

# Stopping Abuse from Entering Sports, Promoting Oversight, Responsibility and Transparency (SAFESPORT) Act of 2019

## S. 2838

Grassley, Ernst, Blackburn, Sullivan, Murkowski, Perdue

**SEC. 1. SHORT TITLE.** Provides a bill title, “Stopping Abuse from Entering Sports, Promoting Oversight, Responsibility, and Transparency Act of 2019” or the “SAFESPORT Act.”

**SEC. 2. ENHANCED CHILD ABUSE REPORTING.** Amends the definition of “covered individual” under the Federal child abuse reporting statute to clarify that mandatory reporters include a representative of the United States Center for SafeSport (SafeSport)—not just “an adult who is authorized by” an amateur athletic organization or national governing body to report suspected abuse, as current law requires. (Ensures that the nonprofit organization tasked by Congress with receiving and investigating abuse complaints in amateur sports<sup>1</sup> is subject to the same reporting requirements as other professionals who must report suspected child abuse to law enforcement, consistent with section 226 of the Victims of Child Abuse Act, 34 U.S.C. § 20341.)

**SEC. 3. TRANSPARENCY & FUNDING ACCOUNTABILITY.** Subjects SafeSport to the following requirements:<sup>2</sup>

**Limits on Use, Allocation of Transferred Funds.** Provides that amounts transferred to SafeSport by the U.S. Olympic and Paralympic Committee (USOPC) or a national governing body (NGB) must be used primarily to carry out SafeSport’s statutory mission of protecting amateur athletes from abuse. Further clarifies that *at least half* of transferred funds must be devoted to investigation and resolution of misconduct complaints in the amateur sports community. Also caps, at 10% of transferred funds, annual expenditures on executive compensation. Prohibits use of these transferred funds for SafeSport’s lobbying expenditures<sup>3</sup> or fundraising activities. Caps, at 20% of transferred funds, annual expenditures on administrative expenses of SafeSport (exclusive of litigation, insurance and reasonable travel expenditures of investigative personnel).

**Return of Unused Funds.** If SafeSport lacks capacity to use all funds transferred to the organization by USOPC and the NGBs to carry out its statutory duties, it may retain up to 25 percent of unspent monies but must return funds above that threshold to the original sources (proportional to their contributions).

- **Performance of Annual Audits.** Imposes annual audit requirements, relating to its SafeSport’s use of funds transferred by USOPC or NGBs (similar to those imposed on virtually all charitable nonprofits receiving a Federal grant award of just \$750,000 annually under OMB’s “Uniform Guidance” for charitable nonprofits; *see, e.g.*, 2 C.F.R. § 200.501 § 200.516, § 200.511).<sup>4</sup>
- The organization’s financial statements must be audited annually by an independent auditor in accordance with generally accepted accounting principles to ensure the organization has adequate internal controls and to prevent waste, fraud or misuse of funds transferred to the organization.
- The independent auditor must issue a report, not later than 180 days after completing each audit for the preceding fiscal year.

<sup>1</sup> P.L. 115-126 (2018), available online at <https://www.congress.gov/115/plaws/publ126/PLAW-115publ126.pdf>.

<sup>2</sup> See 36 U.S.C. § 220541.

<sup>3</sup> OMB has imposed a similar ban against use of Federal funds for lobbying at the Federal, State, or local level by charitable nonprofits receiving grant awards. See *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (a/k/a/ "Uniform Guidance"), 2 C.F.R. Pt. 200, available at <https://www.law.cornell.edu/cfr/text/2/part-200>.

<sup>4</sup> *Id.*; see also Single Audit Act Amendments Act of 1996, P.L. 104-156, available at <https://www.govinfo.gov/content/pkg/PLAW-104publ156/pdf/PLAW-104publ156.pdf>.

- SafeSport must prepare an action plan in response to any corrective actions the auditor recommends (including an explanation and specific reason for noncompliance with any auditor recommendations).

Also provides that, for purpose of carrying out the required audit, SafeSport must provide access to its books, records, personnel, and financial statements. Further provides that an audit report cannot include personally identifiable information of individuals. Clarifies that each annual audit will occur at the location where the organization’s records are normally kept. Defines terms, such as “audit report,” and “independent auditor. Provides that SafeSport must post online the organization’s response to any corrective action(s) recommended by its independent auditor.

***Annual Reporting Requirement.*** Requires SafeSport to report annually to Congress with a strategic plan on how it will fulfill its statutory duties for the coming year; describe its efforts to comply with the preceding year’s strategic plan; and provide a statement that fairly presents the organization’s financial situation (as well as an analysis of changes in its financial situation during the preceding year). Also requires that SafeSport annually report to Congress with a detailed description of its activities, including:

- Number and nature of misconduct complaints referred to SafeSport;
- Total number and type of pending misconduct complaints under investigation by SafeSport.
- Number of misconduct complaints for which an investigation was terminated or otherwise closed by SafeSport; and
- Number of misconduct complaints reported to law enforcement agencies by SafeSport for further investigation.

Also requires that SafeSport report annually to Congress with a description of its activities and any educational activities and trainings offered during the preceding year.

***Procedure for Removal of Officers and Directors in Event of Misconduct.*** Provides that the Attorney General may petition a federal district court judge for removal of officers and directors of SafeSport, as may be necessary or appropriate, if the organization engages in (or threatens to engage in) any action that is materially inconsistent with the purpose of 220503(15) or otherwise refuses or neglects to discharge its statutory obligations under the Ted Stevens Act.

**SECTION 4. GRANT ACCOUNTABILITY.** Adds grant accountability requirements to the statute by which the U.S. Attorney General (AG) is authorized to make annual grants of up to \$2 million to SafeSport for education and outreach activities.<sup>5</sup> These include, e.g., a bar against storing the nonprofit’s funds in offshore accounts for tax avoidance purposes, a requirement that the grant recipient disclose its process for determining executive compensation, limits on conference expenditures. Also calls for the AG to determine whether a potential award would result in overlap or duplication and, if it exists, report on why the grant was awarded. (Similar requirements for nonprofit organizations receiving grant awards from the Attorney General are routinely included in grant reauthorization measures reported by the Senate Judiciary Committee.

**SECTION 5. PROTECTING ABUSE VICTIMS FROM RETALIATION.** Adds new protections from retaliation, under 36 U.S.C. § 220501(b), for certain individuals who report abuse or harassment in amateur sports. Calls for mechanisms to be established for reporting, investigation, and resolution as well as disciplinary action for retaliation. Provides remedies for those who face retaliation.

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<sup>5</sup> 36 U.S.C. § 220531.