world. And personally, I am very proud to say I was a part of the commission during this last year.

To conclude, the ten active athletes elected to the IOC four days ago are very symbolic of the Olympic Movement. Just like the Olympic Movement itself, we all have stories of our highs and lows, as well as the obstacles we had to overcome to achieve excellence. But within the 60,000 living Olympians, our stories are just typical of the sacrifice and dedication that we all have had to put forth. On behalf of the other nine elected athlete representatives, and as representatives of the athletes of the

world, let me make it clear the majority of athletes FULLY support the reform measures passed by the 110th IOC Session.

We have been pleased and honored to be equal participants with the IOC as we have worked on reform during this last year. Rest assured, we are not resting on our laurels, and we do not take our new responsibilities lightly. But in the future we will be vigilant to safeguard the Olympic Ideals that we have all worked so hard to embody.

Thank you. I look forward to answering any questions you may have.

Mr. UPTON. Thank you very, very much.

Mr. Mills.

TESTIMONY OF BILLY MILLS

Mr. MILLS. Chairman Upton and members, with my colleagues on my right making the comments they have, I think I would like to very quickly recapture on October 14th, 1964, dusk was falling over Tokyo, Japan, and the final lap of the Olympic 10,000-meter race was under way. Mohammed Gamoudi from Tunisia, Ron Clarke, the world record holder from Australia, and Mills, an unheralded distance runner from the United States, were racing shoulder to shoulder, battling for the lead.

The announcer went something to the effect with 100 meters to go, "Clarke is passing Gamoudi; no, it is Gamoudi; it is Clarke, Clarke is in the lead. Gamoudi is refusing to let Clarke go by. Clarke is in the lead. Here comes Mills, here comes Mills. He won. He won."

That one fleeting moment in time for me was magical. I felt like I had wings on my feet. I was told the moment was electrifying, and the world had just witnessed one of the greatest upsets in Olympic history.

However, that moment was not what I took from the Olympic Games. What I took was the true sense of global unity through the dignity, through the character, through the beauty of global diversity, and this sense of unity through diversity is the true feeling of the Olympic ideal and also the destiny I seek for mankind.

"Swifter, Higher, Stronger," as my colleague said, is the Olympic motto, not the swiftest, not the highest, not the strongest.

I will quickly reflect back, as a young Indian boy living on the reservation, orphaned, poverty, and, for a brief moment of time, living in the back seat of an old car, I had a dream. I dreamt constantly of the Olympic Games. At that point I started taking quotes from Greek mythology, from Native American values, and truly tried to start living my Olympic dream.

Socrates said, "With achievement comes honor, and with honor comes responsibility." That, to me, is our Olympic ideal.

Being half Sioux Indian, being half white, in a struggle when I was going into high school, a struggle with Brown v. Board of Education, Topeka, Kansas, 1954, I felt I did not belong. The full-blooded Indian called me mixed-blood; the rest of the world, European ancestry, African ancestry, called me Indian. Both cultures in a sense rejected me. I found a third culture that was global, a culture that I call sport, and the Olympic dream and the Olympic ideals became part of my culture, part of my life.

I took the Sioux Indian concept of a warrior into sport with me and truly believed the concept also paralleled the Olympic ideals,

for to a great extent America looked on us as mascots. But I tried to live the ideals of a warrior.

There are four values the warrior centers his or her life around. You become responsible for yourself. Then you help others become responsible. You humble yourself to all creation. You are no better or no less than one another, or no less than all of God's creations. You learn the power of giving, and the first thing you learn here is respect and love yourself, so we can all respect and love one another. Then the warrior takes responsibility, humility and the power of giving and centers that around his or her core of spirituality. Therein constitutes the definition of a Lakota, a Sioux Indian warrior.

Aristotle said all warriors seek to fulfill four spiritual steps: The warrior seeks to be unique; the warrior seeks to belong; the warrior seeks to make a creative difference to society; the warrior seeks to understand. These are all values I find represent the true sense of the Olympic ideals.

Greeks have stated that the Olympians in the past were chosen by the gods. I say if you find your life's passion, and you live your passion through values, following your own free will, you will be led down a path to your destiny, and, yes, your destiny is God-given.

I feel sport without value is meaningless. Sport used to teach life values is sacred, and that is the true sense of the Olympic Games to me.

So as an Olympian today, I honor the true values, the true ideals of the past Olympics. I celebrate what I feel today has become an intelligent and adaptive program of change in the Olympic Movement, and I truly imagine, in closing, our future Olympic Games promoting global unity through the dignity, through the character, through the beauty of global diversity, and, yes, perhaps future Olympians will again be chosen by the gods.

[The prepared statement of Billy Mills follows:]

PREPARED STATEMENT OF BILLY MILLS

On October 14, 1964, dusk was falling over Tokyo, Japan and the final lap of the Olympic 10,000-meter race was underway. Mohammed Gamoudi from Tunisia, Ron Clarke, the world record holder from Australia and Billy Mills, an unheralded distance runner from the United States raced shoulder to shoulder, battling for the lead.

With 100 meters to go, the announcer was shouting, "Clarke is passing Gamoudi, no, it's Gamoudi, it's Clarke! Clarke is in the lead . . . Clarke refuses to let Gamoudi by . . . here comes Mills; here comes Mills . . . he won! He won!"

That moment was magical for me. I felt like I had wings on my feet.

I was told the moment was electrifying and the world had just witnessed the greatest upset in Olympic history unfold.

However, that one fleeting period in time was not what I took from the Olympics.

What I took was the true sense of global unity through the dignity, the character and beauty of global diversity.

This sense of unity through diversity is the true feeling of the Olympic ideal and the destiny I seek for mankind. "Swifter, Higher, Stronger" is the Olympic Motto, not, "Swiftest, Highest, Strongest."

As an orphaned Indian boy, while living in the back seat of an old wrecked car several weeks, I dreamed of the Olympic Games. I took quotes from Greek mythology and Native American values and started living my Olympic Dream. Socrates said, "With achievement comes honor and with honor comes responsibility." This to me is our Olympic ideal.

Being half-Sioux Indian and half-white in a country struggling with "Brown v. Board of Education, Topeka, Kansas, 1954," I felt I did not belong. The full-blood

Indian called me mixed-blood; the white called me Indian. With both cultures rejecting me, I found a third culture called sport. The Olympic Dream and the Olympic ideals became my culture.

I took the Sioux Indian concept of a warrior into sports with me and truly believed the concept also paralleled the Olympic ideals.

A warrior lives his or her life around four values: 1. You become responsible for yourself. Then you help others become responsible. 2. You humble yourself to all creation. We are no better and no less than all God's living creations. 3. You learn the power of giving and the first thing you learn to give is respect and love to yourself so you can respect and love others. 4. Then the warrior takes responsibility, humility, and the power of giving and centers them on his or her core of spirituality. Therein constitutes a Sioux Indian Warrior.

Aristotle said all warriors seek to fulfill four spiritual steps. 1. The warrior seeks to be unique. 2. The warrior seeks to belong. 3. The warrior seeks to make a creative difference to society. 4. The warrior seeks to understand. The are all values I find in the true sense of the Olympic Ideals.

Greeks have stated that the Olympians were chosen by the Gods. I say, if you find your life's passion and live your passion throughout values following your own free will, you are led down a path to your destiny and your destiny is God-given.

Sport without value is meaningless. Sport used to teach life values is sacred. So today, as an Olympian, I honor the true Olympic ideals of the past and celebrate what I feel are positive attempts to return to the true Olympic ideals.

I imagine our future Olympic Games promoting global unity through the dignity, character and beauty of global diversity. Perhaps future Olympians will once again be chosen by the Gods.

Thank you.

Mr. UPTON. Thank you.

Ms. Strug.

TESTIMONY OF KERRI STRUG

Ms. STRUG. Good afternoon, Mr. Chairman and members of the subcommittee. I am Kerri Strug, and I was a member of the gold medal women's gymnastics team in Atlanta in the Summer Games of 1996. After listening to the panel of seasoned veterans and eloquent speakers, perhaps I was asked to come here today to bring more of a naive, innocent perspective, because as a young athlete it is hard to understand the scope of the Olympic Movement. You go through years of training, and your focus is on yourself and becoming the best you can be and just the thrill of competition. I think every athlete just fantasizes about what it would be like to be there, to be in the Olympic Games, to be surrounded by the greatest international athletes competing with the world watching. I mean, that is a dream come true.

Once you are at that Olympic level, your mentality has to shift from just focusing on you to focusing on your team and your country. The level of commitment is intense, and the support you feel from your teammates and countrymen is really exhilarating.

The Olympic family starts small with getting to know your national teammates, and then once you are at the game, it encompasses the entire Olympic Village. I was fortunate to compete in two Olympics, Barcelona in 1992 and Atlanta in 1996, and the feelings of friendship and camaraderie that I experienced there will definitely shape the rest of my life.

It is amazing for me to see that although all of us competitors have different backgrounds and cultures, and there is definitely a language barrier, we are able to communicate and exchange ideas, dreams and goals.

I feel incredibly blessed that I was allowed the opportunity to participate in the Olympic Games, and I have had an unbelievable

amount of support from my family, my friends and supporters of the Olympic Movement. I would not trade any of those experiences for anything in the world.

I know that change in the Olympic structure is inevitable, but the value of the games should definitely supersede the politics. I just hope that the world will continue to come together, and hopefully competition will provide a venue for dreams to be realized, because that is the most important thing.

Being here today I think really opened my eyes, because I have always seen the Olympics through one tunnel, one vision, one perspective, and I think maybe it would be beneficial if the rest of us did as well, because it is ultimately about the athletes. Thanks.

[The prepared statement of Kerri Strug follows:]

PREPARED STATEMENT OF KERRI STRUG

Good Morning Mr. Chairman, members of the Subcommittee. I am Kerri Strug and I was a member of the gold-medal Women's Gymnastic Team in 1996 in Atlanta.

As a young athlete, it is hard to understand the scope of the Olympic Movement. You go through years of training and are focused on being your best and the thrill of competitions. When you finally make it to the Olympic level, your feelings are indescribable. I think every athlete fantasizes about what it would be like to be there. To be surrounded by the greatest international athletes, competing with the world watching is a dream come true. Once your are at the Olympic level, your mentality shifts from you to focusing on your team and country. The level of commitment is intense and the support you feel from your teammates and countrymen is exhilarating.

The Olympic Family starts small with getting to know your national teammates and then grows in scope to encompass the entire Olympic Village. I was so fortunate to be able to compete in two Olympics, Barcelona in 1992 and Atlanta in 1996. The feelings of friendship and camaraderie that I experienced there will shape the rest of my life. It was amazing to think that although all of the competitors had language barriers, we were able to communicate and exchange ideas, dreams and goals.

I feel incredibly blessed that I was allowed the opportunity to participate in the Olympics. I had an unbelievable amount of support from my family, friends, and supporters of the Olympic Movment. I wouldn't trade my experiences for anything in the world. I know that change in the Olympic structure is inevitable, but the value of the Games supercedes the politics. I hope that the world will continue to come together in healthy competition and will continue to provide a venue for dreams to be realized.

Mr. UPTON. Thank you.

Mr. Westbrook.

TESTIMONY OF PETER WESTBROOK

Mr. WESTBROOK. Good afternoon, Representatives and members of the committee. I would like to thank this subcommittee for permitting me to speak before it. I take great pride as a witness in sharing what the Olympic Movement has done for me and for the youth of the Peter Westbrook Foundation.

I want to thank you and compliment you on your, I guess, persistence with reform to the IOC. I really thank you on that.

I would like to share a few statistics with you for a particular reason. As you know, I am the president of the Peter Westbrook Foundation. I am a six-time Olympian/bronze medalist in the Olympic Games. I am a six-time Pan-American team member, gold medalist in 1983 and 1995. I am a 13-time U.S. national champion. I was chosen as the flag bearer for the United States at the Olympic Games at Barcelona at the closing ceremony. I was also chosen

as the flag bearer at the Pan American Games in 1999 at the opening ceremony. I am an Athletes' Advisory Council member.

I say all this because I was considered to be an at-risk youth. I was an at-risk inner-city youth. I was raised in a single-parent home in the housing project of Newark, New Jersey. There were many times when we didn't have enough food to eat or have the proper clothing to attend school. Crime and negative stimuli were running rampant in my community, and negative stimuli started to affect my life.

I was extremely fortunate to be introduced to the Olympic sport of fencing at Essex Catholic High School in New Jersey. I started to excel and was then offered a full fencing scholarship to attend New York University. There I began my Olympic training, and my life changed dramatically. I was no longer considered to be an at-risk youth, but an Olympian and a bronze medalist of the United States of America.

Were it not for the grace of God and the Olympic sport of fencing, I would not be here before you today, but rather a statistic. This is why I and Olympian Robert Cottingham, in the room now, district representative for Congressman Payne, started the Peter Westbrook Foundation in February 1991. It is a nonprofit organization that seeks out high-risk inner-city youth and teaches them the discipline of fencing.

The Foundation is changing children's lives. The program, which solicits and relies on private and public funding, has been in existence for the last 9 years. We operate year-round. There is a Saturday and an after-school program. There are approximately 100 boys and girls from the ages of 9 to 19 years old.

I am pleased to share with you House Members, committee members, that in the academic area this year, Harvey Miller, an at-risk youth, was introduced to our program. This high school junior had nothing but Fs on his report card for the last 2 years. This year in his first tournament in Charlotte, North Carolina, at the national championships, he took fifth place. In addition, Harvey is at present an honor roll student and taking day and night classes and Kaplan's SAT course. He has his mind set on attending college and on becoming an Olympian.

My last area I would like to share with you Representatives, I am so proud of their athletic accomplishments. This year our youth have won men's and women's Division I NCAA championships and United States men's and women's national championships in both team and individual events. For the last 4 years, our athletes have represented the United States at the junior and senior world championships. One individual, Akhnaten Spencer-El, was ranked No. 1, I repeat, No. 1, in the world in the Under 20 category. The youth capped it off by representing the United States at this year's Pan American Games in Winnipeg, Canada, by winning a silver and three bronze medals. It just makes me feel so good inside.

This is a dream come true for me. This is a dream come true for the youth of our organization and for the youth of America. I am so proud, as you can tell, and I am so honored. It brings me great joy to witness all that has taken place before my eyes.

I must say President Bill Hybl and the United States Olympic Committee have been instrumental in supporting our work and our

struggle. President Bill Hybl and the USOC have also been financially supportive of our youth in our struggle for the last 7 years, and for that I am extremely, extremely grateful. I am also thankful to the many lives we are able to change together.

I am confident that the USOC will continue not only to support the Peter Westbrook Foundation, but similar grass-roots programs that embrace high-risk inner-city youth through athletics.

I would like to say I thank God for all of his magnificent blessings, and I thank Him for giving me the opportunity to work and touch the lives of so many of our children. I also thank the USOC for assisting me in achieving my goals and the goals of so many of our youth.

In closing, I would like to say if you can only change one person's life, that one person may be able to go out and change thousands more. I thank you so much, members and Representatives.

[The prepared statement of Peter Westbrook follows:]

PREPARED STATEMENT OF PETER WESTBROOK, PRESIDENT, PETER WESTBROOK FOUNDATION

Good morning Mr. Chairman and members of the Subcommittee.

I would like to thank this Subcommittee for permitting me to speak before it. I take great pride as a witness in sharing what the Olympic Movement has done for me and for the youth in the Peter Westbrook Foundation.

I would at this time like to share a few statistics with you. I am Peter Westbrook, President, Peter Westbrook Foundation; 6-Time Olympian/Bronze Medalist, 1984 Games; 6-Time Pan-American Games Team Member/Gold Medalist, 1983 & 1995; 13-Time United States National Champion; Flag Bearer—Closing Ceremonies, 1992 Olympic Games, Barcelona, Spain; Flag Bearer—Opening Ceremonies, 1995 Pan-American Games, Mar Del Plata, Argentina; and Member, Athlete Advisory Council, U.S. Olympic Committee1I was considered an at-risk, inner-city youth. I was raised in a single-parent home in the housing projects of Newark, New Jersey. There were many times when we didn't have enough food to ear or have the proper clothing to attend school. Crime and negative stimuli were running rampant in my community. The negative stimuli started to affect my life.

I was extremely fortunate to be introduced to the Olympic sport of fencing in Essex Catholic High School. I started to excel and was then offered a fencing scholarship to attend New York University. There I began my Olympic training under Csaba Elthes. My life changed dramatically and I was no longer considered an at-risk youth, and went on to become a six-time Olympian and Bronze Medalist for the United States.

Were it not for the grace of God and the Olympic sport of fencing, I would not be here before you today, but rather, a statistic.

This is why Olympian Robert Cottingham, Jr., District Representative for Congressman Donald M. Payne, and I started the Peter Westbrook Foundation, a non-profit organization that seeks out high-risk, inner-city youth and teaches them the discipline of fencing.

The Peter Westbrook Foundation is changing children's lives. The program, which solicits and relies on private and public funding, has been in existence for the last nine years. The program operates year-round. There is a Saturday Program and an After School Program. There are approximately 100 boys and girls from the ages of nine to 19 years old involved.

In addition, the Peter Westbrook Foundation addresses the academic arena. This year, Harvey Miller, an at-risk youth was introduced to our program. This high school junior had nothing but F's on his report card for the last two years. This year, he attended his first tournament, held in Charlotte, North Carolina. At this Division II National Championship, he finished 5th. Harvey is at present an Honor-Roll student taking day and night classes and taking Kaplan's SAT preparatory course for college. He has his mind set on attending college and becoming an Olympian.

This year our youth have won the Men's and Women's Division I NCAA Championships ad the United States Men's and Women's National Championships in both team and individual events. For the last four years our athletes have represented the United States at the Junior and Senior World Championships. One individual,

Akhnaten Spencer-El, was ranked number one in the world in the Under-20 Division and capped that off by representing the United States at this year's Pan-American Games in Winnipeg, Canada, winning a silver and three bronze medals.

Some of our youth will compete in next year's Olympic Games in Sydney, Australia and we have more targeted for the 2004 Olympic Games in Athens, Greece.

This is a dream come true for me, for the youth of our organization, and for the youth of America. I am so proud and honored. It brings me great joy to witness all that has taken place before me.

U.S. Olympic Committee President Bill Hybl and the U.S. Olympic Committee as a whole have been instrumental in supporting our work and struggle. President Hybl and the U.S. Olympic Committee have been financially supportive of our youth for the last seven years and for that I am extremely grateful. I am also thankful for the many lives we are able to change together. I am confident that the U.S. Olympic Committee will continue not only to support the Peter Westbrook Foundation, but similar grass roots programs that embrace high-risk, inner-city youth through athletics.

I thank God for all of His blessings and thank Him for giving me the opportunity to work and touch the lives of so many of our children. I also thank the U.S. Olympic Committee for assisting me in achieving my goals and the goals of so many of our youth.

If you can only change one person's life, that one person may be able to change thousands.

Thank you.

Mr. UPTON. Terrific. Thank you.

Mr. Szott.

TESTIMONY OF KEVIN SZOTT

Mr. SZOTT. Thank you. Good afternoon to the committee. I appreciate the opportunity to come here and speak to you.

Being the sole representative of the USABA, which is United States Association of Blind Athletes, and also USA Judo, I would like to take the opportunity to explain a little bit about the Paralympics, for those of you who may not be familiar with the structure of it.

Basically there are five disabled sports organizations that represent those with cerebral palsy, spinal cord injury, amputee, blind, and dwarfs and midgets. These five organizations compete 10 to 14 days after the Olympic Games. They will be from October 18 to 29 in Sydney, Australia. There will be approximately 5,000 athletes and 110 countries represented. We value the opportunity to compete as much as anyone does. Able-bodied, disabled-bodied, we go through the dedications, the struggles, the triumphs, the pitfalls of competing.

But the other part to our story is that this is a vehicle that allows us to demonstrate our abilities, and instead of people looking at what we can't do, they look at what we can do. Once they get past that, that gives us the opportunity to really express all our talents and our skills. So especially with the recent legislation in the United States, the Disabilities Act and those types of legislation, this a major vehicle for us to continue that movement ongoing.

So when I hear of what occurred in Salt Lake City, me, as a citizen of the United States, I was embarrassed. As an athlete I was angered that someone would try to taint what is such a pure message of just competition in athletes and athletics.

The saying goes, don't shoot the messenger for the message. In this case I would love to be able to shoot the messenger for tainting the message. Unfortunately, I don't see how we can do that without

affecting the athletes. I hope that this committee—you are here looking out for our best interests.

As an athlete, unfortunately, you know, the President was here answering to you. As an athlete, I wish that I could sit him down so he could answer to me, because we are what the games are all about, and when the show starts, when the whistle blows and the bell goes off, it is all about the athletes, and that is where the focus is, not in the organization.

So I appreciate your efforts, and I would just ask as you go through this process to please remember that anything that may occur at the IOC level, the USOC level, will eventually trickle down to the end user, which is us, so I wish you would please keep that in mind as you go along.

I started to dream back when I was basically in seventh grade to be an Olympian. I chose track and field. I wasn't able to excel high enough in that particular sport to pursue my Olympic dream, and at the age of 30 I picked up the sport of judo, basically to try to be competitive at the Paralympic level. I never thought I would be in the position I am now at 36 to be fighting for an Olympic spot, trying to become the first blind athlete in the history of the Olympic Games.

The Olympics has always been the purest of ideals to me, and it really upsets me as an individual to see it turned the way it has been turned.

I just want to thank you for your time. I want to wish you a good holiday, and God bless the USA.

[The prepared statement of Kevin Szott follows:]

PREPARED STATEMENT OF KEVIN SZOTT

Hello and good morning Mr. Chairman, members of the Subcommittee and all guests and dignitaries. My name is Kevin Szott and I represent the United States Association of Blind Athletes and USA Judo. I am here today to talk to you about my experience as a Paralympian.

I would first like to take this opportunity to explain the Paralympic format. The Paralympics consists of five disabled sports organizations dealing with physical limitations including: people who are blind, amputees, people with spinal cord injuries, dwarfs, and cerebral palsy. These five groups compete in nineteen different sports.

The competition is fierce and as intense as any of you have ever seen before. There are five thousand athletes from over one hundred countries, all having two things in mind: winning a gold medal and changing people's perceptions.

I have been a disabled athlete for twenty-two years and in this time I have seen many changes. The number and quality of the athletes has grown exponentially. The changes, however, did not end there. The abilities of the athletes began to overshadow the disabilities. People are looking at disabled persons in a whole new light. They have started to ask questions about our disabilities and have begun to wonder about their own limitations. In my life and in the lives of other disabled athletes, the Paralympics have played a major role in effecting this epiphany. The games continue to help us gain momentum toward the understanding and acceptance by today's society. This is what makes the Paralympics different from the Olympic Games: the triumph of the human spirit, in life and in sport.

This is why I ask you, when making decisions about the IOC, to remember the message. The message is still pure and untainted by money or greed. The competition and the athletes are what the games are all about: we train for years, not for money or political gain, but for pride and to be the best, period. This is the purity of the message and is why millions of people watch the games every four years. Who will be the heroes and who will overcome the greatest odds to win the gold? Greed and money have allowed the messengers to forget about the message. They took the athletes' hard work and dedication and made financial gain for themselves. The worst part of this insult is that these same people were entrusted to govern our

games. The messengers are guilty of reckless disregard of the message they were entrusted to maintain.

If you could punish the messenger without harming the message, I would be behind it one hundred percent. I can not see a way for this governing body to accomplish this objective. The USA has been embarrassed and internationally ridiculed, and we can not change that fact. We will only make it worse if we try to punish the messengers. The only people who will suffer are your own American athletes. Please remember that if you punish the messenger, that you will ultimately punish the message. Protect your athletes, do not repeat previous mistakes and punish American athletes for something in which they had no part.

Thank you for your time and patience. Have a great day and God Bless the USA.

Mr. UPTON. Well, thank you very much.

I have to say that when I came downstairs this morning about—it seems like about 12 hours ago, but it wasn't, I didn't really want to leave the room next door when I got to meet all of you, knowing certainly a little bit about your struggle and usual great success in the field. As we tell you a little bit about us and our subcommittee action, you know, this subcommittee has been here a long time, and this is a terrific committee for all of us to serve on because we have so much jurisdiction.

As chairman of this subcommittee, and my predecessors, I know, would say that, Joe Barton was one of them who was here earlier, our job is to go after fraud and abuse and mismanagement wherever we can find it, to identify it and then work with chairmen like Mr. Oxley, who is not here just to pick up tips as a coach-player of the Republican versus Democrat teams, whether they be baseball or basketball, but to really seek the legislative change so that we don't have to have further hearings on it, so it is done, so that it is finished and we can move on.

This year we have looked at Medicare fraud, we have looked at Medicaid, we have looked at banking irregularities, insurance, Department of Energy problems with the release of secret information to the Chinese, a whole host of things over the year. We have had literally a hearing every week. It is quite unusual for any committee in the Congress to actually conduct a hearing when Congress is out of session. But when we began these questions last spring, we were actually hoping not to have a hearing. We were hoping that the Atlanta folks were straight and narrow, and it was only Salt Lake City, of which John McCain and the good work that the committee over in the Senate pursued would be the end of it.

But, alas, it wasn't, and, in fact, we did find enormous irregularities, with a credit to the staff on both sides, Republican and Democrat, who spent Memorial Day weekend traveling down to Atlanta, looking through literally 6,000 boxes, correcting misinformation that was given to the committee. A former Attorney General, Griffin Bell, came back to us with a report admitting there were mistakes, big mistakes. And in a hearing in October that we had, in essence we decided we are not really here to slam people's fingers in the drawer, that the period of discovery was over, we wanted to look at the next challenge, that of reforming the committee and to make sure that the enforcement mechanism was in place.

That is really what our job is today, to ask some very tough questions. We don't have all the answers yet. That is clear. The work has not been done. But as we listened to your story, I just want to give you the assurance we are going to continue our oversight. Mr. Waxman on the Democratic side and others—it was too bad

Mr. Klink was not able to be here, but his plane never did leave Pittsburgh this morning. But Republicans and Democrats want to get to the bottom of this. Whether it takes legislation or not, we are going to get to the bottom of this. We are going to have continuing hearings. We accept and embrace your constructive criticism of what might go on. We have a number of questions.

For me, you heard some other members ask this question a little earlier today, but we have heard some rumblings about penalties to the American athletes. We saw that—at least I read about that, and I can remember watching the Olympics in Korea, and though I was never a boxer, I know a few points about that, and I thought, in fact, our athletes were discriminated against. I couldn't imagine that some of our athletes there weren't on the top rung of the stage when that anthem, when the wrong anthem, I guess, was played.

As I read some literature about that since these hearings were held, and though we have heard good comments from people that have testified, no, we haven't heard any rumblings, what the Congress has done has been pretty good, you are on the right track, thank goodness things began to move, I guess I would like to know what you have heard as athletes from your peers, whether they be from this country or any other, about the actions that we took.

We are not afraid to go after fraud and abuse, because it has got to be corrected. And I have to say that if the Olympics had not moved on the track that they did, that they would be in real jeopardy in the future. We heard that from advertisers, we heard that from corporate sponsors that began to think about and did pull the plug on future sites. But as you are here, I would be interested to know what you have heard about the actions of this committee and trying to seek the truth and to correct it.

Mr. Szott, I guess we will just go down the list. Since my red light is on, I will pass the baton to my colleagues. Maybe just some quick answers yes or no, what you have heard or haven't.

Mr. SZOTT. For the most part I think what the athletes here have said is accurate. Most of the athletes right now are more concerned about themselves. And as long as the games are going on, they don't involve themselves in a whole lot of the politics of what is going on with the IOC. For me personally in the sport of judo, the athletes at the Olympic training center where I train, they were offended, embarrassed about what happened here on our soil. What we heard from around the different countries was really not too much as far as ridicule or criticism about what went on. I guess some people had commented before, some people assume it is just the way the business goes. So in the long run, as far as the short term, a lot of the athletes haven't really commented.

Mr. UPTON. Mr. Westbrook.

Mr. WESTBROOK. Yes, Mr. Chairman, I as an athlete haven't heard too much about reverberations against the athletes. But, for sure, I am so happy that you are looking into it, because the athletes would inevitably suffer because of the funding and the sponsorship. So I think we are all quite aware that if this was not looked upon and dealt with immediately, as you are doing, it would have just—I can't even think about the effects, the sponsorship, the Olympic Games, maybe no funding for the athletes whatsoever. I just thank you for that.

Mr. UPTON. Ms. Strug.

Ms. STRUG. I think obviously like everyone else has said, I don't know if I need to kind of go over it again, but we were kind of disappointed, and it is definitely a reflection on the athletes. And hopefully I think obviously with the objective sports, is not the athletes, they cannot suffer, but subjective perhaps. So I am glad you are getting down to it.

Mr. UPTON. But to rephrase my question, have you heard about any possible retribution that may be out there toward American athletes by judges or whatever?

Ms. STRUG. I have not.

Mr. UPTON. From your peers?

Ms. STRUG. No, I have not.

Mr. UPTON. Mr. Mills.

Mr. MILLS. I have not either, but what I have heard and it is also part of my very strong feeling, is that it was to be expected what, eventually happened with the International Olympic Committee, because I feel strongly and other athletes have shared this with me, as we go global with our free enterprise system, there is only one downside to the beautiful system we have, and that has been somewhat profit at all costs.

In the beginning profit polluted the streams, the air, the soil. Environmental scientists have corrected that. Profit went into politics, profit at all costs. Character assassination, McCarthyism. Profit at all costs has gone into sport. It is okay for an athlete to abuse their spouse because they are a multimillion-dollar athlete, or it is okay to take steroids or performance enhancing drugs to win gold medals. So then the logical thing was it is okay to take bribes to award the game somewhere. And as we discussed that as athletes, we felt that true responsibility got back into America. As we go global with our free enterprise system, we have to monitor our own downside, our only downside, and we are doing that, and for that I am thankful.

The other comment I will make is with John Naber we were at the World Association of Olympic Winners, and the concern of the athletes I talked to there was not so much the International Olympic committee, but how within our own world as athletes we monitor ourselves so we can eliminate drug abuse, we can eliminate sexual abuse among coaching, et cetera. I think all of it is for the better of the sport, to get back to the Olympic ideals that I expressed in my comments.

Mr. UPTON. Thank you. Mr. Ctvrtlik.

Mr. CTVRTLIK. Thank you. I would just say that from what I have heard, and I fortunately or unfortunately am dealing with athletes that are not just Americans but from all around the world, they are concentrated on athletics. They want to win a gold medal. They are training, just like most of our stories here. That was our goal in our life and that is what we concentrated on. They are not worried about the politics of sport. I can say athletes are very appreciative of the work you have done up to this point.

I just want to kind of reiterate that the charter was changed. Athletes now have a mechanism to have a voice. The Olympic Games do not control world sports. For some reason, the public has this idea that the IOC is all powerful, and they are not. Inter-

national federations control sports. The National Olympic Committees, they control the sports. So if you are talking about retribution against American athletes, then we have to talk about the people picking the judges that control sports. That is the international federations.

None of the athletes, this is not a concern for them. But it is a very valid concern, and you bring it up. But the IOC is not the body that controls the sports. They are just trying to keep all the different factions together. Thank you.

Mr. UPTON. Mr. Stapleton.

Mr. STAPLETON. Well, I won't enter into a debate with Bob with the IOC athlete representation and its effect, but my comments did not go to fraud, they went to lack of financing. When you say the Olympics were going to be in a world of hurt, that is what I was referring to when I said American athletes could suffer. I am not paranoid enough to believe there are judges out there that are going to punish Americans, at least on the playing field, and I hope that is not the case.

Mr. UPTON. Mr. Naber.

Mr. NABER. One of the good things about our system in this country is that you get to hear dissenting points of view. I think good governance is not measured by having the right or the ability to hear a dissenting point of view, but it is the impossibility of keeping that viewpoint out of it.

So what I guess I am saying is I am going to say something the Olympic Committee will not like to hear. That is, you asked have I heard is there a possibility of retribution? Come on. Of course. The election to choose Italy over Switzerland for the 20006 Olympics has been disputed in the media as a reaction to Hodler's commentary at the Olympic Committee level.

Is that saying that the IOC has it out for the United States? Not necessarily. But how can we not think that somebody out there is not going to hold this discussion or others like it against us? I don't know if we are going to see an American elected to the presidency of an international sports federation for years. Does that matter? Yes, to some people. There could easily be repercussions.

But we are talking ethics, folks, and the measure of ethics is the ability or the willingness to do the right thing, even if it costs more than you are willing to pay.

Don't back off. Don't let any possible repercussions have any bearing in this issue. Do what is right and get it done with.

Mr. UPTON. Well, we certainly intend to do that. I know my 5 minutes has expired, so I will re-turn on the light. Ms. DeGette.

Ms. DEGETTE. Thanks you, Mr. Chairman. Most especially I thank all of you. You inspire all of us. Frankly, to us you may be the last committee on the agenda, but to us you are really the first committee, because several of you said this: The games are what it is about and the athletes are what it is about, and we need to make sure that the Olympics can continue untarnished, and that is to express the purpose of international competition and all of the good things that you so articulately talked about much more so than myself.

I will tell the chairman, certainly Mr. Waxman and all of us on the committee, Mr. Klink and myself included, intend to work very

hard to make sure that the rules that were promulgated by the IOC, which are a good first step, will actually be carried out. So I will work with you too on this.

Mr. UPTON. Absolutely.

Ms. DEGETTE. Let me start out, Mr. Naber, by asking you, I think I hear what you are saying, that this committee should continue even if there are repercussions, because it is the right thing to do.

Let me ask you and then any of the rest of you who would like to participate, I would love to hear your view too. If you could make one recommendation to the IOC about some change they could make in how they have been operated, what would that one recommendation be?

Mr. NABER. Well, the one recommendation I would make to us is to not make it personal. The IOC members are good intentioned. They are good in integrity, it is hard to measure perhaps, but they don't mean ill will to the Olympic Movement.

But if I were to advise them, it is strictly on the issue of the appearance of impropriety. Doing anything that might look suspicious, whether it looks like the decision is made behind closed doors and we declare it by acclaim, whether it be the appointment of a relative of an IOC member for any position, whatever it may be, stop it. Term limits goes a long way to addressing the appearance of a good old boy's club.

Mr. STAPLETON. I would just say, if I could change one thing that I think they really got wrong was the term limits issue. You know, it is like every 8 years having a vote at my country club about whether they are going to kick me out or not, and there is a group of people, and 3 outside people, and they are going to decide; but actually 4 of those 7 are from the inside, and it is unlikely unless I do something really ridiculous that I am going to get thrown out. I think that is at the root of the corruption of the IOC. That is why they got off track.

Mr. UPTON. Any other thoughts? Mr. Mills?

Mr. MILLS. Term limits. But also what bothered me, I think, was when they grandfathered in people and also whether or not there was the commitment to—I know you have to stop somewhere, but if there was some indication of corruption and fraud, will they still go back and investigate it?

Ms. DEGETTE. Anyone else? Yes?

Mr. CTVRTLIK. I would like to say, I have been there for every meeting and I have volunteered I don't want to know how many days this year, and my wife is going to kill me when I get home, as a matter of fact, but we were there. I don't have anything to add. Everything that bubbled up from the athletes around the world, we presented and they passed. I don't know, there is always something more you could want, a little bit more, or you could ask for this or that. Sure, the athletes, we could be 200 members and take over the whole IOC, but we have asked for reasonable things and they were very responsive all throughout the entire year. Personally as a representative, you can't ask for anything more. Thank you.

Ms. DEGETTE. Let me turn the tables a little bit then. What one piece of advice would you give to us as Members of Congress and

this Oversight Committee as we proceed with our dealings with the IOC? What is the one thing you think we should do? Mr. Stapleton?

Mr. STAPLETON. I think you should continue to schedule hearings, and I think that is the best thing you can do. I think the threat of legislation is a bad thing. They understand in Lausanne that you can take away tax deductions and all of the things we could do to disrupt the Olympics. In my experience over there, sitting in IOC meetings, is the last thing they wanted is Americans reminding them about how much power we have. So I think inserting yourselves in a meaningful oversight role by scheduling regular hearings is a very positive step. As a former athlete and one who represents athletes, I would feel good about that.

I think when we start rattling our saber is when we get in trouble, and when they put us in at arm's length and don't want to listen.

Mr. UPTON. Mr. Westbrook is nodding in agreement.

Mr. WESTBROOK. Yes.

Mr. MILLS. I also would encourage the committee to encourage the major Olympic sponsors to come back into the fold: The corporate America save the Olympic Games, corporate America could destroy the Olympic Games. I think a lot of the problems we are facing within the International Olympic Movement is the only downfall of the free enterprise system. In a free world, how do we monitor profit at all costs, what is a bribe? So I think we need at this point the major corporate Olympic sponsors stepping forward and endorsing the change and going forward together.

Mr. NABER. If I could just supplement, there are some stakeholders that were not represented in this room today. At least they didn't speak at the microphones. I would go out of your way to find a representative from the sponsor community. You did well to select somebody from both, because they are an independent international athlete-led organization. But the sponsors, the IAFs, the NOCs, they have a legitimate right to be heard.

Ms. DEGETTE. Thank you. Thank you, Mr. Chairman.

Mr. UPTON. I would just like to say we actually, when we began to formulate our thoughts about the hearing, we were going to have the sponsors, but then they at the last minute were not able to come. Because of the size and the time element, we decided we would save it for another day.

Coach Oxley.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. UPTON. Excuse me. "All Star" Oxley.

Mr. OXLEY. Thank you. I will have to brag, since the Republicans won the baseball game 17 to 1 and won the basketball game by 31 points.

Let me first of all thank all of you for being here. I have been a huge Olympic fan for years. I guess the first one I can remember is the Helsinki games in 1952. Mr. Mills, I think you were on the team with Bob Shuel in Tokyo. Bob was a Miami university graduate, my alma mater, in Dayton. And Kerrie Strug, you might be tiny, but you are my hero. You are terrific. John Naber, maybe they didn't have a tape old enough to cover your exploits. I don't

know. But I enjoy watching all of you. I think that it is shared by all the members.

I had a question, and it may be premature, but I am wondering exactly how the athletes from other countries are looking at this issue. Is it perceived by those athletes as a unique problem with Salt Lake City or Atlanta, or is it perceived as a real problem with the entire Olympic Movement? I know that some of the athletes, including Koss from Norway, is on the committee. Maybe Bob would best answer that. What is your sense about what the other athletes from other countries are feeling about this?

Mr. CTVRTLIK. Just feeling about the reforms?

Mr. OXLEY. Not only about the reforms, but what brought us to the reforms.

Mr. CTVRTLIK. One thing that is fairly interesting on the Athletes Committee, the meetings we have, when we are discussing an issue, there is something, it is just interesting that I might be talking to one of our representatives from China or Johann Koss from Norway or anywhere around the world, and we have quite a bit of discussion, but we don't have that much trouble coming to consensus, because we have all sacrificed and all given so much to this movement that we think very similarly.

So I think that the comments that you have heard as far as what the athletes feel, it is amazingly representative of what you have heard today.

Mr. OXLEY. Let me change the subject just briefly, because someone had mentioned performance-enhancing drugs. It seems to me we have come a long way in trying to deal with that issue. For those of you who have gone through that, and I assume it is virtually all—I am not sure, Mr. Mills, you probably had to go through it back in 1964—it was not a problem. But those of you who had to go through with it, let me ask, are you comfortable with the accuracy of the drug testing, and, if not, are there changes you would recommend? I know that General McCaffrey has been involved in some of our issues, our so-called drug czar. He has been active in taking the lead in that. I think particularly about the Butch Reynolds situation. I don't want to necessarily single him out, but there was some question as to the accuracy of the testing in that regard.

Just kind of give me an idea about where we are and maybe where we ought to be in terms of enhancement and the drug testing area.

Mr. SZOTT. Being in a sport, especially in my division as heavyweight where it is a big issue, unfortunately my background is in physiology, and I think the problem with the testing innately is it is always behind the drug user. I mean, by the time they are able to test something, the drug user has found a way around it, so they are always playing catch-up.

I really can't foresee a paradigm in which you can control or anticipate every opportunity. If a person is willing to cheat, to me it has always been a moral decision. If a person is willing to cheat, they will always find a way. I think you can only clear out so much of it, but there will always be some of it in the sport.

Mr. NABER. There are a lot of examples of athletes who win races 1 year and get caught with drugs the next, and that immediately

casts suspicion on how on Earth did they pass the test the year before. There is a swimmer from Ireland who won three gold medals in Los Angeles, and rumors were rampant, but everyone called those rumors sour grapes, because well, obviously you lost and she won. A year later she turns out with an amount of alcohol in her system as a masking agent that would have killed an ox. So everyone says aw, maybe we didn't catch her and consequently maybe the rumors have a lot more credence.

So, yes, I think there is no question the opinion of the athletes is we are testing, we are looking, we are just not catching enough of them, and how are they getting away? It goes back to my analogy of smart fish, a loose net, or catch and release.

In any case, unless it is purely independent, there is always going to be an incentive to conceal positive results or just not to catch them. If I can say I tested everybody on the Olympic team and they all tested clean, then I am no longer culpable. Well, that is only good until one of the guys gets a positive test a year later and now your whole system is culpable.

So by making it independent, I suggest that we put it out to bid, and now the integrity of the lab is on the line, not the integrity of the ethics of the Organizing Committee. I am a real believer in the need, and though I trust and love Richard Pound, a wonderful guy doing a great job, but I think we have to make it beyond suspect. Many of the athletes are very suspect.

Mr. OXLEY. Just briefly, if you could educate me, what is the regime now of testing? How soon before the Olympics? Does this go on constantly, or is it just during the Olympics? How does that work?

Mr. CTVRTLIK. Like I mentioned earlier, the international federations, what happened in February there was—the IOC convened world governments and all the international federations and athlete representatives. There was a World Drug Conference over in Lausanne, because what—it was ridiculous how it was happening in the past. Each federation had their own list of banned subject substances. These international federations are extremely strong and the IOC does not tell an international federation what to do. They ask and they negotiate and try to work it out.

So the major breakthrough happened at this conference. All of the international federations signed on to this same drug ban list, which was the first step. Then the International Olympic Committee, they tried to keep working. They are putting money behind different labs. They just put another $1.75 million for research for the drug for EPO.

But the next step is the World Anti-doping Agency, which they have—it has been created, it is going to be up and running by Sydney. But as far as catching people using drugs, the only way, and I think everyone on this panel will agree, is out-of-competition testing. There is no mechanism yet to do that around the world. So this World Anti-doping Agency, one of the major goals is consistency, as John Naber just said, but it is also to have an African runner know that when he is tested, he is getting the same test as a volleyball player in Long Beach, it is being recorded the same and being tested the same. And I think that is the biggest goal, and as

athletes, if we feel comfortable that this is occurring, that will be a huge step in combating the proliferation of drug use.

Thank you.

Mr. NABER. You asked the protocol of testing. A drug doesn't have to be in your system on the day of the Olympics to have benefited you and given you a gold medal. You can use a drug in January. It helps you train really well for 6 months. By the end of the 6 months, you come off the drug, it is no longer in your system and you don't test positive. So just testing at the Olympics or just testing a month before, in and of itself does not catch all the cheaters. So you have to have random, out-of-competition testing. The IOC has just introduced this drug passport. So once you become eligible to be considered for the Olympics, you have to have this passport and make sure you get tested regularly. A lot more detail than you need today, but there is a big process.

Mr. OXLEY. Thank you, Mr. Chairman. You have made us all proud. We are glad to have you here.

Mr. UPTON. We are really glad to have you here. I know that I speak for the entire committee and Chairman Bliley as well.

Again, just to piggyback a little bit on Mr. Oxley's comments, I am very interested in pursuing the drug policy, not only in the Olympics, but in sports, whether it be the NCAA or major league baseball, football, tennis, I don't care. We are going to go and take a look at it. In fact, it is one of nine things I talked to Mr. Samaranch about. I know he met with former General McCaffrey yesterday, and I would look to have him come up, General McCaffrey come up and testify as well. That is one of our potential hearings next year. So we may be getting some thoughts there, too.

Again, I want to compliment all of you on your testimony and your willingness to come at your own expense today and really spend a considerable amount of time.

I also want to again thank the staff, not only the staff that is behind us here on the dais but on the other sides of these walls, that have really done an outstanding job for a number of months making sure that we are prepared and that we, in fact, had terrific witnesses and allowed us to interact.

Jan tells me I am chairing the last hearing of the century. Maybe. We will see. Thank you, Jan.

But, again, we appreciate it. You are excused. We look forward to your input and your thoughts certainly in the months ahead. And for those of you that are still hoping to be a future Olympian, Mr. Westbrook, since 1976, I don't know if you are intending to be there again.

Mr. WESTBROOK. No.

Mr. UPTON. No? Kevin, best of luck to you, for sure. God bless all.

[Whereupon, at 4:03 p.m., the subcommittee was adjourned.]