

"USA Cycling's History of Crooked Elections" - Les Earnest

Jan Luke-Hamasaki comes to the defense of her boss's boss, saying: Conspiracy theories? That is ridiculous! I don't know how well you know Gerard, Les, but if you did, you would know that USA Cycling is a far different organization today. I can honestly say that today, I am proud to be part of the USAC family. Rome wasn't built in a day but we have made huge strides since Gerard Bisceglia became our CEO. Gerard is a true leader and I feel confident that we will continue to grow positively as an organization as long as he resides at the helm.

I didn't say anything about Gerard. However there is a long history of crooked elections in USA Cycling and its predecessor organizations in which staff members have been politically involved, including Jan's current boss, Steve Johnson. Their actions have ranged from grossly unethical to illegal. This note summarizes the principal political battles over the last decade in which staff members have played a role.

In 1993 I initiated a plan to form a new governing body out of those that already existed and the new organization came to be called USA Cycling. In 1994 I wrote a legislative proposal that provided democratic representation for members of USCF, NORBA, USPRO, and NCCA, with a plan to bring in NBL shortly. I turned this legislation over the Chief Operating Officer (COO), Phil Milburn for distribution to the board of directors just before departing on an extended trip through Europe.

Upon my return I discovered that Milburn had suppressed its distribution and arranged for a tweaked version to be created and distributed that put nearly all power in the hands of a small minority representing commercial interests in the sport. I subsequently maneuvered the more democratic proposal onto the ballot for the annual meeting using a parliamentary gambit but when it came time to distribute ballot materials to member clubs, arguments in support of the undemocratic proposal were included while those in support of the democratic proposal were suppressed for weeks by Chief Financial Officer (CFO) Eileen Johnston, until I discovered her treachery and threatened a lawsuit.

These two unethical acts were undertaken in collusion with certain directors who were pushing their personal agendas, principally Beth Wrenn-Estes and USCF President Mike Fraysse. The Chief Executive Officer (CEO), Lisa Voight, claimed she didn't know that any of this was going on, which unfortunately may have been true inasmuch as she didn't seem to know or care about much of anything that went on in the organization.

As a result of these machinations, USA Cycling was created with a majority of directors representing special interests who make up less than 1% of the membership, a situation that continues to the present. I somehow was elected to USA Cycling's first board of directors, became Secretary and witnessed the expected takeover by a commercial cabal headed by President Mike Plant. As they expected, I was a thorn in their side.

In the next election, a year later, two of my supporters failed to show up at the USCF board meeting in Chicago and I lost the USAC seat by one vote to a member of the cabal. This accelerated the organizational slide in the direction of treating USCF and NORBA members as cash cows and milking them to support the cabal's programs while leaving grass roots cycling to fend for itself.

Skipping over recurring staff misconduct in elections through most of the 1990s, by 1998 there was a rising tide of discontent in the membership that spiked after Phil Milburn hired an administrative barracuda to run the district representatives program. (I can't remember her name at the moment, which often seems to happen when I try to think about people I would like to forget. However I do recall that she was a part time beauty contestant who kept a photo on prominent display at the office of herself in a bikini so as to establish her credentials.) She went on to alienate or fire most of the district representatives, setting back cycling programs and spreading discontent among the members.

This appeared to me to present an opportunity to reform the organization but it was also apparent to the cabal that they were becoming politically vulnerable. In the Fall of 1998 USAC Technical Director John Tarbert was directed by President Mike Plant to develop more "streamlined" bylaws. This project evidently

was undertaken with the concurrence of Voight and Milburn, given that Tarbert worked for them, though apparently neither was directly involved. Tarbert recruited Dan MacLeod, a race official and lawyer, to help him develop amendments to the bylaws.

One big change proposed by MacLeod was to eliminate the rights of members to introduce and vote on legislative initiatives and give those powers exclusively to the USAC board of directors. Initiatives had been used by USCF members for many years to amend their regulations but votes on USAC initiatives had never achieved a quorum because of many riders' political apathy, especially NORBA riders who "Just wanna ride my bike." Given that the general membership had never achieved a quorum, there didn't seem to be a pressing need to eliminate their right to vote, but the winds of change were starting to blow and the cabal was afraid of what might happen.

Another major change put into the secret plan by Tarbert and MacLeod was the addition of three "Outside Directors" to the USAC board, who would represent no racing programs. This was to accommodate investment banker Thomas Weisel and his financier associates, who promised to bring money to the table and wanted some political power to go with it. They had formed a "charitable" nonprofit corporation that was renamed "USA Cycling Development Foundation".

In view of the widespread discontent, in January 1999 I initiated a public discussion of alternative governance structures that might improve USA Cycling's services to the sport. This discussion took place on the Internet newsgroup rec.bicycles.racing, which I had initiated some years earlier. It appeared from the ensuing discussion that there was considerable support for major reform. Through those discussions we converged on a plan to transform USA Cycling into a confederation of member associations under a reconfigured board of directors, some representing associations but with a majority elected by individual members.

The USAC board was scheduled to meet in Phoenix on February 25-26 and the threat of reform caused the cabal to run scared. Mike Plant told John Tarbert to prepare a preemptive strike by enacting their legislative proposal as emergency legislation so that it could be implemented quickly and prevent our forthcoming legislation from coming to a vote. The only "emergency," of course, was the threat of legislative reform.

Normally, legislation to be considered at a board meeting was distributed in advance so that whoever was interested could be carefully review it. In this case, Plant directed Tarbert to keep it secret. Thus, the scheme to remove members voting rights, which came out of a political conspiracy between a few directors, one staff member and an outsiders, was kept secret from not only the general membership but also the association trustees and most of the USAC directors until they arrived at the meeting.

The legislative proposal filled 24 pages of intricate amendments and resolutions, which would have taken a couple of days to read and analyze carefully, but the board was stampeded into voting without doing their homework. Cabal members didn't care because they knew they could depend on Plant to maintain control of the organization but some other weak-minded directors caved in and voted for this "emergency legislation" even though they didn't understand it.

Immediately after the meeting I received a telephone call from director Chuck Collins, who then faxed me a copy of the legislation. I exposed this scam to the membership via the internet the next morning. Five days later, USAC management issued a press release saying: "COLORADO SPRINGS, Colo. (March 4, 1999) -- At the bi-annual USA Cycling, Inc. Board of Directors meeting, held in Phoenix, Ariz., Feb. 25-26, a modernized and streamlined set of bylaws was adopted (by a 10-1 vote). This allows for the more efficient operation of the national governing body for the sport of cycling in the United States."

The new bylaws certainly did allow more efficient operation inasmuch as the board of directors could do whatever they wanted without fear of retribution from the members, who were rendered powerless.

After I continued to review and expose this scam on the internet, USAC management launched a counterattack through their public relations chief, Rich Waninger, who hid behind the pseudonym of

"webmaster." However his network postings were so inept that he exposed his own lies and became a laughing stock. He has more recently moved on to browner pastures and is now the PR flack of U.S. Anti-Doping Agency.

The cabal's legislative coup was completed with a few more amendments at a follow-up board meeting in May, or so they thought. However, given that they had violated USAC bylaws I was determined to proceed with our legislative reform initiative. I was able to find a good attorney in Colorado, Andy Rosen, who identified various aspects of Colorado law that also had been violated. I rounded up some financial support from riders who shared my concerns and concurrently wrote and submitted a legislative reform proposal for consideration by the annual meeting, in accordance with the old bylaws. As expected, I was rebuffed by USAC staff, so we then sued for the right to have our proposal considered by the membership.

Meanwhile Voight, Milburn and Johnston continued to mismanage USAC, driving it to the brink of bankruptcy. In June 2000 Weisel's group (USACDF) agreed to bail them out provided that Phil Milburn was fired and replaced by Steve Johnson who would continue to serve as Executive Director of USACDF reporting to Weisel. While Voight continued as the nominal CEO of USAC, Johnson was actually running it inasmuch as Weisel had financial control of the organization and Lisa Voight had negligible leadership ability -- a nice lady who never should have been put in that position. Johnson then proceeded to effectively merge USAC and USACDF though they pretended to still be separate organizations.

On March 1, 2001 we finally won our lawsuit on appeal. This had the effect of restoring USAC bylaws and Articles of Incorporation to the way they were before the February 1999 coup, which meant that members voting rights were restored, and Weisel and his USACDF buddies were booted off the USAC board of directors after doing serious damage for two years.

It also meant that our legislative reform proposal could finally be considered at the 2001 annual meeting, so we resubmitted it. However the USAC establishment also submitted their proposal to remove members voting rights (again) and to put USACDF directors back on the board of directors. The subsequent election reached new heights in crooked solicitation and ballot counting, mostly orchestrated by Johnson and funded by USACDF. In various parts of the country, race officials and others were called upon to collect signatures on "petitions" that turned out to be proxies in disguise that gave away the votes of those who signed. As a consequence of these and other activities, we initiated another lawsuit against USA Cycling.

We noticed also that USACDF's expenditure of their "charitable" nonprofit funds, which were acquired as tax deductible donations, were being used to support the political campaign to restore Weisel and his associates to the USAC board, which would allow him to oversee his financial interests in the sport. This appeared to contravene Federal tax law, but we left that on the table, at least for a time.

This dirty campaign, which as usual was ignored by most of the membership, resulted in another apparent victory by the crooks. Weisel was restored to the board and took control of the organization by installing one of his employees, Jim Ochowicz, as President, replacing Mike Plant.

We were certain that we could win our second lawsuit but knew that the USAC leadership would continue to spend whatever it took to delay the decision through the courts, given that they could continue to pay their legal bills from licensing fees of the members whose rights they were suppressing. We recognized that it likely would take another two or three years to clear the appeals process again,. We also recognized that in the interim the crooks would continue to consolidate their control of the organization.

In recognition of the fact that this cycle of our suing and winning, then being confronted with additional illegal acts could be repeated indefinitely, I eventually succumbed to an offer I couldn't refuse and settled out of court. Leftover funds were used to subsidize a startup called FIAC (Federation of Independent Associations for Cycling) to provide support for grass roots cycling programs independent of USA Cycling.

In summary, as discussed above, a number of USA Cycling staff members have engaged in political actions over the years and have acted unethically, illegally, or both so as to advance their political or

financial interests.

Given that it is extremely easy to fix a web-based voting system so as to make the vote turn out however the creator wishes, I believe that it is unwise to rely on internet voting, especially one that the staff had anything to do with developing. The only reasonably secure way to conduct elections of this kind is to provide written ballots to be mailed to an independent agency such as a financial auditing firm. That is the way it was done in USCF and USAC for many years.

This vulnerability to perversion of democratic processes also exists in other organizations, including state and national governments. Indeed, in many parts of Florida, California and other states, the November elections will be conducted with touch screen voting systems that have no verifiable paper record. Crooked tallies are very hard to catch in such systems and they leave no backup record to check. Some vote administrators are working to fix this problem but many others foolishly put their faith in the infallibility of computers without understanding how they work and how easy they are to diddle.

While Mr. Weisel and company have been consolidating their control of USA Cycling and shaping it to suit their interests, he has been less successful in fending off federal investigations of crooked dealings by his investment firm, Thomas Weisel Partners, which is now been forced to pay a \$12.5 million fine following a lengthy investigation by the Securities and Exchange Commission.

So the world continues to turn and USAC members continue to allow Weisel to run their sport to suit his interests. At least for now.

-Les Earnest