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**October 28, 2020**

**CONFLICT OF INTEREST POLICY**

**OF THE**

**UNITED STATES BASEBALL FEDERATION, INC.**



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## **1. Purpose**

USA Baseball is committed to sustaining an ethical organization free of conflicts of interest and perceived conflicts of interest. Each Affiliated Individual (as defined below) has the responsibility to administer the affairs of USA Baseball honestly and prudently, and to exercise their best care, skill, and judgment for the sole benefit of USA Baseball. Those persons will exercise the utmost good faith in all transactions involved in their duties, and they will not use their positions with USA Baseball or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions. USA Baseball requires that any of its Affiliated Individuals recognize, attempt to avoid activities or investments that involve, might appear to involve, or could result in a potential conflict of interest.

This policy does not attempt to provide an exhaustive list of every possible circumstance that might give rise to a conflict of interest, but provides examples of situations or “transactions” where potential conflicts of interest often arise. A “transaction” is any contract, transaction, agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or loan, or the establishment of any other financial relationship with USA Baseball.

## **2. Applicability of Policy**

This Conflict of Interest Policy is applicable to all USA Baseball Affiliated Individuals. “Affiliated Individuals” include, but are not limited to, members of USA Baseball’s Board of Directors, officers, committee members, task force members, hearing panel members, employees, volunteers and USA Baseball contractors.

## **3. Definitions**

“Conflict of Interest” or “Conflict” exists when an Affiliated Individual’s activities or interests interfere with, influence, or have the potential to interfere with or influence his or her responsibilities on behalf of USA Baseball or undermine the interests of USA Baseball. A “conflict of interest” also exists in the context of athlete or team selection when an Affiliated Individual participates in a selection decision that involves or impacts an athlete with whom the Affiliated Individual has a direct or indirect relationship, or when an Affiliated Individual participates in a benefits or services allocation decision that directly impacts the Affiliated Individual.

## **4. Areas in Which Conflicts May Arise**

Conflicts of interest often arise due to the relationships Affiliated Individuals have with the following third parties:

- a) Persons or entities supplying goods and services to USA Baseball;
- b) Persons or entities leasing property or equipment to USA Baseball;
- c) Persons or entities with whom USA Baseball is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other property;



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- d) Competing or affinity organizations;
- e) Donors and others supporting USA Baseball;
- f) Agencies, organizations, and associations which affect the operations of USA Baseball; or
- g) Family members, friends, and other employees. A “Family Member” is defined as a spouse, domestic partner, parent, parent of spouse/domestic partner, child, stepchild, child of a domestic partner, sibling, or the sibling of a spouse/domestic partner of an Affiliated Individual.

Potential conflicts of interest often arise when Affiliated Individuals have an interest, directly or indirectly, with any persons or entities mentioned above. Examples of potential conflicts of interest are listed below. The list below is not intended to be an all-inclusive list of every instance that may create a potential conflict of interest, but, rather, is simply a sample of the types of relationships and activities that may give rise to a conflict of interest. If an Affiliated Individual or other disclosing individual has any question as to whether a relationship or activity may create a conflict of interest, a disclosure must be made.

Examples of potential conflicts of interest that should be disclosed are listed below:

- i. Affiliated Individual or their Family Member owns stock or holds debt or other proprietary interests in any third party dealing or who may potentially deal with USA Baseball.

EXAMPLE: A USA Baseball board member owns a 70% interest in a company seeking to enter into a contract with USA Baseball to provide consulting services.

- ii. Affiliated Individual or a Family Member owns a business, maintains a second job, or provides goods or services under a provider, contractor, or consulting agreement, where by the outside business provides goods or services to USA Baseball, the USOPC, or any other NGB.

EXAMPLE: USA Baseball is contemplating entering into an agreement with a HR consulting company owned by an USA Baseball employee’s husband.

- iii. Affiliated Individual or a Family Member holds a position of executive, officer or director, participates in the management of, or is otherwise is employed (or formerly employed) by any third party dealing with USA Baseball.

EXAMPLE: A USA Baseball board member is the CEO of a technology company negotiating a contract with USA Baseball to provide IT services.

- iv. Affiliated Individual uses USA Baseball’s time, personnel, equipment, supplies, or goodwill for anything other than USA Baseball-approved activities, programs, and purposes.

EXAMPLE: A USA Baseball employee uses a USA Baseball vehicle for a personal road trip.



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- v. Affiliated Individual solicits gifts or gratuities using their USA Baseball role or accepts personal gifts, loans, gratuities, or discounts from third parties in violation of USA Baseball's Gift & Entertainment Policy. No personal gift of money should ever be accepted.

EXAMPLE: A USA Baseball employee using her position at USA Baseball to obtain box seats to a sporting event from a vendor for personal use.

EXAMPLE: Accepting tickets to an NFL game worth \$250 from a business seeking to obtain a contract to provide landscaping services for USA Baseball headquarters.

EXAMPLE: A USA Baseball board member gets paid a commission if USA Baseball enters into a particular contract with a third party.

- vi. Affiliated Individual or a Family Member acts as an agent, representative, or consultant to a business whose interests may conflict with the interests of USA Baseball.

EXAMPLE: A USA Baseball board member agrees to promote another NGB in negotiations with potential sponsors or licensees.

- vii. Affiliated Individual or a Family Member has a business relationship with a sponsor, supplier, licensee, or vendor of USA Baseball (for a current list of USA Baseball sponsors, suppliers, and licensees, go to <https://www.usabaseball.com/about/partners>).

EXAMPLE: A USA Baseball employee's spouse provides legal services to a USA Baseball sponsor.

- viii. Affiliated Individual awards USA Baseball business to, or provides favorable treatment to, a business owned or controlled by a volunteer, family member, or personal friend.

EXAMPLE: USA Baseball is contemplating entering into a contract for landscaping services with a company because the landscaping company is owned by an employee's brother.

- ix. Affiliated Individual drafts selection procedures or participates and/or votes within a discretionary selection committee of USA Baseball when they have a relationship with an athlete who is potentially impacted by the selection procedures (e.g., as coach, trainer, parent, etc.) or when Affiliated Individual might benefit directly or indirectly from the selection method.

EXAMPLE: USA Baseball employee participating in a decision to select an athlete on USA Baseball's team for World Championships or major international competition when the USA Baseball employee is athlete's current coach or family member.

EXAMPLE: The athlete representative assisting with drafting, voting on, and/or signing the procedures is also competing for a spot on the team for which the procedures are written.

- x. Affiliated Individual engages in activities or maintains interests, that interfere with or influence, or have the potential to interfere with or influence, the satisfactory



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performance of their responsibilities on behalf of USA Baseball or undermine the interests of USA Baseball.

EXAMPLE: A USA Baseball board member has a significant client who owns or operates a facility being considered as the host of a USA Baseball event.

EXAMPLE: An Affiliated Individual serves on a hearing panel or appeal panel involving discipline against a member of the Affiliated Individual's club / team / family.

EXAMPLE: An athlete is the potential recipient of benefits or services that are being allocated by USA Baseball and participates in the allocation decision.

- xi. USA Baseball Officer is an officer of another NGB.

## **5. Interpretation of This Policy**

The areas of conflicting interest and relations in those areas which may give rise to a conflict, as listed in Section 4, are not exhaustive. Affiliated Individuals should disclose all relationships and activities which may give rise to a potential conflict of interest, whether or not listed expressly in Section 4.

However, disclosure of a conflict or potential conflict of interest does not necessarily prohibit involvement in the disclosed activity or with USA Baseball. For example, the conflict might not be material enough to be of practical importance, or if it is material, it might be possible for USA Baseball and Affiliated Individual to implement appropriate mitigating measures upon full disclosure of all relevant facts and circumstances. However, it is USA Baseball's policy that the existence of any of the interests described or similar in nature to those described in Section 4 will be disclosed before any transaction is consummated or any vote taken on an action, contract, relationship, or decision that would give rise to the potential conflict of interest. It is the continuing responsibility of each Affiliated Individual to scrutinize his/her transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Under no circumstances will an individual be subject to any disciplinary or retaliatory action for filing, in good faith, a report of a violation or potential violation of the Conflict of Interest Policy. However, filing known false or malicious reports will not be tolerated, and anyone filing such reports will be subject to appropriate disciplinary action.

## **6. Disclosure Policy and Procedure**

In addition to the mandatory self-disclosures required from each Affiliated Individual under Sections 9 and 10 of this policy, any individual with a good faith belief that another Affiliated Individual has a conflict of interest may notify [USA Baseball's Ethics Committee](#) of such perceived conflict pursuant to the procedures set forth below. Such notice may be provided anonymously. Furthermore, should any Affiliated Individual become aware of any undisclosed conflict of interest, or any conflict of interest not fully disclosed, such person should make full disclosure of their knowledge of the potential conflict of interest involved to [USA Baseball's Ethics Committee](#).



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Affiliated members are encouraged to disclose conflicts whenever they may arise or whenever the member becomes aware of them, in addition to annual disclosures. Specifically, Board members, committee members and members of tribunals or panels must disclose any conflicts when they arise or whenever they become aware of them.

After disclosure of the conflict or potential conflict of interest and all material facts, and after any discussion with the interested person and any other relevant party, the [Ethics Committee](#) will decide if a conflict of interest exists pursuant to the procedures set forth in Section 7 below, as applicable, and if there are mitigating measures that could be implemented to permit USA Baseball to move forward with the transaction or activity.

## **7. Procedures for Addressing Potential Conflicts of Interest**

### **a) With Respect to USA Baseball Transactions or Business**

In the event a potential conflict of interest exists with respect to a proposed transaction or arrangement, then promptly and before any decision is made regarding the proposed transaction or arrangement, the potential conflict of interest will be addressed as follows:

- i. The interested person may make a presentation to the [Ethics Committee](#), which may be convened telephonically, regarding the transaction or arrangement involving the potential conflict of interest.
- ii. The interested person will then recuse themselves from any and all discussion and approval (if applicable) of the conflict of interest.
- iii. The [Ethics Committee](#) will determine whether an actual or apparent conflict of interest exists. For transactions, the [Ethics Committee](#) may consider whether a competitive bid or competitive evaluation exists.
- iv. If the [Ethics Committee](#) determines that an actual or apparent conflict of interest exists, it will determine whether there are mitigating measures that can be implemented to alleviate the conflict and/or what steps the interested individual and/or USA Baseball must take or not take in order to avoid the conflict. The [Ethics Committee](#) may determine in some cases that USA Baseball cannot engage in the transaction or arrangement at all due to the conflict or potential conflict of interest.

### **b) With Respect to Drafting Selection Procedures and Athlete/Team Discretionary Selection**

The following more particularized disclosure requirements and procedures apply in the context of drafting selection procedures and athlete/team discretionary selection decisions in order to ensure that no Affiliated Individual participating in the process has a conflict of interest that will impact his/her ability to make a fair and unbiased decision in the athlete or team selection process.

Any Affiliated Individual involved in the drafting of procedures, including the athlete representative, or on a discretionary selection committee who has a potential conflict of interest must disclose it to the [Ethics Committee](#) for review. The following process will be followed:

- i. The Interested Person may make a presentation to the [Ethics Committee](#), which may be convened telephonically, regarding the potential conflict of interest.



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- ii. The interested person will then recuse themselves from any and all discussion regarding the potential conflict of interest.
- iii. The [Ethics Committee](#) will determine whether an actual or apparent conflict of interest exists
- iv. If the [Ethics Committee](#) determines that a conflict of interest is exists, it will either mandate the individual's recusal from the process or determine to what extent, if any, that individual can participate in the process The [Ethics Committee](#) may determine that the individual can still participate in the drafting of the procedures or be included in the discussions for discretionary selection of a team, but not take part in any sign-off, vote, or decision. For example, a national team coach or high performance director may provide information to the selection committee so long as such information is provided in a fair and unbiased manner and the committee member who disclosed the conflict of interest does not vote toward the final decision.
- v. Under no circumstances will a person with an actual or potential conflict attempt to unduly influence other members of the committee in the selection process.

If the Affiliated Individual is recused and a vacancy on the committee exists, either in the drafting process or on the discretionary selection committee, USA Baseball will use its best reasonable efforts to fill that vacancy. If a vacancy results in the athlete representative position, another athlete representative who meets the qualifications for that committee will be appointed and approved by a representative group of athletes.

## 8. Violations of The Conflicts of Interest Policy

If the [Ethics Committee](#) has reasonable cause to believe an Affiliated Individual has failed to disclose an actual or potential conflict of interest, it will promptly inform the Affiliated Individual of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the Affiliated Individual's response and after making further investigation as warranted by the circumstances, the [Ethics Committee](#) determines the Affiliated Individual has failed to disclose the conflict or potential conflict of interest, it will take appropriate disciplinary and corrective action. The Ethics Committee's decision will be final.

While any such failure to disclose a conflict or potential conflict of interest is under investigation, the Affiliated Individual will be precluded from engaging in further decisions of USA Baseball that bear any relation whatsoever to the matter that is the subject of the conflict or potential conflict of interest.

## 9. Annual Disclosure Statements

Each Affiliated Individual will annually sign and submit to the [Ethics Committee](#) and USA Baseball's CEO a statement, using the standardized form, affirming that they:

- 1) Have received a copy of the conflicts of interest policy;
- 2) Have read and understand the policy;
- 3) Have agreed to comply with the policy, and
- 4) Understand that USA Baseball is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or



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more of its tax-exempt purposes. Each annual disclosure will be reviewed and addressed by the [Ethics Committee](#).

Any actual, perceived, or potential conflict of interest should be disclosed in the annual statement, reported to the Board, and documented in the Board Meeting Minutes.

Any new USA Baseball employee will submit a conflict of interest disclosure statement within 14 days of his or her hiring by USA Baseball. Any other new Affiliated Individual will submit a conflict of interest disclosure statement by the earlier of 14 days after his or her appointment or his or her first board, committee, or task force meeting. In no event will an Affiliated Individual participate in any decisions to commit USA Baseball to a proposed transaction or in athlete or team selection procedures prior to submission of his or her conflict of interest disclosure statement.

USA Baseball will maintain copies of all Annual Statements submitted under this Section 9 in accordance with the document retention policies and procedures.

## **10. Periodic Statements/Updates**

In addition, each director, officer, committee member, task force member, hearing panel member, employee, and contractor will submit to the [Ethics Committee](#) a signed statement as necessary describing any new potential conflicts of interest as and when such potential conflicts of interest arises. USA Baseball will maintain copies of all periodic statements or updates submitted under this Section 10.

Likewise, the [Ethics Committee](#) will, on an annual basis, preform a documented review process of annual disclosures and conduct a review of the CEO/ED and Board of Directors/Officers.

## **11. Conflict of Interest Policy Lead**

Ethics Committee Chair, George Grande, can be contacted with any questions about this policy at [ethics@usabaseball.com](mailto:ethics@usabaseball.com).

### ***For Athletes With Questions Regarding This Conflict of Interest Policy:***

*The Athlete Ombudsman provides cost-free, independent and confidential advice regarding athlete rights; resolving disputes or grievances; and any sport rule, policy, or process, including NGB-athlete agreements, codes of conduct or team selection procedures. The Athlete Ombudsman can also help athletes connect with legal counsel or mental health resources if needed. Athletes may contact the Athlete Ombudsman at:*

*PHONE: (719) 866-5000*

*EMAIL: [ombudsman@usathlete.org](mailto:ombudsman@usathlete.org)*

*WEBSITE: [www.usathlete.org](http://www.usathlete.org)*