

Unveiling the USBC SMART PROGRAM-scheme:

How Youth Bowlers' Funds Are Allegedly Mismanaged

Q & A
transcribed

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Milan

Thank you for joining us today. On this episode we will be discussing and taking a further dive into the USBC's SMART Program. The title of this episode is: "Unveiling the USBC SMART Program-scheme: How Youth Bowler's Funds Are Allegedly Mismanaged."

This matter was first brought to the public's attention by Jeff Richgels in an article titled: 'SMART complaint to SEC could imperil USBC if feds act, tax professional says.' The article was written on [11th Frame.com](#) on September 3rd, 2024.

My guest today is Michael Duncombe, Founder & President of Scholarships 4 Us®. According to Jeff's article he is the author of the SEC Whistleblower Complaint titled: 'A SMART Scheme.' Michael stated to me that he sent a copy of A 'SMART' Scheme to every state's USBC association and he is also the person that filed the 154 page criminal complaint titled: ['The Official Argument Presentation of A 'SMART' Scheme, 154 pages'](#) with the SEC, FTC, FBI, United States Olympic Committee, every state's Consumer Protection Agency and is now addressing it to The State of Texas *agencies with authority*.

The criminal complaint was filed after Michael says he received a Cease and Desist letter from Michael Best®, a legal representative of the USBC. On November 18, 2024, Chad Murphy, Executive Director of the USBC, signed for the 154 page criminal complaint in which to *this* date of 12/20/24- no response has been received.

Michael, thank you for joining me today. These are powerful words and extensive actions taken against the United States Bowling Congress and I have questions that I am sure other people will benefit if I ask them now.

1) Let's start with your story- what led you to uncover and present this case about the USBC and their alleged 'SMART' scheme?

Michael

Think about this. *Since 1994, how many elected members of the USBC and their state and local associations have watched children and families take money out of the ATM or written a check and given it to them?*

I appreciate you providing me the platform to begin providing Consumer Awareness not just for participants in The Sport of Bowling, but for everyone in America. It is essential that this information provided is understood as since the formation of SMART there may have never been any other person or organization that has provided a dissection of American's scholarship, amateurism, and after school youth sports and activities systems.

I grew up in the Twin Cities and joined The Sport of Bowling when it once was recognized as YABA or the Young American Bowling Alliance. When the USBC formed SMART in 1994, until the year 2007 when I graduated high school, I accumulated \$3,000 in my SMART Account. When I attended Truman State University in Missouri the funds were disbursed as a Scholarship Award to cover some enrollment cost.

It was not until the year 2020, in which my dad, Vincent Lionel Duncombe passed-through, when I begin hearing more and more from children and families in the bowling community that they did not understand how the USBC's SMART program worked. What was most concerning to the children and families is that some of them had forfeited money and did not understand how such a practice was possible. The Fire Alarm was officially sounded when state and local association directors were unable to provide consistent information about SMART.

In 2020, I thought I lost everything. In 2020, my purpose was revealed. My purpose became to provide the reason for children, families, and the bowling community as to how they have *or* will forfeit their Prize Money and most importantly present an alternative solution to SMART.

A 'SMART' Scheme is the case of the United States Bowling Congress and SMART Bowling Scholarship Funding Corporation's willful intent to obtain, maintain, and sustain youth bowlers' *entitled* Prize Funds funded with Prize Money for their own benefit.

Any questions about this answer?

2) For listeners unfamiliar with these organizations, can you briefly explain what the USBC and their SMART program is supposed to do?

Michael

The USBC provides youth bowlers sanctioned leagues and tournaments in which the participants contribute money into the Prize Fund and are therefore competing for Prize Money. Chapter 1 of the SMART Policy Manual states that these funds are to be managed “in a manner to protect the amateurism of prospective and current student-athletes.”

However, Chapter 4 of the SMART Policy Manual states that “a recipient does not join SMART; he/she *automatically* becomes a participant in the program when he/she is included in a scholarship list.” SMART shall forever be recognized as A ‘SMART’ Scheme for the reason that SMART does not meet the same requirements as a program that would require enrollment, registration, or signing up to become a participant *of*.

Every bowler that has or has reason to believe that they may have had a SMART account should log in and review within their SMART portal if they have documentation of consent to use the USBC service in the management of their Prize Money.

You may contact **SMART** by phone at **800-514-2695** or by email at smart@bowl.com.

Any questions about this answer?

3) The case focuses on the difference between “Prize Funds” and “Scholarship Funds.” Can you explain what these terms mean and why it matters? Can you break down what it ‘is’ the USBC and SMART is being accused of?

Michael

Chapter 2 of the SMART Policy Manual does not provide a definition of what a Scholarship ‘is’. As a matter of fact there is not one SMART Term defined that uses the word Scholarship. The SMART Policy Manual does not provide a definition of what a Prize Fund ‘is’ neither yet uses these words synonymously in Chapter 3- “awarding prize/scholarship funds.”

According to **IRS Topic No. 421** a Scholarship is non-taxable income so long as the amount received is used for enrollment in an educational institution or for necessary supplies for a course at the educational institution. A Prize Fund must describe and itemize what the participants are competing for such as candy, jewelry, or money.

What this means is that when youth bowlers contribute money into a USBC sanctioned bowling league or tournament, they are competing for a Prize Fund funded with Prize Money. The government states we may use this Prize Fund as Scholarship Funds to enroll in an educational institution or for necessary supplies for a course at the educational institution and they will not tax this fund. However, since the participants are the source of money for the Prize Fund they are entitled to withdraw their Prize Money which is recognized as income and subject to taxation.

The USBC and SMART are recognized nonprofit **501(c)(3)** charitable organizations. What this means is that they can raise money from donors and sponsors and give the contributor(s) a tax deduction to fund their mission. When donors and sponsors contribute money to the USBC and receive a tax deduction- they are providing Scholarship Funds that can ONLY be used according to their mission. When a USBC sanctioned league or tournament offers donor and/or sponsor funds as the prize then the participants are competing for a Prize Fund funded with Scholarship Funds.

A youth bowler may compete in a sanctioned USBC league or tournament in which they are competing for both Prize Money and Scholarship Funds. If so, then this would create a Prize Pool. The fraudulent scheme that the USBC has and continues to use to swindle children and families entitled Prize Money is that they are a nonprofit that must use collected ‘raised’ funds for their mission. They have **fraudulently misrepresented their Financial Statements by not itemizing the term Prize Money**, instead using Scholarship Provider, so there has been no reason not to believe that 100% of their ‘raised’ funds are from donors and sponsors. *(see statement)*

The youth bowlers are not funding the mission of the USBC they are funding a Prize Fund with money to compete for Prize Money.

Any questions about this answer?

4) How does Amateurism, the rule prohibiting athletes from accepting Prize Money based on Place Finish, play into this alleged scheme?

Michael

In the year 1950, the NCAA® created the Athletic Scholarship. The collegiate athletic association began signing television network deals in which they use that revenue as a source of funding to offer what is known as an Athletic Scholarship. They hold jurisdiction to determine an athlete ineligible to compete in their events based on their philosophy of Amateurism. Amateurisms consist of multiple eligibility criteria including accepting Prize Money based on Place Finish.

In the year 1994, the USBC used this philosophy of Amateurism to begin obtaining Prize Money. What no one knew is that as a nonprofit they MUST use their 'raised' funds for the purpose of their mission. It is not the IRS or the collegiate athletic associations that have jurisdiction over a youth bowler forfeiting their Prize Money. It is the USBC through their SMART Policy Manual Chapter 4.4 that created the "Expiration of Funds" in which "a recipient does not join SMART; he/she automatically becomes a participant in the program..."

Any questions about this answer?

5) SMART is presented as helping youth bowlers achieve educational goals. Why do you believe this is misleading?

Michael

A USBC President name Jeff Boje once stated, "Bowling scholarships can be a fantastic way to attract young people to our sport." The USBC's mission is being a Scholarship Provider that is recognized by the IRS. What is misleading is that terms associated with the service that is claimed to be provided are not defined in the SMART Policy Manual.



Has any person in The Sport of Bowling learned from the USBC what a Scholarship 'is' according to the IRS? Has any person in The Sport of Bowling learned from the USBC what Amateurism 'is' according to the NCAA®, NJCAA®, NAIA®, or NACE®? Has any parent in The Sport of Bowling been required to understand, sign and agree to the terms and conditions of the SMART Policy Manual to register, enroll, or sign up their minor child to use SMART?

When youth bowlers and non-bowlers see that they can earn scholarships in The Sport of Bowling through the USBC there is no reason for them to question the source of scholarship funding because they are a nonprofit – *it's for a good cause.*

Any questions about this answer?

6) According to your investigation, SMART has over \$98 million in funds. Where do you believe this money is really going? Do you believe there is intentional fraud here?

Michael

According to an article that can be found in ‘The Official Argument Presentation of A ‘SMART’ Scheme, 154 pages,’ “Directors of the SMART Bowling Scholarship Funding Corporation have selected Asset Strategy Consultants of Hunt Valley, MD as the advisory firm of the SMART fund... The mission of the SMART program is to collect, safeguard and invest earned scholarships for student athletes.”

Chapter 5 of the SMART Policy Manual states that “SMART invest scholarship funds.” It is true that SMART invest donor and sponsor funds aka Scholarship Funds, but it is **FRAUD** not to state that SMART invest Scholarship Funds *and* Prize Money.

According to Chapter 4 of the SMART Policy Manual there is an 8 year post high school graduation grace period to request SMART account funds. After the expiration of funds the forfeited funds are then itemized as SMART Deposited Unassigned Funds. These funds consist of Prize Money that according to Chapter 3 may be used to enhance other USBC sanctioned youth bowling leagues or tournaments, but not in place of collected funds.

Ask yourself as a parent: would you enroll, register, or signup your child for a program that requires you to contribute money into a Prize Fund in an event, that money is then invested, and if you don’t use that money according to that organizations nonprofits’ mission, they get to keep your money and use it for other children to compete for? But then also require all the children that are competing for your forfeited money to contribute money into that events Prize Fund?

This is the reason “a recipient does not join SMART; he/she *automatically* becomes a participant.” This is also the reason the USBC and SMART Bowling Scholarship Funding Corporation must be criminally investigated and prosecuted to the fullest extent of the law for committing White-collar crimes against children and families.

Any questions about this answer?

7) From what you understand, why do you think the USBC and SMART have been able to avoid scrutiny for so long?

Michael

1st They are recognized as 501(c)(3) charitable organizations.

2nd The loophole is the nonprofit system as nonprofits are only required to have a third-party independent auditor provide their financial statements.

3rd America does not provide an education system. America is dependent on the Corporate Training Manual that forms Bosses, Employees, and Customers. As part of the manual it is programmed in generations to “do what you are told” otherwise consequences may be imposed including the loss of employment. For this reason, we have conformed into obedience in fear of questioning. Think about this, Since 1994, how many elected members of the USBC and their state and local associations have watched children and families withdraw money out of the ATM or write a check that was given to them. What shall forever be in every one of their conscience is if they have ever heard a voice trying to reach out that says something is not right for children and families to forfeit this money- this is your time to make amends.

Any questions about this answer?



8) How do these alleged practices financially affect youth bowlers and their families?

Michael

When youth bowlers and their families are required to contribute money into a Prize Fund in a USBC sanctioned league or tournament, this entitled money may not be requested in cases such as terminal illness, permanent injury, emigration, or even death, that could prevent a student from attending a postsecondary educational institution. Your own money will be forfeited for the reason the USBC has fraudulently itemized Prize Money as Scholarship Funds that can only be used according to the USBC’s nonprofit mission.

Think about this parents, what if college is just not something that your child wants to do for any reason. You will have just been given money away for a service in which “a recipient does not join SMART; he/she *automatically* becomes a participant.” This is because you are entrapped.

Any questions about this answer?

9) What can the bowling community do today to prevent further victims of this alleged 'SMART' scheme?

Michael

As I discovered how the USBC has entrapped its victims I wrote an **EMERGENCY Consumer Protection Alert** for children and families that I included to every state's office of the Attorney General consumer protection agencies.

“What the **CONSUMER** needs to know is that when a youth bowler becomes a member of the USBC it is the USBC through their SMART Policy Manual Chapter 4.4 that created a policy of 'Expiration of Funds' in which Chapter four of the SMART Policy Manual states that: “a recipient does not join SMART; he/she *automatically* becomes a participant in the program.”

This is no longer an alleged scheme- it is time for America and the bowling community to understand and accept that once a youth bowler becomes a member of the USBC they are entrapped into SMART that requires its participant to contribute money into a Prize Fund in a sanctioned league or tournament, they fraudulently itemize their entitled Prize Money as Scholarship Funds, then they invest their Prize Money which must then be used according to the mission of the nonprofit- Scholarship Funds otherwise the funds are forfeited and used to enhance more Scholarship Funds for a USBC sanctioned youth bowling league or tournament.

This is not a program- it is A 'SMART' Scheme and for this reason **a youth bowler can never become a member of the USBC.**

Any questions about this answer?

10) How can people follow your work and get involved in supporting this case? What is your proposed solution?

Michael

The first step is to provide awareness to this matter through sharing the **EMERGENCY Consumer Protection Alert** which can be found at the following link:

<https://www.fanastiasialove.com/stmichael> >

United States Bowling Congress **EMERGENCY Consumer Protection Alert**

The second step is for the consumers to share their stories, questions, and concerns on the Facebook post dated December 5th, at <https://www.facebook.com/FanastasiaLove/> titled 'United States Bowling Congress EMERGENCY CONSUMER PROTECTION ALERT!!!' This information will be used to forward to the consumer protection agencies when it is warranted.

For the past 48 months my purpose has been to protect innocent victims by determining the legal means to prudently and securely managed entitled Prize Money not just in The Sport of Bowling, but for all after school youth sports and activities for students age 12-18. I wrote The Scholarships 4 Us® Program as America's only for profit scholarship organization because of the nonprofit loophole that the USBC has taken advantage to swindled children and families entitled Prize Money.

I first presented the management of entitled Prize Money to the United States Department of Education. They stated that Congress would have to approve such service. I then presented The trust of Scholarships 4 Us® to a law firm in which once the solution was confirmed I wrote the following MEMO and sent it to over 500 bowling centers across America:

'Youth bowlers will **NEVER AGAIN** have to forfeit their entitled Prize Funds funded with Prize Money with the establishment of The Trust of Scholarships 4 Us®.'

To learn about The Trust of Scholarships 4 Us® watch the Educational Video at:
<https://www.scholarships4us.com/thetrustofscholarships4us>

Follow Scholarships 4 Us® on Facebook at:
<https://www.facebook.com/TheS4UsProgram/>

In closing, America does not have to wait for an agency to act as the 'adults' in the room need to protect any further victims from *automatically* becoming a participant in A 'SMART' Scheme. This means a youth bowler cannot become a member of the USBC. Every one of us may be considered a victim as we did not know what we know now. However, now that you have this information presented to you, failure to protect innocent victims from this moment forward means you shall be recognized as no less than an enabler to victimizing children and families of the United States of America.