

Armstrong May Not Lose All Earnings

The United States Anti-Doping Agency (USADA) and the governing body of cycling, UCI, may have stripped disgraced cyclist Lance Armstrong from seven Tour de France titles he won from 1998 to 2005 and banned him for life, but all is still not lost for the cyclist.

The cyclist was recently asked to return the prize money associated with his Tour de France wins. But independent lawyers and advisers believe that the cyclist would be giving away an estimated \$3.9 million in prize money he won in the Tour and pay some hefty legal bills, which will still be a very small share of his estimated net worth of \$125 million.

A big part of the money to Armstrong came from his sponsors like Nike, Anheuser-Busch, FRS, and Honey Stinger. Despite the fact that all have dropped him, it still remains to be seen what damage the brands will suffer. The United States Postal Service paid tens of millions of dollars for sponsoring the cyclist. No amount of wrongdoings by athletes will force the USPS team to forfeit the money they were paid by sponsors and the worst that can happen is that their contracts are voided.

It is believed that Lance Armstrong may still refuse to pay back the sponsors by saying that none of the accusations against him had been proved and sponsors would have to dwell out lots of money to prove doping allegations against the cyclist.

Carl Sweat, chief executive of FRS, said Lance Armstrong helped them build the brand and losing him is disappointing. The company said it is using the services of Tim Tebow, the [New York Jets](#) quarterback with a squeaky-clean reputation, as its main pitchman.

Armstrong has his biggest share of problems coming from SCA Promotions, a company in Dallas that insures potentially costly but unlikely events. The cyclist sued the company in 2004 for not paying him a bonus of \$5 million after he won the sixth Tour de France title to which the company replied it will not pay as doping accusations were made against the cyclist. The company settled the suit in 2007 and paid Armstrong \$7.5 million, including interest and fees. The company's corporate counsel, Jeffrey Dorough, said the firm was sending a letter to Mr. Armstrong demanding that he return \$12 million — the \$7.5 million and an additional \$4.5 million it paid for a previous victory. The counsel remarked it is inappropriate for the cyclist to keep any bonuses that were contingent on him being the champion of the Tour de France.

The biggest hurdle before Armstrong will be a False Claims Act lawsuit against him and Tailwind Sports, the limited liability corporation that owned his team. A former teammate of Mr. Armstrong's and another Tour de France winner, [Floyd Landis](#), had filed a whistle-blower lawsuit in late 2010 asserting that the government — the Postal Service, in this case — had been defrauded. Michael Sullivan, head of the whistle-blower practice group at Finch McCranie, an Atlanta-based law firm, said now the government would not have to prove that the cyclist used the money of the USPS team to buy performance enhancing drugs for his team.