

USSSA CASE

Executive Summary, Procedural History & Outcome

Wegman & Horrom v. United States Specialty Sports Association, Inc., et al.

Court U.S. District Court, Middle District of Florida Orlando Division	Case No. 6:23-cv-1637-RBD-RMN
Principal pleading reviewed Second Amended Complaint, Dkt. 155 Filed April 17, 2024	Internet cross-reference Proceedings and public outcome Research current through August 31, 2026

SOURCE VERIFICATION NOTE

The two PDFs supplied for this assignment - "USSSA Complaint Updated.pdf" and "USSSA Updated Filing - Leverage(1).pdf" - are byte-for-byte identical 78-page copies of the April 17, 2024 Second Amended Complaint (Dkt. 155). Accordingly, this report does not invent a substantive difference between those two supplied copies. The public docket separately confirms that the action began in August 2023 and proceeded through amended pleadings.

Prepared as a neutral research and litigation-history summary. Allegations in pleadings are identified as allegations and are not presented as adjudicated facts. This document is not legal advice.

1. Executive Overview

This federal civil action was brought by former USSSA executives Brian Wegman and Thomas Horrom against the United States Specialty Sports Association, Inc. (USSSA) and several current or former USSSA leaders. The April 17, 2024 Second Amended Complaint framed the dispute as both an employment-retaliation case and a broader organizational-governance case, asserting federal RICO, whistleblower-retaliation, contract, defamation, and Florida whistleblower claims.

The complaint alleged that Wegman and Horrom were terminated after reporting suspected financial misconduct, improper transactions, false nonprofit reporting, illegal sports gambling, misuse or diversion of funds, and retaliation against other internal critics. The pleading sought to connect those alleged acts through an “association-in-fact enterprise” theory and alleged a pattern of racketeering predicates including bank, mail and wire fraud, illegal gambling/money laundering, witness tampering, and witness retaliation.

BOTTOM-LINE PROCEDURAL RESULT

The case did not produce a trial verdict establishing the complaint’s misconduct allegations. A November 22, 2024 decision dismissed the federal RICO claim on an enterprise-distinctness theory later quoted by another Middle District of Florida court. Other litigation continued into 2025, including discovery activity. Public reporting states that all parties then resolved the case by mutual settlement on April 21, 2025; the settlement terms were confidential.

This distinction is critical: the Second Amended Complaint is an allegation document; the November 2024 RICO ruling is a legal sufficiency ruling; and the April 2025 settlement is a negotiated resolution, not a judicial finding that the pleaded allegations were true or false.

2. Parties and Organizational Context

Party / Role	Pleading description
Brian Wegman	Former USSSA COO. The complaint states he began with USSSA in 2014, became COO in 2020, entered a renewed three-year employment agreement effective January 1, 2022, and was terminated July 7, 2023 after raising internal concerns.
Thomas Horrom	Former technology executive. The complaint states he joined in 2019, rose to Vice President of Technology and Advanced Media, and was terminated February 1, 2023 after raising concerns.
USSSA	Described in the pleading as a Melbourne, Florida-headquartered 501(c)(4) multi-sport organization with more than four million participants and approximately \$20 million in annual revenues.
Donald DeDonatis III	Former CEO; the complaint states USSSA terminated him in December 2023 following an internal investigation.
Richard Fortuna	USSSA Board Chairman and baseball executive, as described in the pleading.
Wendy Anderson	USSSA General Counsel and Ethics/Compliance Officer, as described in the pleading.
Courtney Ceo / Jacob Hornbacher	Former USSSA leaders named as defendants; the complaint states they were terminated in late 2023 or early 2024.

3. Claims in the Second Amended Complaint

The April 17, 2024 pleading contains thirteen counts. Their presence in the complaint means the plaintiffs asserted them; it does not mean liability was established.

Count	Claim	Plaintiff(s)	Defendant(s)
1	RICO participation - 18 U.S.C. § 1962(c)	Wegman & Horrom	USSSA and five individual defendants
2	RICO conspiracy - 18 U.S.C. § 1962(d)	Wegman & Horrom	All defendants
3	Anti-Money Laundering Act whistleblower retaliation	Wegman	USSSA, DeDonatis, Fortuna, Anderson
4	Taxpayer First Act whistleblower retaliation	Wegman	USSSA, DeDonatis, Fortuna, Anderson
5	Breach of written contract	Wegman	USSSA
6	Breach of covenant of good faith/fair dealing	Wegman	USSSA
7	Breach of oral contract	Horrom	USSSA
8	Breach of implied-in-fact contract	Horrom	USSSA
9	Breach of covenant of good faith/fair dealing	Horrom	USSSA
10	Defamation	Wegman	USSSA & DeDonatis
11	Defamation per se	Wegman	USSSA & DeDonatis
12	Florida Private Whistleblower Act retaliation	Wegman	USSSA
13	Florida Private Whistleblower Act retaliation	Horrom	USSSA

4. Central Allegation Themes

The complaint's factual theory can be organized into five interlocking themes. Each theme below reflects the plaintiffs' allegations, not a judicial finding.

Financial governance and insider-benefit allegations

The pleading alleges improper or undocumented loans to DeDonatis, personal-use expenditures, diversion of event revenues, and arrangements benefiting officers, directors, family members, friends, or affiliated entities.

Form 990 and reporting allegations

The plaintiffs allege inaccurate nonprofit governance disclosures and financial reporting in USSSA Forms 990, and characterize certain mailings or electronic submissions as mail- or wire-fraud predicates.

Sports-gambling and money-laundering allegations

The complaint alleges that DeDonatis and Hornbacher operated an offshore bookmaking operation associated with AnySport247.com and used USSSA offices, devices, personnel or other assets in connection with that activity.

Whistleblower retaliation and witness-related allegations

The pleading alleges retaliation against multiple employees and an independent contractor, followed by Horrom's February 2023 termination and Wegman's July 2023 termination after their reports.

Regional/state financial-control theory

The complaint alleges that national leaders leveraged their positions to influence regional and state operations and that certain revenue structures - including USSSA Midwest and national events - benefited insiders or affiliated entities.

5. RICO Architecture Alleged in Dkt. 155

The pleading's RICO theory depends on an alleged association-in-fact enterprise and a pattern of predicate acts. The complaint's own summary table groups the predicates as follows:

Predicate(s)	Category	Period alleged	Pleading theory
1-4	Bank, mail and wire fraud	2016-2020	Loans to DeDonatis and 2020 amended/restated notes
5-11	Mail and wire fraud	2016-2022	Form 990 governance and financial reporting
12	Money laundering / illegal gambling	2014-2023	Alleged offshore sports-betting operation
13-14	Witness tampering	2022 / earlier contractor episode	Employee and independent-contractor allegations
15-16	Witness retaliation	2020-2022	Employee and independent-contractor allegations
17-18	Witness tampering	2022-2023	Wegman and Horrom
19-20	Witness retaliation	2022-2023	Wegman and Horrom

WHY THE NOVEMBER 2024 RULING MATTERED

The RICO theory ultimately encountered a threshold structural problem. A later Middle District of Florida order, citing Wegman, quotes the November 22, 2024 decision as dismissing the RICO claim because the alleged enterprise could not be composed only of USSSA and its officers/directors: a corporation cannot conspire with itself. That is a pleading/enterprise-distinctness ruling, not a factual exoneration or finding that every alleged predicate act was false.

6. “Leverage” Significance of the April 2024 Pleading

Although the two supplied PDFs are identical, the April 2024 Second Amended Complaint itself materially increased the factual and litigation detail compared with the case's early posture. Its leverage arose from specificity and breadth rather than from a separate second document supplied here.

- **Expanded legal architecture.** The pleading organizes thirteen claims across RICO, two federal whistleblower statutes, contract, defamation, and Florida whistleblower law.
- **Detailed predicate-act schedule.** It identifies 20 alleged RICO predicate acts across several federal offense categories and time periods.
- **Internal-investigation narrative.** The complaint alleges that after the First Amended Complaint, USSSA conducted an internal investigation and terminated DeDonatis, CEO and Hornbacher; it also recites reasons USSSA allegedly cited for DeDonatis's termination.
- **Financial and event-level allegations.** It provides dollar figures and event examples, including alleged diverted Skills Competition and World Series revenues, National All-State revenue, and Form 990-related issues.
- **Retaliation and causation theory.** It directly ties plaintiffs' alleged business/property injury to witness-tampering and witness-retaliation predicates and to the employment terminations.

The strategic effect was to force the defendants and the court to confront a larger, more particularized factual narrative. But “leverage” should not be confused with success on every cause of action: the RICO claim was later

dismissed on legal grounds, while the broader action continued before settlement.

7. Internet Cross-Reference: Proceedings

The following chronology separates public procedural events from allegations in the complaint. Sources include the federal docket, a published federal order, later federal-court citations to the November 2024 decision, legal-news reporting, and the public settlement announcement.

Date	Proceeding / significance
Aug. 25, 2023	Case initiated in the Middle District of Florida. Justia lists Case No. 6:23-cv-01637 and Nature of Suit "Racketeer/Corrupt Organization."
Sept. 7, 2023	The operative complaint then on file was dismissed without prejudice, with leave to amend; the initial docket entry was struck/replaced as part of correcting pleading deficiencies.
Sept. 15, 2023	First Amended Complaint filed.
Oct.-Nov. 2023	Multiple defendants moved to dismiss; the court also managed early discovery and scheduling disputes.
Dec. 12, 2023	Magistrate Judge Robert M. Norway addressed USSSA's motion to compel DeDonatis to return USSSA electronic devices and restricted copying; the published order arose from a dispute over potentially relevant electronically stored information.
Apr. 17, 2024	Second Amended Complaint (Dkt. 155) filed - the 78-page pleading summarized in this report.
Nov. 22, 2024	The court dismissed the RICO claim. A later M.D. Fla. order quotes Wegman, 2024 WL 5679233, at *3, for the holding that the alleged enterprise could not consist only of USSSA and its officers/directors.
Feb. 20, 2025	Law360 reported that the former employees were still litigating discovery and sought documents, demonstrating that the case continued after the RICO dismissal.
Apr. 21, 2025	Public settlement announcement states that the parties finalized a mutual settlement resolving the litigation; terms were confidential.
June 10, 2025	DeDonatis publicly announced the resolution through PR Newswire, identifying April 21, 2025 as the settlement date.

8. Outcome and What the Record Does - and Does Not - Establish

OUTCOME

The public record located for this report supports a negotiated settlement, not a merits trial. Public reporting attributed to DeDonatis states that the litigation was fully resolved by mutual settlement finalized April 21, 2025 and that the terms are confidential.

The most important legal disposition independently identifiable from later federal-court authority is the November 22, 2024 dismissal of the RICO claim based on the alleged enterprise's lack of distinctness from USSSA and its officers/directors. The action nevertheless continued afterward, as shown by February 2025 discovery reporting, until settlement.

What should not be inferred: A confidential settlement is not an admission of liability. Likewise, dismissal of a RICO count does not adjudicate the truth or falsity of every underlying factual allegation; it means that the RICO cause of action, as pleaded and analyzed by the court, did not satisfy the governing legal requirements. No trial verdict located in the public sources reviewed here established the pleaded allegations as proven facts.

9. Executive Assessment

For governance, compliance, and youth-sports-industry research, this case is significant less because of a final merits judgment and more because of the record it created. The Second Amended Complaint publicly assembled allegations about nonprofit governance, regional/state event revenue structures, independent-contractor operations, whistleblower controls, Form 990 reporting, executive conflicts, and the use of organizational assets. Those allegations became part of a federal civil case and were sufficiently consequential to generate substantial motion practice, discovery disputes, internal organizational action as described by the plaintiffs, and eventual settlement.

At the same time, a careful executive summary must preserve the procedural distinction between evidence, allegations, rulings, and settlement. The complaint's narrative should be treated as a source of allegations and leads; the court's orders are the source for legal rulings; and the settlement establishes only that the parties ended the litigation on confidential negotiated terms.

10. Sources and Research Notes

Primary pleading sources

1. Second Amended Complaint, Wegman & Horrom v. United States Specialty Sports Association, Inc., et al., Case No. 6:23-cv-1637-RBD-RMN, Dkt. 155 (M.D. Fla. Apr. 17, 2024). Two user-supplied copies were reviewed and verified as identical.
2. Public docket entry for Wegman et al. v. The United States Specialty Sports Association, Inc. et al., Justia Dockets: <https://dockets.justia.com/docket/florida/flmdce/6%3A2023cv01637/417780>
3. Original complaint copy (procedural context), Dkt. 2 filed Aug. 25, 2023: <https://d28lcup14p4e72.cloudfront.net/277899/8351484/Filing%20%26%20Exhibits.pdf>

Court and litigation sources

4. M.D. Fla. Order on motion to compel return of property / electronic devices, Dec. 12, 2023: https://ecf.flmd.uscourts.gov/cgi-bin/show_public_doc?2023-01637-107-6-cv=
5. Skye Energy Ventures LLC v. Hollander, M.D. Fla. June 30, 2025 order, quoting Wegman, 2024 WL 5679233, at *3 on the RICO enterprise issue: <https://docs.justia.com/cases/federal/district-courts/florida/flmdce/2%3A2025cv00274/440143/27>
6. Law360, “Former Sports Nonprofit Employees Seek Docs In RICO Suit,” Feb. 20, 2025: <https://www.law360.com/employment-authority/articles/2300109/former-sports-nonprofit-employees-seek-docs-in-rico-suit>

Outcome source

7. PR Newswire, “Donald DeDonatis, III, Announces Resolution of Wegman and Horrom v. USSSA and Donald DeDonatis, III,” June 10, 2025: <https://www.prnewswire.com/news-releases/donald-dedonatis-iii-announces-resolution-of-wegman-and-horrom-v-ussa-and-donald-dedonatis-iii-302477117.html>

SOURCE-QUALITY CAUTION

The June 2025 settlement announcement was distributed by PR Newswire but was “News provided by Donald DeDonatis, III.” It is therefore a party-supplied public announcement rather than an independent judicial merits finding. It is used here to establish the publicly announced settlement date and confidentiality of terms, while the federal docket and court orders are preferred for procedural rulings.

Research cut-off: August 31, 2026. This report is designed for executive and research use and should be updated if a final dismissal order, unsealed settlement filing, appellate decision, or other official record not captured in the public sources becomes available.