



U.S.
Anti-Doping
Agency

2008

**ANNUAL
REPORT**

United States Anti-Doping Agency

VISION:

To be the guardian of the values and life lessons learned through true sport

MISSION:

PRESERVING the integrity of competition

INSPIRING true sport

PROTECTING the rights of U.S. athletes

2008 ANNUAL REPORT CONTENTS

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Editor: Erin Hanman, Communications & Outreach Director
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FOREWORD

A Letter From the CEO and the Chairman

THE OLYMPIC YEAR provided both the opportunity and the inspiration for USADA's continuing effort to be the guardian of true sport in the United States. In support of our U.S. Team as they prepared for Beijing, and later as they became accustomed to the changes in the World Anti-Doping Agency's (WADA) International Standards, USADA remained diligent in our efforts to inform and educate all U.S. athletes of their rights and responsibilities related to the anti-doping programs. The Summer Games was also the ideal backdrop for two significant USADA initiatives which reaffirmed the support and commitment of our clean athletes to achieving a level playing field consistent with the ideals of the Olympic movement.

The first of these was a pilot program in which a dozen Olympians voluntarily agreed to participate in an intense testing program which included both blood and urine samples. The purpose of the program was to conduct research and analysis regarding longitudinal testing, for the ultimate goal to advance the science of anti-doping. Although the program carried with it an increased level of testing, the athletes who participated were extremely proud of their involvement and made it possible for USADA to carry out an invaluable study in support of all clean athletes.

From that evolved the *My Victory* campaign, in which the same athletes publicly advocated for clean sport, and inspired hundreds of athletes, at all levels of sport, to sign the "I Compete Clean" pledge. From our perspective the success of those programs demonstrated our support of clean athletes, and in turn their support of USADA's mission to protect and inspire true sport.

In preparing for the next quadrennium, USADA's Board of Directors and Staff also conducted a thorough strategic review of our Vision, Mission, Values, and Goals, using our eight-year history as the foundation for defining our future objectives. The result was "Game Plan 2012," which produced four high-level strategic goals, and evolved our Vision, Mission, and Values statements. The strategic goals outlined in the plan are to:

- be a strong and influential partner and voice in the anti-doping community;
- expand influence in the scientific community;
- build client-focused teams that are accountable for delivering exceptional service; and,
- impart and inspire a commitment to the core principles of true sport.

Identifying our core values is an important contribution to our ongoing activity, encompassing the qualities of integrity, respect, teamwork, responsibility, and courage. Our restated vision is "To be the guardian of the values and life lessons learned through true sport," and our revised mission is to "Preserve the integrity of competition, inspire true sport, and protect the rights of U.S. athletes."

The Board of Directors and the Staff of USADA look back at what we have accomplished in the first eight years with a sense of satisfaction, and a sincere gratitude to our many partners and supporters in what has been an enormous and challenging effort. We look forward with great enthusiasm to a new and re-energized future.



TRAVIS T. TYGART, CEO



RALPH W. HALE, M.D.,
CHAIR, USADA BOARD OF DIRECTORS



Jed Jacobsohn/Getty Images

Cover photo: Martin Bureau/Getty Images

LEADERSHIP

Board of Directors

Chaired by Dr. Ralph W. Hale, the USADA Board of Directors offers an independent, well-rounded, professional and diverse group of talented individuals, backed by a strong and experienced staff, all committed to the mission of preserving, inspiring, and protecting clean sport.



RALPH W. HALE, M.D., CHAIR

The Executive Vice President of the American College of Obstetricians and Gynecologists, Hale became the USADA Board Chair in April 2003 after serving as Vice Chair since 2000. He was a member of the U.S. delegation staff at four Olympic Games (1988, 1992, 1994 and 1996) and served on the United States Olympic

Committee Board of Directors for 16 years as a representative of U.S. Water Polo. Hale was also Chef de Mission for the United States at the 1996 Olympic Games in Atlanta. His extensive work in international sport includes serving as a member of the U.S./USSR Anti-Doping Commission (1989-92) and as USOC Vice President (1993-96).



RICHARD W. COHEN, M.D., VICE CHAIR

Cohen became Vice Chair of the USADA Board in April 2003. He is a former member of the Doping Control Commission for both USA Weightlifting and the U.S. Bobsled and Skeleton Federation, and chaired the Atlanta Committee for the Olympic Games Doping

Control Commission. Cohen also served as an advisor on doping control to the Nagano Olympic Organizing Committee during the 1998 Olympic Winter Games in Nagano, Japan. A noted orthopedic surgeon, Cohen is Chair of the Wellstar Health System Ethics Committee in Atlanta.



ANNETTE SALMEEN, PH.D., SECRETARY

Salmeen captured a gold medal in the 800m freestyle relay as a member of the 1996 U.S. Olympic Swimming Team. Earlier that year, as co-captain of the women's swim team at the University of California, Los Angeles (UCLA), she became the NCAA champion in the women's 200m butterfly and received UCLA's Outstanding Female Athlete award. Salmeen's accomplishments earned her an additional

prestigious honor in 1996, the NCAA Top VIII Award, presented to only eight NCAA student-athletes annually for excellence in academics and athletics. Salmeen graduated with honors from UCLA in 1997 and completed her doctorate in biochemistry as a Rhodes Scholar at Oxford University in 2001. She is currently conducting post-doctoral research in the Department of Chemical and Systems Biology at Stanford University Medical School.



BARRY AXELROD, TREASURER

A graduate of UCLA Law School, Axelrod is an attorney specializing in sports, entertainment, and business law. His client roster includes athletes Michelle Kwan, Rich Aurilia, Jeff Bagwell,

Craig Biggio, Matt Clement, Jake Peavy, Matt Morris, and Phil Nevin; broadcasters Rick Sutcliffe, Mark Grace, and Wally Joyner; and entertainers Mark Harmon and Pam Dawber.



EVELYN ASHFORD

One of the greatest female sprinters in track and field history, Ashford was a member of the gold medal-winning 4x100m relay at the 1984, 1988 and 1992 Olympic Games, and earned a gold and a silver in the 1984 and 1988 Olympic Games, respectively, in the 100 meters. Also a member of the 1976 U.S. Olympic Team, Ashford was the top-ranked sprinter

in the world on four occasions and number one-ranked American seven times. She was a two-time world record holder in the 100 meters, a member of 15 U.S. national teams and won 19 national titles, including six indoors. Ashford was inducted into the Track & Field Hall of Fame in 1997 and was among the Class of 2006 inductees to the U.S. Olympic Hall of Fame.

Paul Gilham/Getty Images

LEADERSHIP

Board of Directors *(continued)***LAWRENCE S. BROWN JR., M.D., M.P.H., FASAM**

A physician-researcher with training in internal medicine, neuroendocrinology, and addiction medicine, Dr. Brown is Executive Senior Vice President at the Addiction Research and Treatment Corp. in Brooklyn, N.Y. With over 100 peer-reviewed publications and presentations nationally and internationally, he has appointments as Visiting Physician at Rockefeller

Hospital and Clinical Assistant Professor of Public Health of the Weill Medical College at Cornell University. Dr. Brown has served on advisory committees of the Food and Drug Administration and several institutes of the National Institutes of Health and provides consultation to a host of local, state, and federal government and private agencies. He also serves as a medical advisor to the National Football League.

**JEAN FOURCROY, M.D., Ph.D., M.P.H.**

A urologist and retired medical officer with the Food and Drug Administration in the Division of Clinical Laboratory Devices, Fourcroy is regarded as an expert on the subject of anabolic steroids, androgens, and their alternatives. A noted clinician, researcher, and scientist, Fourcroy

has worked extensively on the development of regulatory and educational formats, both domestically and abroad, with the U.S. Drug Enforcement Administration. In 2008, Fourcroy also edited *Pharmacology, Doping and Sports—A Scientific Guide for Athletes, Coaches, Physicians, Scientists and Administrators*.

**DONALD L. GAMBRIEL**

Elected to the USADA Board in May 2006, Gambriel served as the head coach for the 1984 U.S. Olympic Swimming Team and was an assistant coach for the sport's 1968, 1972, 1976 and 1980 U.S. Olympians. A swimming coach for more than 35 years, he started his career at the high school level and compiled a 350-60

record as a collegiate coach during stints at Pasadena City College, Long Beach State, Harvard and Alabama (270-49). In 1990, Gambriel retired from collegiate coaching and became an assistant athletic director at the University of Alabama. He retired from that position in 1996, but has continued to teach at the university.

**ANDREW MECCA, Dr. Ph.D., M.P.H.**

Prior to assuming his current position as President of the California Mentor Foundation, Mecca held several posts with the State of California, including Drug Czar (1991-98), Chair of the Governor's Policy Council on

Drug and Alcohol Abuse, and Chair of the California Commission on Improving Life Through Service. An accomplished triathlete and marathoner, he has assisted in the development of programs designed to curb substance abuse in more than 15 countries.

**CARL SWENSON**

An elite athlete in both cross country skiing and mountain biking, Swenson joined the USADA Board in October, 2007. A three-time Olympic team member (1994, 2002 and 2006) he was captain of the ski team in each of the latter

two years. A national champion in mountain biking in 2000, he represented the U.S. in five World Championships and won a silver medal in the 1999 Pan-American Games. He is currently pursuing a law degree at the University of Utah.

USADA Executive Staff

TRAVIS T. TYGART, CHIEF EXECUTIVE OFFICER

Travis T. Tygart joined USADA in October 2002 as Director of Legal Affairs, having previously served as outside counsel. In October 2004, he became Senior Managing Director, General Counsel, overseeing all legal and communication matters for USADA, including adjudication of alleged doping offenses in arbitration before the American Arbitration Association and the Court of Arbitration for Sport. Tygart was involved with drafting the USADA Protocol for Olympic Movement Testing and directed USADA's efforts in our BALCO investigation that led to the discovery of tetrahydro-

gestrinone (THG) and resulted, to date, in 19 cases. He has been an expert presenter in the United States and internationally at numerous conferences and symposiums.

Prior to joining USADA, Tygart was an attorney in the sports law practice group at Holme, Roberts and Owen, LLP in Colorado Springs, Colorado, where he worked with individual athletes and several sport entities. Tygart graduated from the University of North Carolina with a bachelor's degree in philosophy and earned his J.D. from Southern Methodist University, graduating Order of the Coif.

**LARRY BOWERS, Ph.D., CHIEF SCIENCE OFFICER**

Larry Bowers joined the U.S. Anti-Doping Agency in September 2000 as the Senior Managing Director, Technical & Information Resources. Now as Chief Science Officer, he is responsible for leading the research efforts into prohibited substances, including detection, and oversees USADA's drug testing program and the development of resources for technical and educational anti-doping information for Olympic and elite athletes in the United States as well as the development of an anti-doping educational program for America's youth in sport. He also serves as Chairman of the Scientific Advisory Board for the Partnership for Clean Competition, an organization co-founded by USADA which funds research in anti-doping science.

Administration Medical Devices Advisory Committee and was deputy director of the Athletic Drug Testing Laboratory for the 1996 Olympic Games. He has published more than 100 papers on drug testing and chemistry, and is frequently invited to present at conferences and scientific meetings.

Prior to his appointment with USADA, Bowers spent eight years as the Director of the Athletic Drug Testing and Toxicology Laboratory and was a professor of Pathology and Laboratory Medicine at the Indiana University Medical School. He was also a professor in the Department of Chemistry at the Purdue University School of Science. Previously, he was a professor at the University of Minnesota.

Bowers earned a bachelor's degree in chemistry from Franklin & Marshall College and completed his Ph.D. in chemistry at the University of Georgia.



Bowers is a member of the Drug Testing Advisory Board of the U.S. HHS Substance Abuse and Mental Health Services Administration, a member of the U.S. Food and Drug

LEADERSHIP

USADA Executive Staff *(continued)*



**JOHN FROTHINGHAM,
SENIOR MANAGING DIRECTOR, OPERATIONS**

John Frothingham joined USADA in March 2008 and brings more than 20 years of financial and business operations experience from a variety of for-profit and non-profit organizations. As Senior Managing Director, Operations, for USADA, John is responsible for managing the Olympic, Sport Testing and Resources, Science and Research, and Information Technology divisions of the organization.

Prior to joining USADA, John was the Chief Operating Officer of Carmichael Training Systems, Inc. (CTS) a company offering hands-on endurance coaching and performance testing services. As part of the senior leadership

team, John was responsible for developing long-term strategic plans and exploring joint venture opportunities as well as managing the financial, information technology, and regional center operations. During his tenure, CTS more than doubled its training camp and performance testing offerings and expanded from its corporate headquarters in Colorado Springs, Colorado, to training centers in Asheville, North Carolina, and Tucson, Arizona.

Previous to this, John held positions with Transaction System Architects, USA Swimming, Inc., and Price Waterhouse Coopers.

Frothingham is a Certified Public Accountant and holds a Master of Science degree in Taxation and a Bachelors degree in Accounting.



USADA DIRECTORS

From left to right, starting with the back row: Daniel Eichner, PhD, Science Director; Rossie Trujillo, Business Operations Director; Stephen Starks, Legal Affairs Director; Andrew K. Morrison, Sport Testing and Resources Director; Megan Hart, Olympic Division Director; Sandi Briggs, CPA, Business Affairs and Finance Director; Erin Hannan, Communications and Outreach Director. William Bock III, General Counsel (not pictured).

OLYMPIC DIVISION



Jed Jacobsohn/Getty Images

AN IMPORTANT INITIATIVE IN 2008 was the development of USADA's Olympic Division, building upon and enhancing the structure and operation of our world-class anti-doping program. This created customer-focused teams, aligned by sport and accountable for delivering exceptional customer service to the United States Olympic Committee (USOC), the National Governing Bodies (NGBs), and athletes. Team members within the Olympic Division are responsible for implementing all aspects of the Olympic and Paralympic athlete anti-doping program, as outlined in the contract with the USOC, and following the highest quality standards available.

The Olympic Division is broken up into two sections – Sportfollio teams and Olympic Education – which are dedicated to ensuring the success of USADA's Registered Testing Pool, Test Distribution Plan and Educational programs.

OLYMPIC DIVISION

Olympic Sportfolio Teams

THE SPORTFOLIO TEAMS conduct the operation of USADA's doping control program, including both In-Competition (IC) and Out of Competition (OOC) testing, in direct coordination with USADA's Sport Testing and Resources team. Sports are divided amongst staff members, and it is this group's responsibility to ensure all aspects of the Test Distribution Plan are executed.

Those on the Sportfolio teams also act as liaisons between USADA and the NGBs to

ensure that the USADA Registered Testing Pool is updated, IC Tests are conducted at specified events, and to ensure pertinent USADA information is communicated.

Sportfolio team members are also the main communicators to athletes in the USADA Registered Testing Pool, making themselves available for questions and guidance on USADA policies and processes, such as the USADA Online Account and Whereabouts Filings.

Olympic Education Team

THE OLYMPIC EDUCATION team focuses on ensuring that all athletes in the USADA Registered Testing Pool have a comprehensive knowledge of the anti-doping rules that affect them. This team creates and disseminates valuable resources for athletes that guide them through USADA rules and policies.

Central to the Olympic Education team's objectives is enhancing the athlete experience each time that the athlete connects with USADA. This includes creating and maintaining a comprehensive athlete section on the USADA website as well as on-going USADA and doping control education in the

form of online tutorials and publications, guiding athletes through the processes of Sample Collection and Therapeutic Use Exemption (TUE) application.

In addition, the Olympic Education team coordinates and conducts the majority of presentations to athlete groups and at informal settings at the U.S. Olympic Training Centers. USADA presentations provide comprehensive, interactive instruction on a variety of doping control issues, such as Whereabouts, the Sample Collection process, and TUEs.



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Testing Statistics

USADA PERFORMED a total of 8,532 doping control tests in 2008. Of those tests, 7,690 were domestic tests and 842 were tests administered on U.S. and non-U.S. athletes in the United States on behalf of other anti-doping and sports organizations, principally WADA and international federations (IFs).

OOC testing accounted for 5,047 (66%) of the total testing number. OOC testing typically occurs at the athlete's home, training facility or other location and is performed with no advance notice to the athlete; however, some OOC tests are coordinated

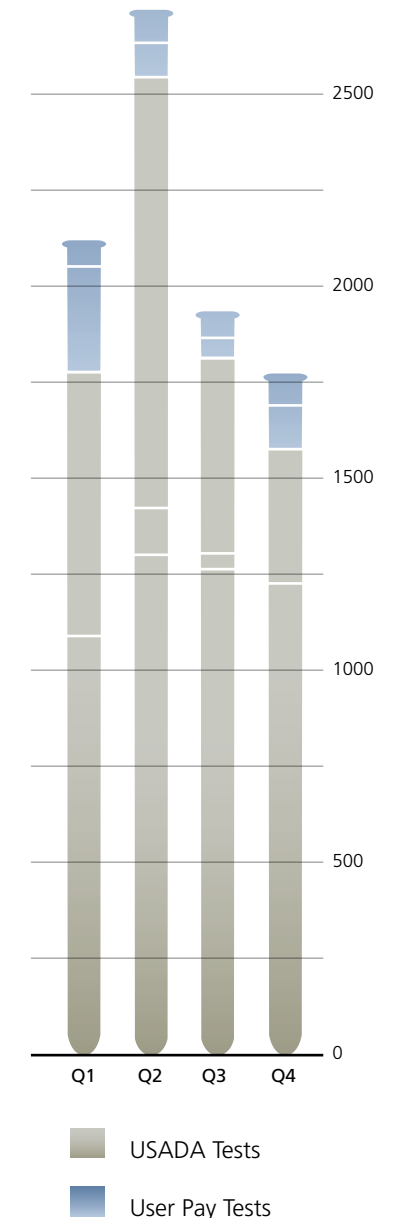
during team training camps. Of the 5,047 OOC tests in 2008, 163 were carried out at camps. During this period, USADA also enlisted the assistance of international agencies to perform 75 tests on U.S. athletes living or training abroad.

IC tests at 149 competitions around the U.S. accounted for 2,643 (34%) of the testing numbers in 2008.

In addition, USADA was contracted to provide doping control services for 310 user-pay tests at 36 sport events throughout the United States.

2008 TESTING – QUARTERLY BREAKDOWN

| | Q1 | Q2 | Q3 | Q4 | Total |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| USADA Tests | | | | | |
| OOC | 1,091 | 1,309 | 1,260 | 1,224 | 4,884 |
| OOC Camp | 0 | 122 | 41 | 0 | 163 |
| IC | 684 | 1,120 | 492 | 347 | 2,643 |
| Total | 1,775 | 2,551 | 1,793 | 1,571 | 7,690 |
| User Pay Tests | | | | | |
| OOC | 277 | 89 | 51 | 115 | 532 |
| OOC Camp | 0 | 0 | 0 | 0 | 0 |
| IC | 69 | 87 | 70 | 84 | 310 |
| Total | 346 | 176 | 121 | 199 | 842 |
| Totals | 2,121 | 2,727 | 1,914 | 1,770 | 8,532 |



2008 Testing Statistics By Sport OLYMPIC, PARALYMPIC AND PAN AM SPORTS

| SPORT | OOC | IN COMP | CAMP | TOTAL |
|--------------------------|------|---------|------|-------|
| ARCHERY | 11 | 10 | 0 | 21 |
| BADMINTON | 12 | 6 | 0 | 18 |
| BALLROOM DANCING | 0 | 8 | 0 | 8 |
| BASEBALL | 24 | 0 | 24 | 48 |
| BASKETBALL | 30 | 7 | 20 | 57 |
| BIATHLON | 34 | 10 | 0 | 44 |
| BILLIARDS | 0 | 2 | 0 | 2 |
| BOBSLED & SKELETON | 187 | 16 | 0 | 203 |
| BOWLING | 6 | 10 | 0 | 16 |
| BOXING | 38 | 44 | 0 | 82 |
| CANOE & KAYAK | 97 | 48 | 0 | 145 |
| CLIMBING | 0 | 2 | 0 | 2 |
| CURLING | 21 | 12 | 0 | 33 |
| CYCLING | 512 | 355 | 9 | 876 |
| DIVING | 29 | 36 | 0 | 65 |
| EQUESTRIAN | 37 | 13 | 9 | 59 |
| FENCING | 37 | 33 | 0 | 70 |
| FIELD HOCKEY | 37 | 0 | 0 | 37 |
| FIGURE SKATING | 53 | 28 | 0 | 81 |
| FOOTBALL | 0 | 0 | 0 | 0 |
| GYMNASTICS | 82 | 38 | 0 | 120 |
| ICE HOCKEY | 31 | 8 | 0 | 39 |
| JUDO | 72 | 43 | 0 | 115 |
| KARATE | 15 | 7 | 0 | 22 |
| LUGE | 14 | 12 | 0 | 26 |
| MODERN PENTATHLON | 19 | 0 | 0 | 19 |
| MOTOCROSS | 0 | 6 | 0 | 6 |
| RACQUETBALL | 8 | 0 | 0 | 8 |
| ROLLER SPORTS | 23 | 16 | 7 | 46 |
| ROWING | 287 | 71 | 0 | 358 |
| RUGBY | 14 | 51 | 0 | 65 |
| SAILING | 46 | 8 | 0 | 54 |
| SHOOTING | 75 | 65 | 0 | 140 |
| SKIING & SNOWBOARDING | 198 | 226 | 0 | 424 |
| SOCCER | 105 | 0 | 38 | 143 |
| SOFTBALL | 33 | 18 | 0 | 51 |
| SPEEDSKATING | 197 | 123 | 0 | 320 |
| SQUASH | 6 | 0 | 0 | 6 |
| SWIMMING | 588 | 329 | 0 | 917 |
| SYNCHRONIZED SWIMMING | 25 | 0 | 0 | 25 |
| TABLE TENNIS | 10 | 6 | 0 | 16 |
| TAEKWONDO | 21 | 22 | 0 | 43 |
| TEAM HANDBALL | 13 | 0 | 0 | 13 |
| TENNIS | 40 | 0 | 0 | 40 |
| TRACK & FIELD | 1353 | 612 | 0 | 1965 |
| TRIATHLON | 161 | 170 | 0 | 331 |
| VOLLEYBALL | 83 | 18 | 0 | 101 |
| WATER POLO | 69 | 15 | 0 | 84 |
| WATER SKIING | 16 | 0 | 0 | 16 |
| WEIGHTLIFTING | 156 | 105 | 0 | 261 |
| WRESTLING | 144 | 139 | 0 | 283 |
| PARALYMPIC ALPINE SKIING | 22 | 15 | 0 | 37 |
| PARALYMPIC ARCHERY | 15 | 0 | 0 | 15 |
| PARALYMPIC BASKETBALL | 21 | 34 | 0 | 55 |
| PARALYMPIC BOCCIA | 1 | 0 | 0 | 1 |
| PARALYMPIC CURLING | 1 | 6 | 0 | 7 |
| PARALYMPIC CYCLING | 39 | 0 | 12 | 51 |
| PARALYMPIC EQUESTRIAN | 3 | 6 | 0 | 9 |
| PARALYMPIC FENCING | 5 | 0 | 0 | 5 |
| PARALYMPIC GOALBALL | 16 | 0 | 7 | 23 |
| PARALYMPIC JUDO | 9 | 2 | 0 | 11 |
| PARALYMPIC NORDIC SKIING | 10 | 4 | 0 | 14 |
| PARALYMPIC POWERLIFTING | 3 | 0 | 0 | 3 |
| PARALYMPIC ROWING | 10 | 7 | 0 | 17 |
| PARALYMPIC RUGBY | 19 | 14 | 0 | 33 |
| PARALYMPIC SAILING | 12 | 0 | 0 | 12 |
| PARALYMPIC SHOOTING | 3 | 0 | 0 | 3 |
| PARALYMPIC SLED HOCKEY | 20 | 18 | 0 | 38 |
| PARALYMPIC SOCCER | 8 | 0 | 0 | 8 |
| PARALYMPIC SWIMMING | 42 | 38 | 37 | 117 |
| PARALYMPIC TABLE TENNIS | 6 | 0 | 0 | 6 |
| PARALYMPIC TENNIS | 16 | 0 | 0 | 16 |
| PARALYMPIC TRACK & FIELD | 49 | 61 | 0 | 110 |
| PARALYMPIC VOLLEYBALL | 17 | 0 | 0 | 17 |
| TOTAL | 5416 | 2953 | 163 | 8532 |

OLYMPIC DIVISION

Whereabouts Filing Program – Efficiency and Assurance Through Automation

IN ANTICIPATION OF THE CHANGES to the WADA International Standards for Testing (IST) that became effective January 1, 2009, USADA initiated significant efficiencies in 2008 for the Whereabouts Filing submission program. All submissions made beginning in November 2008 for first quarter 2009 filings were prepared online using private athlete log-in

accounts. This automated system provided better assurance for the athletes that any missing information was identified at the time of submission, thereby potentially avoiding incomplete submissions, and greatly reducing the amount of paper that came with the IST changes.



Feng Li/Getty Images

In the six months leading up to the 2008 Beijing Olympic Games,
USADA COMPLETED 2,925 TESTS on all Olympic hopefuls.
During the Games, not a single American athlete tested positive for prohibited
substances while **WINNING A TOTAL OF 110 OLYMPIC MEDALS.**



OLYMPIC DIVISION

Pilot Testing Program

BEGINNING IN FEBRUARY 2008, USADA launched a Pilot Testing Program, inviting twelve athletes who voluntarily partnered with USADA, in an effort to advance the science of anti-doping. The athlete-members who participated included:

- Kristin Armstrong (Cycling)
- Jeremiah Bishop (Cycling)
- Bryan Clay (Track & Field)
- Natalie Coughlin (Swimming)
- Allyson Felix (Track & Field)
- Tyson Gay (Track & Field)
- Sarah Hammer (Cycling)
- Michael Phelps (Swimming)
- Christine Thorburn (Cycling)
- Dara Torres (Swimming)
- Dee Dee Trotter (Track & Field)
- Lauryn Williams (Track & Field)

Each athlete underwent a series of blood and urine collections prior to the start of the 2008 Olympic Games. The first set of collections was done during a three-week period to estab-

lish each athlete's baseline value. Athletes were then requested to provide an additional sample each month for the next three months. The blood samples were analyzed for biomarkers indicating the use of anabolic agents, prohibited hormones, or agents that enhance oxygen transport. Urine samples taken at the same time were subjected to routine doping control testing, allowing for small changes due to doping to be apparent by comparing the athlete against their own baseline. The cost/benefit of this approach is still under investigation.

The program served as a significant effort to enhance doping control methods, and contributed to a strong commitment to eradicate doping in sport. The program was not only beneficial from a scientific perspective, but also sent a powerful and positive message to athletes and the public that performance-enhancing drugs have no place in sport and that steps will continue to be taken toward deterring and detecting their use.



Marty Melville/Getty Images

SPORT TESTING AND RESOURCES DIVISION

IN TANDEM WITH THE CREATION OF THE OLYMPIC DIVISION, the Sport Testing and Resources (STAR) division was created to manage and maintain excellence in the sample collection program, in order to implement highly-effective testing methodologies and processes, as well as ensure compliance with the IST.

The structure of the STAR division concentrates on two main areas to achieve its goal:

- Project Management – developing and enhancing procedures, practices, and resources to enhance the sample collection process and the Doping Control Officer (DCO) role in the field
- DCO Management – enhancing DCO management, performance, and communications, enabling the development and maintenance of top quality performance in the field

In creating the STAR division and establishing these functions to effectively manage and enhance USADA's doping controls, the foundation has been set for effective, streamlined USADA DCO activities.

DCO Recertification Conference OCTOBER 24-26, NASHVILLE, TENNESSEE

AS PART OF USADA'S COMMITMENT to the training and quality management of DCOs, a recertification conference is held approximately every two years. This ensures that all USADA DCOs are trained and proficient in the WADA IST and USADA protocols. All USADA DCOs undergo comprehensive training, as well as practical and written examination under the new standards.

The 2008 USADA DCO Recertification Conference took place on October 24 - 26, 2008 in Nashville, Tennessee, and included training and examination for the 2009 WADA IST changes. These changes included:

- Procedures for locating athletes
- Conducting the sample collection process
- Developments to sample collection documentation

Also featured in the 2008 DCO Recertification Conference was an overview of the blood collection process and developments, detailed workforce logistics pertaining to the DCOs' obligations as USADA team members, and a presentation by guest speaker Dee Dee Trotter, 2007 USA 400m Outdoor champion.



Updated Edition of DCO Manual

LEADING UP TO THE IMPLEMENTATION of the changes to the IST which took effect January 1, 2009, and the DCO Recertification Conference and training program, USADA conducted a major rewrite of the DCO Manual. The Manual serves as an invaluable resource

for DCOs in the field and USADA staff in documenting and guiding an exemplary sample collection program. This was printed and distributed to all DCOs and pertinent staff in advance of the October DCO Recertification Conference.

SPORT TESTING AND RESOURCES DIVISION



USADA Blood Program

IN 2008, FURTHER DEVELOPMENT of USADA's blood program was designed and implemented, ensuring highly effective testing methodologies, to further establish USADA's blood collection initiatives for OOC and Event Testing.

Strategic training for DCOs was established within key regions, as well as an increase in phlebotomist personnel to address USADA testing requirements and expand national coverage.

hGH Testing

A DIRECT TEST FOR human growth hormone (hGH) was introduced for routine blood testing during 2008. The direct test measures the relative amounts of different forms of hGH that are produced naturally. Pharmaceutical hGH consists of only one of the native forms of hGH, and therefore can be detected by altering the measured ratios. The Sports Medicine Research and Testing Laboratory (SMRTL) in Salt Lake City was one of the first group of

WADA-accredited laboratories to validate the test. USADA collected blood samples at several events prior to the Beijing Olympic Games and had them analyzed at the SMRTL lab.

USADA continues to support continued research on an indirect, or biomarkers, method for hGH. When validated, the two tests will compliment each other for detection of hGH abuse.

KEY MILESTONES AND EVENTS
ADDRESSED BY USADA LEADERSHIP

Travis Tygart CHIEF EXECUTIVE OFFICER

HOUSE HEARING, CONDUCTED BY THE HOUSE ENERGY AND COMMERCE SUBCOMMITTEE ON COMMERCE, Trade and Consumer Protection, February 27, 2008

WADA INVESTIGATIVE SYMPOSIUM, APRIL 25, 2008

SENATE COMMITTEE ON FOREIGN RELATIONS, "HEARING ON THE INTERNATIONAL CONVENTION AGAINST DOPING IN SPORT," May 22, 2008

ATHLETE ADVISORY COUNCIL & NGB COUNCIL, October 10, 2008

"PROTEINS TO MITOCHONDRIA: NEW CHALLENGES FOR ANTI-DOPING SCIENCE," USADA RESEARCH SYMPOSIUM, October 19, 2008

"GROWTH HORMONE: BARRIERS TO IMPLEMENTATION OF hGH TESTING IN SPORTS," CO-FUNDED BY THE MLB WITH DAVID GEFEN SCHOOL OF MEDICINE, November 10, 2008

ASSOCIATION OF ANTI-DOPING ORGANIZATIONS (ANADO) WORKSHOP, November 18, 2008

"THE COMING OF AGE OF THE ÜBER ATHLETE: WHAT'S SO BAD ABOUT GENE ENHANCEMENT AND DOPING?" AMERICAN ENTERPRISE INSTITUTE, December 18, 2008

2008 BEIJING INDEPENDENT OBSERVER TEAM

Tygart served as the Vice Chair for the WADA Independent Observer (IO) Team at the 2008 Beijing Games. This program aims to build athlete and public confidence by monitoring all phases of doping control during major international events. This appointment built upon Tygart's experience as a member of the WADA IO Team at the 2002 Commonwealth Games in Manchester, England.



Larry Bowers, Ph.D. CHIEF SCIENCE OFFICER

"PERFORMANCE-ENHANCING DRUGS IN SPORT: FROM STRYCHNINE TO THE BALCO SCANDAL," University of Michigan, June 2, 2008

"DRUGS IN SPORT: FIFTY YEARS OF STEROIDS IN PERFORMANCE-ENHANCEMENT," American Association of Clinical Chemistry, June 4, 2008

DRUG TESTING IN SPORTS, SAMHSA, August 20, 2008

INTERNATIONAL COACHES USOC MEETING, October 2008

"DOPING AND SPORTS: FROM STRYCHNINE TO RECOMBINANT PROTEINS," FDA/CDER Seminar, December 17, 2008



Ratification of the UNESCO Anti-Doping Convention

IN AUGUST 2008, as our U.S. Olympians prepared to compete in Beijing, President George W. Bush and the United States Senate demonstrated their commitment to the integrity of international sport and the health of our nation's athletes by confirming the U.S. commitment to the International Convention Against Doping in Sport.

Ratifying this convention sent a powerful message that the U.S. is dedicated to global harmonization of anti-doping initiatives in an effort to level the international playing field, and that the U.S. will continue to champion the ideals of healthy, fair competition.

EDUCATION



OVER THE YEARS, USADA EDUCATION has reached out to thousands of athletes, coaches, parents, teachers, and students. In 2008, continuing the effort to stay on the cutting edge of education, USADA leadership assessed the impact of the current education programs and initiatives, giving serious thought to the direction that the clean sport movement should take in the United States. The outcomes of these assessments led USADA to create two separate education divisions, focused distinctly on two audiences: Olympic Division Education and Outreach Education.

Olympic Division Education

Targeted specifically to the athletes who are subject to testing, and who have a responsibility to be in compliance with the USOC Anti-Doping Policies and the USADA Protocol for Olympic Movement Testing, the USADA Olympic Education team creates and disseminates valuable resources for athletes that guide them through the applicable rules and policies.

This team focuses on enhancing the athlete experience each time that he or she connects with USADA. This includes creating and maintaining a comprehensive athlete section on the USADA website as well as ongoing USADA and doping control education in the form of online tutorials and publications, guiding athletes, their support personnel, coaches, NGBs, and other key stakeholders through the processes of Sample Collection and TUE application.

PRESENTATIONS, AUDIENCES REACHED AND PUBLICATIONS DISTRIBUTED

Throughout 2008, the Olympic Education team ardently educated as many USADA Registered Testing Pool athletes and athlete support personnel as possible. USADA Education, committed to presenting current and quality education to athletes and athlete support personnel, provided education to over 2,400 elite athletes and athlete support personnel in addition to conducting outreach efforts with students, parents, and the community. Education sessions were provided through a variety of channels including face-to-face presentations, webinars, an online education tutorial and outreach.

Another way to share the education message was through the distribution of materials. All new athletes added to the

Registered Testing Pool, received a packet of information and a resource CD that identified their rights and responsibilities as athletes. Athletes had easy access to essential documents as all USADA education publications were posted on the USADA website. The Olympic Education team also distributed materials at education presentations and events. The priority in 2008 was to educate athletes on the IST changes.

IST ADVANCE COMMUNICATIONS HIGHLIGHT

In an effort to harmonize anti-doping regulations, WADA revised and approved a new World Anti-Doping Code (Code) as well as International Standards for TUEs, Testing, Laboratories, and the Protection of Privacy and Personal Information that went into effect January 1, 2009. Due to the significant number of changes included in the Code and International Standards, USADA created an arsenal of IST communications to ensure that athletes, NGBs, coaches, and other key stakeholders were educated on the new changes. Through presentations, webinars, audiocast postings, e-mail alerts, NGB forums, newsletter articles, direct mail, personal phone calls, and other touchpoints, all constituencies received comprehensive education on this critical information.

ATHLETE'S ADVANTAGE – AN ONLINE EDUCATION INITIATIVE

One of the significant communication avenues launched in 2008 to inform elite athletes of the IST changes was "Athlete's Advantage," an online mandatory tutorial, which athletes in the USADA Registered Testing Pool were required to finish in the fourth quarter of 2008 (prior to completing their Quarter 1 2009 Whereabouts Filing). The tutorial was

mandatory as an obligation under the USOC Anti-Doping Policies and the USADA Protocol.

"Athlete's Advantage" is composed of four modules that highlight:

- Testing and Results Management
- The Prohibited List
- Drug Reference Resources and TUEs
- Whereabouts and Whereabouts Failures

Each module features an introduction page explaining the module goals and summarizes the content through video. Throughout each module, athletes have the opportunity to watch videos and read text to be informed and educated about elite athlete requirements. At the end of each module, athletes must complete a quiz challenging their comprehension of the material.

"Athlete's Advantage" is an ongoing educational initiative that will be required for all USADA Registered Testing Pool athletes to complete annually.

PRE- AND POST-BEIJING SUPPORT TO ATHLETES

2008 was a significant year for many elite athletes within the USADA Registered Testing Pool as they prepared for the 2008 Beijing Olympic and Paralympic Games. USADA successfully employed a variety of communication vehicles and methods in our education initiatives to ensure athletes, team leaders, and coaches were aware of the testing and whereabouts rules and to assist in their efforts to be compliant with published rules going into the Games. Webinars, direct e-mail correspondence, postings on USADA's website, and personal phone calls are some examples of this educational outreach. The priority in 2008 was to educate athletes on the IST changes.

EDUCATION

Outreach Education

BUILDING UPON PAST SUCCESSES, the goal of these efforts is to impart and inspire a commitment to the core principles of true sport, and address the antecedents to doping that will make USADA truly effective in its eradication efforts.

A strategic annual Outreach Education program was created, including:

- Building a platform of public awareness for USADA as an invaluable resource for clean sport.
- Establishing infrastructure, resources, materials and delivery systems that will positively impact youth with USADA's true sport messages.
- Further developing and expanding a network of athlete ambassadors to assist USADA in the promotion of true sport ideals.

2008 OUTREACH EDUCATION SESSIONS

Throughout 2008, thirty-five Education Outreach Sessions were conducted in twenty-two cities and fourteen states targeting junior-level athletes and coaches in Olympic, Paralympic, and Pan-American events, youth sport organizations, middle- and high-schools, university students, national organizations serving coaches and athletic directors, and military athletic programs.

CLEAN SPORT ALLIANCE

With national and international scandals involving doping in sport regularly making headlines, USADA felt it was imperative to work collectively with organizations that share USADA's concern for today's sport culture and that look to change those behaviors and atti-

tudes that influence the decisions to dope.

Continuing momentum established during the 2006 USADA Education Symposium and the 2007 Anti-Doping Congress in Louisville, Kentucky, USADA hosted the Clean Sport Alliance Working Group Meeting in Colorado Springs, Colorado February 14-16, 2008. Those organizations that participated in the Working Group Meeting included:

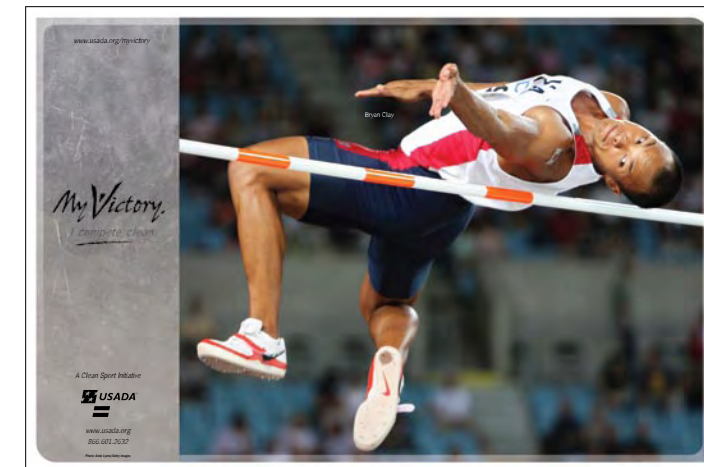
- American Academy of Pediatrics
- American College of Sports Medicine
- California Friday Night Live Partnership
- Join Together – BUSPH
- National Center for Drug Free Sport
- National Collegiate Athletic Association
- Positive Coaching Alliance
- United States Olympic Committee
- University of Idaho – Center for Ethics
- Washington State University Center for Ethics
- World Anti-Doping Agency

Additionally, two Olympic athletes participated in the event, Alison Dunlap (Cycling) and Jeremy Bloom (Skiing).

These groups came together believing that prevention and education must be a priority and that working together to share best practices would only enhance the efforts and maximize the results of all alliance members.

MY VICTORY CLEAN SPORT CAMPAIGN

In celebration and recognition of the overwhelming number of athletes who are clean competitors, the *My Victory* campaign also gave athletes a platform to talk about their commitment to clean sport and to raise awareness among elite athletes about the value of



competing clean. It increased the larger athletic community's awareness about the negative effects of doping and the positive aspects of competing clean.

The campaign was developed in collaboration with a number of America's inspirational Olympic athletes. The name *My Victory* symbolizes the ideal that athletes dedicate themselves and make sacrifices for the love of their sport, in the interest of reaching the pinnacle of success, which is personal achievement through honest effort and ability, and without performance-enhancing drugs. The campaign is part of an ongoing effort by USADA to revitalize the true purpose of athletic competition, and refers to all athletes striving to achieve their own victories, whether that means placing first, third, fifth, tenth...or simply participating for the joy of competition.

The athlete-members who appeared in this clean sport campaign served as role models for the mission of protecting clean sport as well as mentors for the next generation of young athletes, and voluntarily committed their participation in order to demonstrate their allegiance to the principle of fair play.

Additionally, the *My Victory* campaign included the *My Victory* website. This website highlighted the intense commitment the involved athletes have toward clean sport. It also included brief video downloads through YouTube and an online pledge, gathering nearly 1,000 commitments.

EDUCATIONAL CURRICULUMS – THAT'S DOPE AND 100% ME

Acknowledging that societal change often begins with the youth of a nation, USADA demonstrated our commitment to a clean sport movement by developing two key educational initiatives for student-athletes. That's Dope (for ages 14-20) and 100% Me (for ages 10-14), are fully interactive programs with complementing curriculums and websites:

That's Dope

Reaching students with the dangers of performance-enhancing drugs, the value of ethical decision-making, and how to naturally and safely improve athletic performance, That's Dope allows students to get the "dope" on performance-enhancing drugs. ThatsDope.org completes the ThatsDope package by providing an additional resource.

2008 OUTREACH EDUCATION SESSIONS BY QUARTER

| | Q1 | Q2 | Q3 | Q4 | TOTALS |
|----------------|------|------|------|------|--------|
| Youth/Athletes | 639 | 420 | 817 | 5076 | 6952 |
| Adults | 1524 | 590 | 1641 | 3109 | 6864 |
| Totals | 2163 | 1010 | 2458 | 8185 | 13816 |



EDUCATION

100% Me

Empowering younger students with the tools they need for smart decision-making and healthy living and covering topics such as nutrition, body type and body image, the truth about dietary substances, how to improve athletic performance the safe and healthy way, 100% Me is a perfect starting point to introduce young students to anti-doping and ethical themes. The 100% Me package also features a complementary website that is colorful and engaging, appealing to the target age.

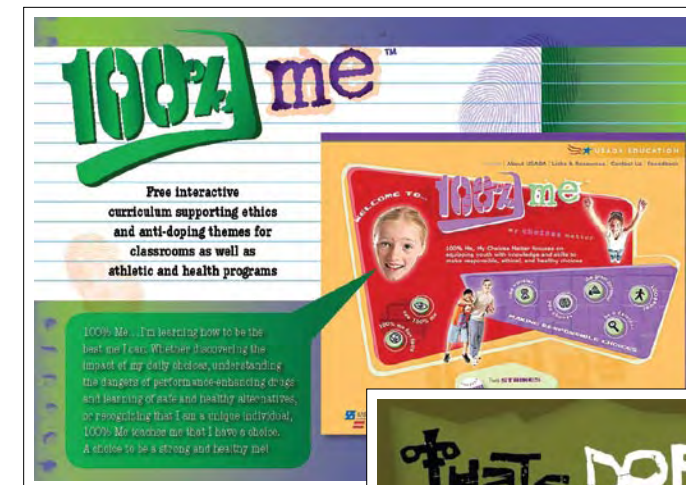
USADA ATHLETE NETWORK

In 2008, the Athlete Network provided an opportunity for USADA to incorporate athletes

and coaches in our education session efforts, allowing audiences to learn directly from athlete role models and to showcase USADA's mission, programs and resources.

Additionally, the Athlete Network program worked closely with NGBs, sporting federations, community organizations, national conferences, and others to offer education sessions on clean sport at national, state and local community events with current and retired athletes and coaches.

Having Athlete Network members located throughout the country expanded the reach and resources of our Education staff and produced greater education session numbers.



THERAPEUTIC USE EXEMPTION MANAGEMENT

DURING 2008, THE TUE TEAM enhanced and further refined the TUE process. The improvements were instituted in the areas of the Drug Reference program, including the Drug Reference Online (DRO), the DRO website in general, updating of TUE forms, and also ensuring that athletes experience the smoothest and quickest TUE process possible. In addition, the TUE team took an aggressive approach to ensuring that all athletes were informed and ready for the changes coming with the revised 2009 International Standards for Therapeutic Use Exemptions (ISTUE) and 2009 Prohibited List.

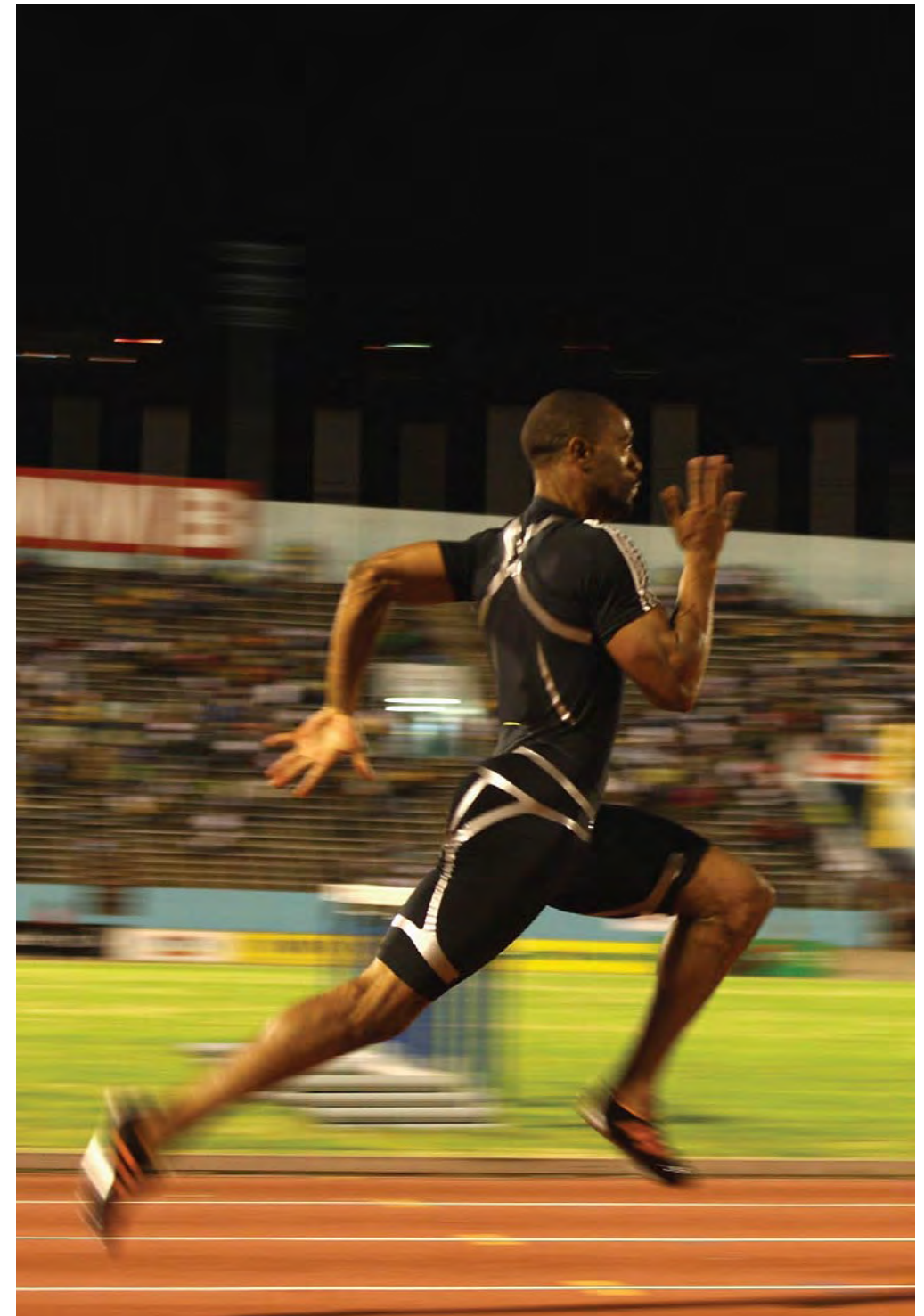
Since DRO was created, its usage has grown steadily. Because of this, and to also reflect the changes coming with the ISTUE and 2009 Prohibited List, the database of drugs was specifically updated.

As part of the significant enhancement to the TUE process in 2008, the TUE team also revised all USADA TUE forms, featuring a new user-friendly, color-coded system, allowing for ease of completion and comprehension. A unique

Emergency TUE Form was created for use in instances when an athlete must file a TUE retroactively, following treatment and once in stable condition. This form will be utilized only in emergency situations (i.e. car accident, extreme injury during sport, other major medical emergency, etc.)

In coordination with the Olympic Education team, the TUE team was instrumental in assuring that all athletes were informed of the TUE changes coming with the revised 2009 ISTUE and 2009 Prohibited List. Through aggressive education, such as athlete webinars, NGB webinars, education for USOC medical personnel, and direct mailings, USADA advised all affected athletes and athlete support of the significant changes, highlighting especially the ending of Abbreviated TUEs and the modifications for beta-2 agonists and glucocorticosteroids. These tireless efforts made possible a smooth transition at the close of 2008.

Advances made in 2008 will positively affect not only current athletes but also those of the future.



Michael Steele/Getty Images

RESEARCH

Symposium Highlight

THE 7TH ANNUAL SYMPOSIUM on Anti-Doping Science entitled "Proteins to Mitochondria: New Challenges for Anti-Doping Science" was held in Colorado Springs on October 17-20, 2008. Three topic areas were addressed during the symposium: the potential for altering the function of the mitochondria (the power source for the cell) to improve performance; the potential for using mass spectrometric techniques to confirm protein prohibited substances; and the factors that affect the appearance of doping substances in urine. While the manipulation of mitochondria is potentially possible, the process is in its infancy and merits further monitoring. Recommendations for implementing confirmation of protein prohibited substances were developed at the meeting.

USADA Research Grants

WITH THE DEVELOPMENT OF the Partnership for Clean Competition, USADA phased out our competitive research grant program in 2008. Several grants approved prior to the partnership have continued. USADA adopted a research policy under which focused research in an area with direct benefit to USADA's testing and results management objectives could be supported.

Research Projects Continuing in 2009

RICHARD SNYDER, "Detection of gene doping after intramuscular injection of recombinant adeno-associated viral vectors."

TRILLIUM DIAGNOSTICS, "Red blood cell marker monoclonal antibodies for flow cytometry."

WORKING GROUP, "Growth hormone biomarker assay development and validation."

WORKING GROUP, "Steroid reference materials for gas chromatography-combustion-isotope ratio mass spectrometry."

Publications from Research Grants Completed in 2008

Chang CC, Chen Y, Modi K, Awar OG, Alfrey CP, Rice L. "Changes of red blood cell surface markers in a blood-doping model of neocytolysis." *J Invest Med* 2009; (in press)

Tobias HJ, Sacks GL, Zhang Y, Brenna JT. "Comprehensive two-dimensional gas chromatography combustion isotope ratio mass spectrometry." *Anal Chem* 2008;80:8613-21

Walker CJ, Cowan DA, James VHT, Lau JCY, Kicman AT. "Doping in Sport – 1. Excretion of 19-norandrosterone by healthy women, including those using contraceptives containing norethisterone." *Steroids* 2009; 74:329-34.

Walker CJ, Cowan DA, James VHT, Lau JCY, Kicman AT. "Doping in Sport – 2. Quantification of the impurity 19-norandrosterone in pharmaceutical preparations of norethisterone." *Steroids* 2009; 74:3359-40.

Walker CJ, Cowan DA, James VHT, Lau JCY, Kicman AT. "Doping in Sport – 3. Metabolic conversion of oral norethisterone to urinary 19-norandrosterone." *Steroids* 2009; 74:340-49.

Zhang Y, Tobias HJ, Brenna JT. "Steroid isotopic standards for gas chromatography-combustion-isotope ratio mass spectrometry." *Steroids* 2009; 74:369-78.



Partnership for Clean Competition

USADA, THE USOC, the National Football League, and Major League Baseball formed a new organization, the Partnership for Clean Competition (PCC) (www.cleancompetition.org), to fund research in the anti-doping field. The goal of the PCC is to provide more funding for anti-doping research. As of December, 2008, the founding members and three supporting members had contributed approximately \$3 million in 2008. The Board of Governors approved a Scientific Advisory Board (SAB), comprised of a group of eight internationally known scientists in September, 2008 to advise them on scientific matters and to recommend projects to be funded. USADA's Chief Science Officer, Larry Bowers, was elected Chair of the SAB. The SAB considered five project proposals at its first meeting in October, with one proposal being recommended for funding.

Research Publications by USADA Staff and Board

Bowers LD. "Testosterone doping: dealing with genetic differences in metabolism and excretion." *J Clin Endocrinol Metab* 2008;93:2469-71

Bowers LD, Clark RV, Shackleton CHL. "A half century of anabolic steroids in sport." *Steroids* 2009;74:285-7.

Bowers LD. "Harmonizing Testing in a Global System," in *Pharmacology, Doping and Sports*. J Fourcroy, ed, (Routledge, New York, 2009), pp 9-22.

Bowers LD. "The Art of Ferreting Out a Designer Steroid." in *Pharmacology, Doping and Sports*. J Fourcroy, ed, (Routledge, New York, 2009), pp 55-60.

Hilderbrand RL. "Stimulants, diuretics, and masking of doping in sport." in *Pharmacology, Doping and Sports*. J Fourcroy, ed, (Routledge, New York, 2009), pp 91-106.

Bowers LD. "Technologies of enhancing oxygen delivery and for detecting the use of these technologies." **TH Murray, KJ Maschke, AA Wasunna (eds)**, *The Use of Performance-Enhancing Technologies in Sports: Ethical, conceptual, and Scientific Issues*. (Johns Hopkins University Press, Baltimore, 2009), pp. 265-91.

J Fourcroy, ed, "Pharmacology, Doping and Sports: A scientific guide for athletes, coaches, physicians, scientists, and administrators." (Routledge, New York, 2009), pp 216.

RESULTS MANAGEMENT

OUR RESULTS MANAGEMENT TEAM works hard to ensure that test results are reviewed rigorously and that athletes who test positive are notified promptly of their results. In 2008, this team continued to aggressively pursue reliable evidence of doping through all available means, including working closely with various law enforcement agencies.

For the record:

- In 2008 USADA's Results Management team brought twenty-five cases to completion, an increase of more than 40% over 2007.
- Five of USADA's cases were appealed to the international Court of Arbitration for Sport (CAS), the most in any year in USADA's history. In each case USADA's position was upheld by the CAS Panel.
- USADA continues to aggressively pursue all cases involving reliable evidence of doping as evidenced by the two-year sanction USADA obtained against U.S. cyclist Kayle Leogrande in a so-called "non-analytical positive" case, a case brought by USADA involving circumstantial evidence of Leogrande's use of EPO, but without a positive laboratory test result.
- USADA is committed to upholding the anti-doping rules for coaches as well. This year USADA obtained a lifetime period of ineligibility against former track & field coach Trevor Graham for his role in encouraging drug use by athletes he coached.
- Throughout the year, USADA continued to work closely with law enforcement authorities to obtain and share information in furtherance of clean sport.
- On the basis of evidence obtained by USADA from law enforcement, former U.S. Olympians Antonio Pettigrew and Jerome Young accepted sanctions and returned Olympic and World Championship medals obtained while they were using performance-enhancing drugs.

ADVERSE FINDINGS & OTHER DOPING

VIOLATIONS INITIATED IN 2008

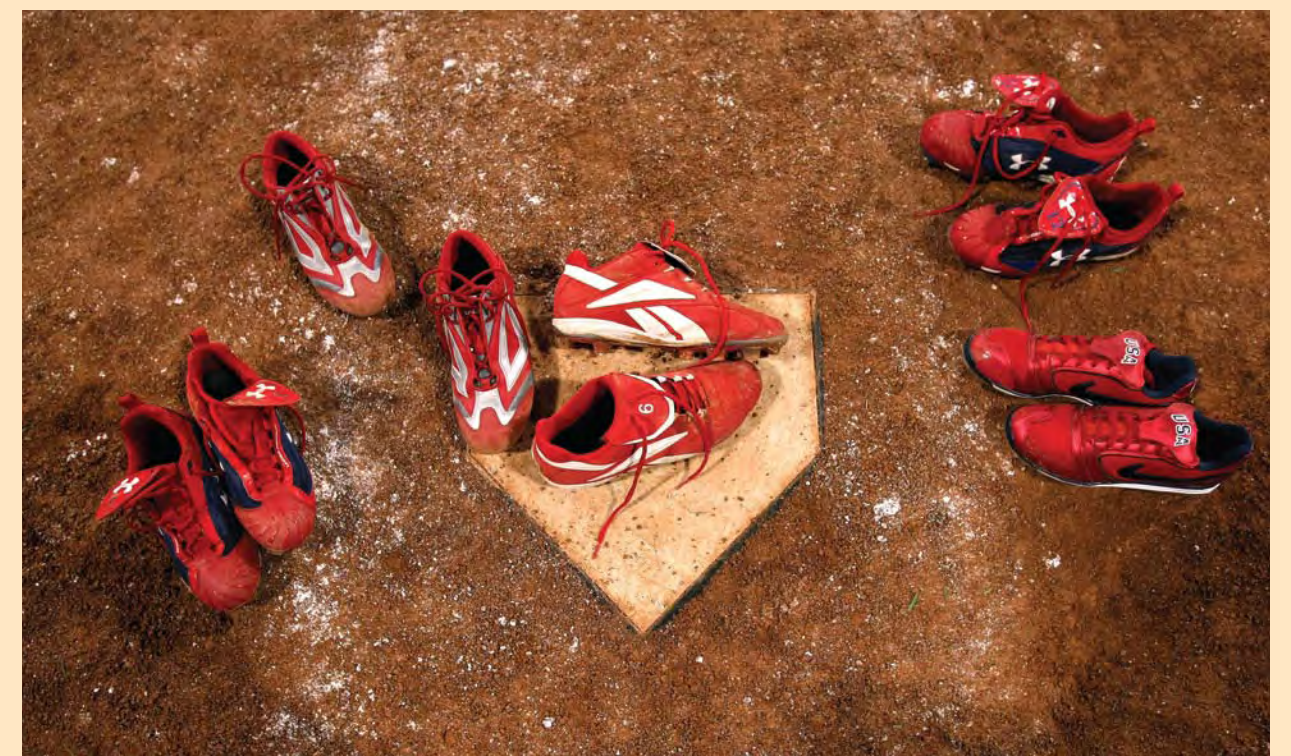
| | |
|-----------------------------|----|
| Potential Doping Violations | 91 |
| Number Referred to IFs | 21 |
| Pending at end of 2008 | 7 |
| Total U.S. Cases | 63 |
| Total Sanctions | 19 |
| Resulted in No Violations | 44 |

CLASSIFICATION OF ADVERSE FINDINGS

| | |
|---|-----------|
| Anabolic Agents | |
| T/E ratio >4/1 | 6 |
| Clenbuterol | 1 |
| Boldenone | 2 |
| Testosterone | 2 |
| Stanozolol | 2 |
| Beta-2 Agonists | |
| Formoterol | 10 |
| Salbutamol | 5 |
| Salmeterol | 9 |
| Cannabinoids | |
| Tetrahydrocannabinol (THC) | 5 |
| Corticosteroids | |
| Methylprednisolone | 3 |
| Prednisone and Prednisolone | 1 |
| Dexamethasone | 1 |
| Betamethasone | 2 |
| Triamcinolone acetonide | 6 |
| Budesonid | 4 |
| Diuretics & Other Masking Agents | |
| Hydrochlorothiazide | 5 |
| Furosemide | 2 |
| Finasteride | 6 |
| Hormones | |
| hCG | 1 |
| Tamoxifen | 2 |
| Non-Analytical | |
| Refusal | 1 |
| 3 Missed Tests | 1 |
| Failure to Appear | 1 |
| Non-Analytical | 2 |
| Stimulants | |
| Ritalinic acid (methylphenidate metabolite) | 5 |
| Benzoyllecgonine (a metabolite of cocaine) | 1 |
| Amphetamine | 2 |
| Selegiline | 1 |
| Strychnine | 1 |
| Narcotics | |
| Morphine | 1 |
| Total | 91 |

SANCTIONS

| ATHLETE | SPORT | SANCTION | SUBSTANCE | RELEASE DATE |
|-------------------|--------------------------|---|---|--------------|
| Kayle Leogrande | Cycling | 2 year suspension - Loss of Results | EPO | 12/1/2008 |
| Nikolay Hristov | Weightlifting | 2 year suspension - Loss of Results | 3 Missed Tests | 11/20/2008 |
| John McNally | Shooting | 6 month suspension - Loss of Results | Hydrochlorothiazide and Chlorothiazide | 11/4/2008 |
| Steven Cisar | Cycling | 3 Mo. suspension - 3 Mo. deferred | THC | 10/31/2008 |
| Ricardo Hernandez | Cycling | 2 year suspension - Loss of Results | Exogenous Testosterone | 10/8/2008 |
| Michael Kapes | Cycling | 2 year suspension - Loss of Results | Boldenone and 19-norandrosterone | 8/28/2008 |
| Tim McNeill | Gymnastics | Public Warning - Loss of Results | Triamcinolone acetonide | 8/1/2008 |
| Trevor Graham | Track & Field | Lifetime Suspension | Non-Analytical Positive | 7/15/2008 |
| Royal Mitchell | Paralympic Track & Field | 3 mo. suspension 3 mo. deferral - Loss of Results | THC | 7/11/2008 |
| Nelacey Porter | Paralympic Track & Field | 3 mo. suspension - 3 mo. deferral after education - Loss of Results | THC | 7/11/2008 |
| Morgan Hamm | Gymnastics | Public Warning - Loss of Results | Triamcinolone acetonide | 7/3/2008 |
| Rebekkah Brunson | Basketball | Public Warning - Loss of Results | Salmeterol | 6/30/2008 |
| Ryanne DuPree | Track & Field | Public Warning - Loss of Results | Salbutamol | 6/25/2008 |
| Paul Doherty | Weightlifting | 2 year suspension - Loss of Results | Exogenous Testosterone | 6/17/2008 |
| Jerome Young | Track & Field | Lifetime Ban - Loss of Results from 1/1/99 | Non-Analytical Positive | 6/17/2008 |
| Robert Laurie | Roller Sports | 6 month suspension - Loss of Results | Carboxy Finasteride | 6/13/2008 |
| Phillip Johnson | Weightlifting | 3 month suspension - Loss of Results | Metabolites of Cannabis or Tetrahydrocannabinol (THC) | 6/5/2008 |
| Roger Lee | Paralympic Alpine Skiing | 1 year suspension - Loss of Results | Chlorothiazide & Hydrochlorothiazide | 6/3/2008 |
| Antonio Pettigrew | Track & Field | 2 year suspension - Loss of Results | Non-analytical Positive | 6/3/2008 |
| Barney Reed | Table Tennis | 2 year suspension - Loss of Results | Metabolites of Cannabis or Tetrahydrocannabinol (THC) | 6/2/2008 |
| Mike Zadick | Wrestling | Public Warning | Triamcinolone acetonide | 4/11/2008 |
| Stephen Alfred | Cycling | Lifetime Ineligibility | Refusal to Submit to Doping Control | 2/5/2008 |
| Eric Thompson | Track & Field | 1 year ineligibility - Loss of Results | Benzoyllecgonine (metabolite of cocaine) | 2/1/2008 |
| Joe Warren | Wrestling | 2 year ineligibility | Metabolites of Cannabis or Tetrahydrocannabinol (THC) | 1/15/2008 |



Jonathan Ferrey/Getty Images



Garrett Ellwood/NBAE via Getty Images

THROUGHOUT 2008, USADA was at the forefront of the anti-doping stage, participating in thousands of interviews with members of the media, serving as expert advisors to a number of individuals and entities, contributing subject-matter articles to related publications, and providing background for students and others researching the topic of doping.

For the period January – December 2008, USADA was featured or mentioned on 10,179 occasions in domestic and international media,

including a series of stories broadcast on NBC during the 2008 Beijing Olympic Games. June was the highest month with 1,877 mentions, while March was lowest with 116. The monthly average was 848.

USADA distributed 52 news releases in 2008 on a variety of subjects, ranging from public announcements of sanctioned athletes, to promotion and awareness of education initiatives, and periodic publishing of testing and program statistics.

Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors
United States Anti-Doping Agency
Colorado Springs, Colorado

We have audited the accompanying statements of financial position of United States Anti-Doping Agency (the Agency) as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Anti-Doping Agency as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, in 2008, the Agency changed its method of accounting for fair value measurements in accordance with Statement of Financial Accounting Standards No. 157.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2009, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our 2008 audit was conducted for the purpose of forming an opinion on the 2008 basic financial statements taken as a whole. The accompanying supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 2008 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2008 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2008 basic financial statements taken as a whole.

BKD, LLP

April 14, 2009

AUDIT REPORT

Statements of Financial Position

ASSETS

| | <u>2008</u> | <u>2007</u> |
|--|--------------------|--------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$3,972,062 | \$2,831,745 |
| Investments held for research grants | \$1,035,988 | \$1,251,945 |
| Accounts receivable, net of allowance; 2008-\$15,578 and 2007- \$8,587 | \$429,099 | \$311,882 |
| Supplies | \$94,709 | \$49,789 |
| Prepaid expenses and other | <u>\$247,881</u> | <u>\$152,532</u> |
| Total current assets | <u>\$5,779,739</u> | <u>\$4,597,893</u> |
| LONG-TERM NOTE RECEIVABLE | \$755,175 | \$755,175 |
| PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION; 2008-\$1,051,342 AND 2007- \$777,652 | <u>\$669,964</u> | <u>\$871,176</u> |
| Total Assets | <u>\$7,204,878</u> | <u>\$6,224,244</u> |

LIABILITIES AND NET ASSETS

| | <u>2008</u> | <u>2007</u> |
|--|--------------------|--------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and other accrued liabilities | \$498,874 | \$1,024,612 |
| Research grant payable | <u>\$250,000</u> | <u>\$189,957</u> |
| Total current liabilities | \$748,874 | \$1,214,569 |
| LONG-TERM PORTION OF RESEARCH GRANT PAYABLE | <u>\$500,000</u> | <u>0</u> |
| Total liabilities | \$1,248,874 | \$1,214,569 |
| UNRESTRICTED NET ASSETS | | |
| Unrestricted | \$5,670,016 | \$4,229,860 |
| Board designated for research | <u>\$285,988</u> | <u>\$779,815</u> |
| Total unrestricted net assets | <u>\$5,956,004</u> | <u>\$5,009,675</u> |
| Total liabilities and net assets | <u>\$7,204,878</u> | <u>\$6,224,244</u> |

AUDIT REPORT

Statements of Activities

REVENUES, GRANTS AND OTHER SUPPORT

| | <u>2008</u> | <u>2007</u> |
|---|---------------------|---------------------|
| Federal grant | \$9,600,000 | \$8,415,000 |
| United States Olympic Committee (USOC) contractual agreement | \$3,450,000 | \$3,450,000 |
| Investment return | (\$192,733) | \$143,475 |
| Testing income from third-parties | <u>\$452,630</u> | <u>\$244,432</u> |
| Total revenues, grants and other support | <u>\$13,309,897</u> | <u>\$12,252,907</u> |

EXPENSES

| | <u>2008</u> | <u>2007</u> |
|-------------------------------|---------------------|---------------------|
| Drug testing | \$6,652,007 | \$6,334,905 |
| Legal | \$1,948,406 | \$2,725,714 |
| Research | \$1,383,765 | \$1,276,810 |
| Education | \$1,485,366 | \$1,388,954 |
| General and administrative | <u>\$894,024</u> | <u>\$824,283</u> |
| Total expenses | <u>\$12,363,568</u> | <u>\$12,550,666</u> |
| CHANGE IN NET ASSETS | \$946,329 | (\$297,759) |
| NET ASSETS, BEGINNING OF YEAR | <u>\$5,009,675</u> | <u>\$5,307,434</u> |
| NET ASSETS , END OF YEAR | <u>\$5,956,004</u> | <u>\$5,009,675</u> |

AUDIT REPORT

Statements of Cash Flows

OPERATING ACTIVITIES

| | <u>2008</u> | <u>2007</u> |
|--|--------------------|--------------------|
| Change in net assets | \$946,329 | (\$297,759) |
| Items not requiring cash | | |
| Depreciation and amortization | \$273,690 | \$305,212 |
| Loss of disposal of fixed assets | Ø | \$1,349 |
| Net realized and unrealized loss (gain) | \$256,843 | (\$14,251) |
| Bad debt expense | \$6,991 | \$1,055 |
| Changes in | | |
| Accounts receivable | (\$94,208) | \$56,088 |
| Supplies | (\$44,920) | \$108,482 |
| Prepaid expenses and other | (\$95,349) | (\$41,428) |
| Accounts payable and other accrued liabilities | (\$525,738) | (\$104,495) |
| Research grant payable | <u>\$560,043</u> | <u>\$125,758</u> |
| Net cash provided by operating activities | <u>\$1,283,681</u> | <u>\$140,011</u> |
| INVESTING ACTIVITIES | | |
| Purchase of equipment | (\$122,478) | (\$780,643) |
| Proceeds from sale of property and equipment | \$20,000 | \$20,000 |
| Advances made on note receivable | Ø | (\$162,916) |
| Purchases of investments | <u>(\$40,886)</u> | <u>(\$48,308)</u> |
| Net cash used in investing activities | <u>(\$143,364)</u> | <u>(\$971,867)</u> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$1,140,317 | (\$831,856) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>\$2,831,745</u> | <u>\$3,663,601</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$3,972,062 | \$2,831,745 |
| NONCASH INVESTING ACTIVITY | | |
| Internally developed software sold for accounts receivable | <u>\$30,000</u> | <u>\$30,000</u> |

AUDIT REPORT

Notes to Financial Statements December 31, 2008 and 2007**Note 1: Nature of Operations and Summary of Significant Accounting Policies****Nature of Operations**

United States Anti-Doping Agency (the Agency) began operations October 1, 2000. The Agency is responsible for testing, education, research and adjudication for U.S. Olympic, Pan Am Games and Paralympic athletes. The Agency is also responsible for enhancing research efforts and promoting educational programs to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping and its harmful health effects.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Agency considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2008 and 2007, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

The financial institution holding the Agency's cash accounts is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2009, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

Effective October 3, 2008, the FDIC's insurance limits increased to \$250,000. The increase in federally insured limits is currently set to expire December 31, 2009. At December 31, 2008, the Agency's interest-bearing cash accounts exceeded federally insured limits by approximately \$3,246,000.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Accounts Receivable

Accounts receivable are stated at the amount billed to customers. The Agency provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written-off based on individual credit evaluation and specific circumstances of the customer.

Supplies

Supplies consist of drug testing kits and other doping control supplies and are valued at the lower of cost (first-in, first-out method) or market.

A U D I T R E P O R T

Notes to Financial Statements *December 31, 2008 and 2007*

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives:

Computer equipment and software

3 to 5 years

Furniture, fixtures and office equipment

5 to 7 years

Website development

3 years

Lab equipment

5 years

Leasehold improvements are amortized over the term of the leases or the estimated lives of the improvements, whichever is shorter.

Government Grants

Support funded by grants is recognized as the Agency performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Income Taxes

The Agency is a not-for-profit organization exempt from income tax under 501(c)(3) of the Internal Revenue Code. As such, there is no provision for taxes in the financial statements.

Uncertain Tax Positions

In accordance with Financial Accounting Standards Board (FASB) Staff Position No. FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*, the Agency has elected to defer the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*, until its fiscal year ended December 31, 2009. The Agency has continued to account for any uncertain tax positions in accordance with literature that was authoritative immediately prior to the effective date of FIN 48, such as FASB Statement No. 109, *Accounting for Income Taxes*, and FASB Statement No. 5, *Accounting for Contingencies*.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program and management and general categories based on management's estimates.

Reclassifications

Certain reclassifications have been made to the 2007 financial statements to conform to the 2008 financial statement presentation. These reclassifications had no effect on the change in net assets.

A U D I T R E P O R T

Notes to Financial Statements *December 31, 2008 and 2007*

Note 2: Investments

Investments at December 31 consist of:

| | <u>2008</u> | <u>2007</u> |
|---|--------------------|--------------------|
| Mutual funds- invested in equity securities | \$189,056 | \$412,271 |
| Mutual funds- invested in bond funds | \$723,760 | \$839,235 |
| Mutual funds- invested in commodities and real estate | \$63,239 | Ø |
| Mutual funds- invested in blended funds | \$53,554 | Ø |
| Cash and cash equivalents | <u>\$6,379</u> | <u>\$439</u> |
| | <u>\$1,035,988</u> | <u>\$1,251,945</u> |

Total investment return is comprised of the following:

| | <u>2008</u> | <u>2007</u> |
|--|--------------------|------------------|
| Interest and dividend income | \$64,110 | \$129,224 |
| Net realized and unrealized gains (losses) on investments reported at fair value | <u>(\$256,843)</u> | <u>\$14,251</u> |
| | <u>(\$192,733)</u> | <u>\$143,475</u> |

Note 3: Disclosures About Fair Value of Assets and Liabilities

Effective January 1, 2008, the Agency adopted Statement of Financial Accounting Standards

No. 157, *Fair Value Measurements* (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS 157 has been applied prospectively as of the beginning of the year.

FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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Notes to Financial Statements December 31, 2008 and 2007

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange-traded mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. These are considered Level 2 securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Currently, the Agency does not have Level 2 or Level 3 securities.

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the FAS 157 fair value hierarchy in which the fair value measurements fall at December 31, 2008:

| | Fair Value | Fair Value Measurements Using | | |
|-----------------------------|------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Mutual Funds | | | | |
| Equity securities | \$189,056 | \$189,056 | ∅ | ∅ |
| Bond funds | \$723,760 | \$723,760 | ∅ | ∅ |
| Commodities and real estate | \$63,239 | \$63,239 | ∅ | ∅ |
| Blended funds | \$53,554 | \$53,554 | ∅ | ∅ |

Realized and unrealized losses at December 31, 2008, are included in the investment return line item on the statement of activities.

Note 4: Property and Equipment

| | <u>2008</u> | <u>2007</u> |
|--|--------------------|--------------------|
| Computer equipment and software | \$510,761 | \$510,033 |
| Furniture, fixtures and office equipment | \$184,348 | \$184,348 |
| Leasehold improvements | \$9,826 | \$9,826 |
| Website development | \$245,926 | \$245,926 |
| Lab equipment | \$770,445 | \$698,695 |
| | <u>\$1,721,306</u> | <u>\$1,648,828</u> |
| Less accumulated depreciation and amortization | (\$1,051,342) | (\$777,652) |
| Total property and equipment, net | <u>\$669,964</u> | <u>\$871,176</u> |

AUDIT REPORT

Notes to Financial Statements December 31, 2008 and 2007**Note 5: USOC Contract**

The Agency has an agreement with the United States Olympic Committee (USOC) to conduct a drug testing and anti-doping program for athletes in the Olympic, Paralympic and Pan American Games. This agreement stipulates the number and types of tests to be conducted each year. Support funded by the USOC is recognized as the Agency performs the contracted services. Revenue received from the USOC for each of the years ended December 31, 2008 and 2007 was \$3,450,000.

Note 6: Operating Leases

Non-cancelable operating leases for office space and office equipment expire in various years through 2011.

Future minimum lease payments at December 31, 2008, were:

| | |
|------|------------------|
| 2009 | \$168,096 |
| 2010 | \$130,622 |
| 2011 | <u>\$18,198</u> |
| | <u>\$316,916</u> |

Rental expense for all operating leases consisted of \$140,976 and \$142,926 as of December 31, 2008 and 2007, respectively.

Note 7: Employee Benefit Plan

The Agency maintains a 401(k) benefit plan, covering all employees who meet the eligibility requirements. The Agency makes contributions at its discretion. The Agency's contributions to the plan were \$142,660 and \$153,339 for the years ended December 31, 2008 and 2007, respectively.

Note 8: Significant Commitments, Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Revenue Concentration

The Agency received 98% of its support during 2008 from two organizations. The amounts received could materially change in the future. As of April 1, 2009, the federal grantor has committed to pay the Agency \$4,128,960 for anti-doping activities to be provided in 2009.

Long-term Notes Receivable

The Agency has agreed to loan the Sports Medicine Research and Testing Laboratory up to \$755,500, interest free. The unsecured advances took place through 2007 and are payable in full in December 2013. The balance outstanding on the note was \$755,175 as of December 31, 2008 and 2007.

The repayment of these advances is dependent upon the profitability of the Sports Medicine Research and Testing Laboratory. Management has estimated that these advances will be fully collectible. No

AUDIT REPORT

Notes to Financial Statements December 31, 2008 and 2007

amount has been accrued for estimated losses that could result from the Sports Medicine Research and Testing Laboratory's failure to repay the loan advances; however, actual losses may be materially different from management's estimate.

Long-term Lease

The Agency entered into a long-term lease with Anti Doping Research Institute (ADRI). Under the terms of this lease, the Agency will lease a piece of equipment with a cost of \$698,695 and accumulated depreciation of \$139,739 and \$93,159 as of December 31, 2008 and 2007, respectively, to ADRI from January 15, 2007 through December 31, 2020, at an annual rent of \$0. ADRI must use the equipment only for purposes that fit within the Agency's mission and must report the detail of testing performed with the equipment to the Agency each year. The Agency would have the right to take back the equipment if either of these requirements were not met. As such, management considers the equipment property of the Agency.

Equipment Grant

Effective September 9, 2008, the Agency entered into a grant agreement with the Sports Medicine Research and Testing Laboratory (the Laboratory). Under terms of this grant agreement, the Agency will grant a piece of equipment with a cost of \$71,750 and accumulated depreciation of \$3,589 as of December 31, 2008, to the Sports Medicine Research and Testing Laboratory. The Laboratory must use the equipment only for purposes that fit within the Agency's mission and must report the detail of testing performed with the equipment to the Agency each year. The Agency would have the right to take back the equipment if either of these requirements were not met. As such, management considers the equipment property of the Agency.

Grant Commitment

During 2008, the Agency entered into a grant commitment with the Partnership for Clean Competition. As part of this agreement, the Agency pledged to support the Partnership for Clean Competition with annual funding of \$250,000 for each of its first four years. The balance outstanding on the pledge was \$750,000 as of December 31, 2008, of which \$250,000 is recorded as current and \$500,000 is recorded as long-term on the statements of financial position.

Litigation

The Agency is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Agency. Events could occur that would change this estimate materially in the near term.

Current Economic Conditions

The current economic environment presents not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in grant revenue and governmental support and constraints on liquidity. The financial statements have been prepared using values and information currently available to the Agency.

Current economic conditions have made it difficult for many grantors to continue to contribute to not-for-profit organizations. A significant decline in grant revenue and governmental support could have an adverse impact on the Agency's future operating results.


 A graphic element consisting of a semi-circular shape with a light blue background and a dark blue triangle at the bottom right. The text "USADA Highlights 2008" is written in a sans-serif font, with "USADA" in grey, "Highlights" in grey, and "2008" in red.

USADA
Highlights 2008



United States Anti-Doping Agency

1330 Quail Lake Loop, Suite 260, Colorado Springs, CO 80906

Phone: 719-785-2000

Toll-free: 1-866-601-2632

Fax: 719-785-2001

E-mail: usada@usada.org

Website: www.usada.org



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