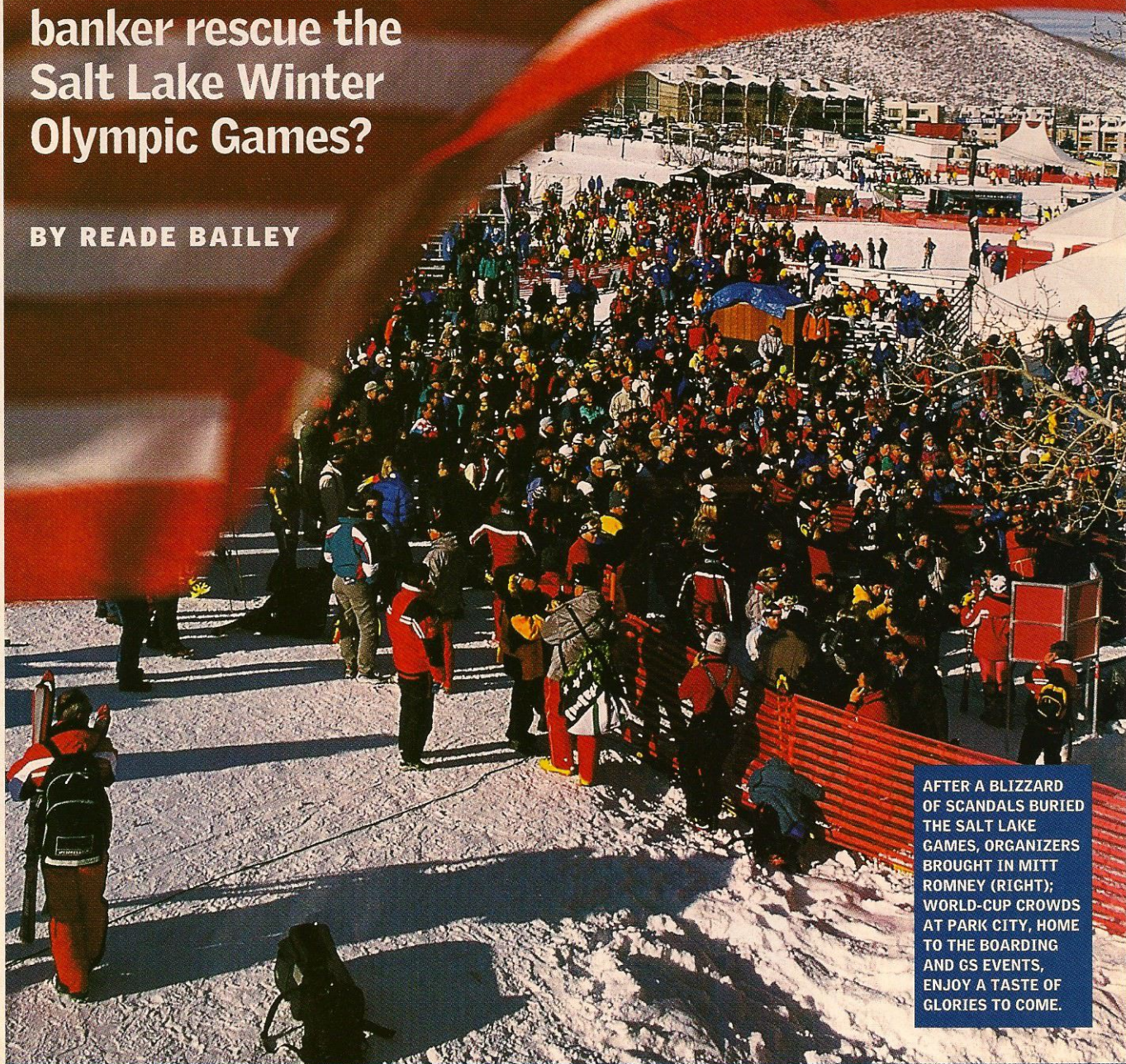


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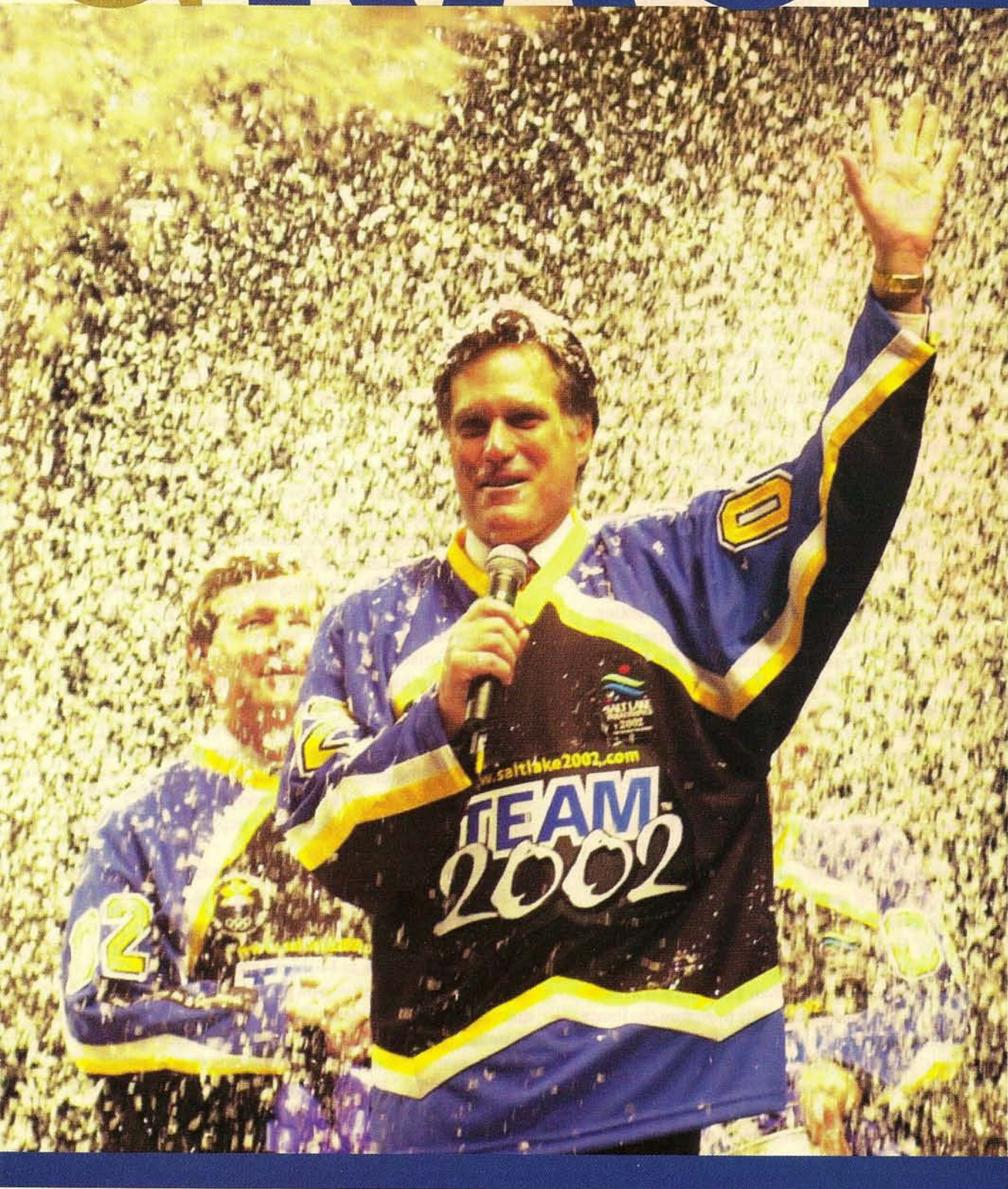
With only 300 days until the opening ceremonies, can a multi-millionaire investment banker rescue the Salt Lake Winter Olympic Games?

BY READE BAILEY



AFTER A BLIZZARD OF SCANDALS BURIED THE SALT LAKE GAMES, ORGANIZERS BROUGHT IN MITT ROMNEY (RIGHT); WORLD-CUP CROWDS AT PARK CITY, HOME TO THE BOARDING AND GS EVENTS, ENJOY A TASTE OF GLORIES TO COME.

GRACE



SAVING GRACE

Mitt Romney can do many things well, but singing is not one of them. That doesn't deter the president of the Salt Lake Organizing Committee from bursting into the office of his top lieutenant, Fraser Bullock, interrupting a meeting, and leading a dozen employees in singing "Happy Birthday." The Wasatch Mountains are visible through the 15th-floor windows of this downtown Salt Lake City building, providing a stunning backdrop for Bullock's impromptu party. When someone hands Romney a lopsided piece of birthday cake, he looks at the plate and laughs. "That's what I do," the 53-year-old says, with a wry grin. "I'm in charge of mistakes."

An odd connection, maybe, but these days even little things remind Romney of his immense task: first, restoring public faith in the wake of a tawdry bribery scandal, then hosting a world-class, debt-free Games in February 2002. These will be the first Olympics on American snow since the 1980 Lake Placid Games, and the enormity of his job keeps Romney awake at night. He is responsible for 700 employees, 26,000 volunteers, a \$1.32 billion budget and, ultimately, the success of an extravaganza that will be watched by 6.5 billion TV viewers.

During the last decade, Salt Lake City Olympic organizers have made countless egregious mistakes, including bribing International Olympic Committee members with some \$1 million in lavish gifts and running up a budget deficit of nearly \$400 million, tarring the Olympics with one of the worst scandals in the history of the Games.

In February 1999, they went a long way toward righting those wrongs by bringing in Romney to clean up their mess. The Boston investment banker, a co-founder of the \$5 billion Bain Capital venture-capital firm, specializes in turning around foundering companies.

More than that, Romney brings credentials to Utah that have had even Olympic critics calling him a savior. The son of former Michigan governor George Romney, he has a tireless thirst for public service and deep-rooted Utah ties. Romney seems too good to be true: movie-star handsome, married to his high-school sweetheart, the father of five sons—and Mormon, which in a state that is 70 percent Mormon carries a lot of weight.

Despite the pressure of great expectations, Romney has so far delivered. He has helped close the budget deficit to less than \$70 million by trimming more than \$200 million in expenses and attracting more than \$100 million in new sponsorships. He has worked tirelessly to restore the image of the Olympics, talking openly about the scandal at numerous town meetings and on his monthly Salt Lake City radio show. "The Olympics needs to be about the athletes, not the old fogies running them," Romney tells Utahns. Even Salt Lake Olympic opponent Stephen Pace, of the

Utahns for Responsible Public Spending group, acknowledges that Romney is succeeding: "I'd give him good grades—he's smart, and has a sense of humor and good instincts."

WHAP! A SNOWBALL HITS ROMNEY in the back of his head. He turns to see the culprit, his youngest son, Craig, 18, reloading. Romney reaches down, grabs a handful of slushy snow and throws a snowball at another son, 21-year-old Ben. A third son, 24-year-old Josh, joins in the fray and soon the air is filled with laughter and flying snow. Ann, Mitt's wife of nearly 30 years, watches and shakes her head ruefully. It's a warm early-April day and the Romneys are skiing together—and throwing the occasional snowball—at Deer Valley resort near their Park City home.

"I'm not a good skier," Romney says in his typically self-effacing style as he rides the Wasatch Express chair. "But I love being outside in the snow and in the sun." He is actually a solid intermediate skier, with a fearless streak cultivated from years of chasing his sons and Ann, a strong, advanced skier.

With his warm smile, dark hair and trim 6-foot-2-inch frame, the charismatic Romney has become the face of the 2002 Winter Olympics. There is something sincere, something genuine about Romney. Despite being worth millions, he's skiing today in black wind pants he bought at Kmart. After skiing, he'll stop at McDonald's for a hamburger.

Romney first skied as a high school senior at tiny Pine Knob in Michigan. By that time, his father, George, the former chairman of American Motors, had been elected to the first of his three terms as Michigan governor. Mitt, named for a relative who played quarterback for the Chicago Bears during the Twenties, helped campaign for his father in 1962. He went door to door and was "exposed to a strong dose of public service as a child." His mother, Lenore, "always volunteered and helped people—she was never in the country-club or garden-club set."

FAMILY COMES FIRST FOR MITT ROMNEY, WHOSE WIFE SAYS: "AFTER RAISING FIVE BOYS, RUNNING THE OLYMPICS SHOULD BE EASY."

After a year at Stanford University, Romney did his two-year Mormon mission in France. With only a \$100-per-month stipend, he lived in a tiny apartment with no shower or refrigerator. He spent his days knocking on doors, asking people to convert to his faith. "It was a humbling experience for a rich kid from the American suburbs," he says, "but I saw how the rest of the world lives, which was a great experience." His only regret was that he missed campaigning for his father during the elder Romney's unsuccessful bid for the 1968 Republican presidential nomination.

Back in the U.S., Romney began a life that seems at times to be lifted directly from an *Ozzie & Harriet* script. He followed his high school girlfriend, Ann, to college at Brigham Young University in Utah. They met when he was 18 and she was 15. On their first date—he remembers the exact day: March 21, 1965—Mitt picked up Ann in a red AMC Marlin and drove her to downtown Detroit where they watched *The Sound of Music*. Says Romney now: "In many ways, Ann and I grew up together. I couldn't have accomplished what I have without her. No way."

At BYU, Romney skied at Sundance, Utah, and graduated valedictorian of the college of humanities in 1971. He then earned simultaneous law and MBA degrees in a special four-year program at Harvard. After nearly a decade at Bain & Co., a business consulting firm, he and some friends founded Bain Capital in Boston in 1984 with \$37 million in venture capital. With a remarkable compound annual growth rate of 100 percent per year, Bain Capital now has \$5 billion worth of ownership stakes in more than 100 companies, including Staples and Domino's. "We had good luck and a remarkable team of people who studied the operations of businesses," says Romney. "We invested in companies losing money and turned them around. About 80 percent succeeded."

By 1994, Romney was a multi-millionaire and decided to follow in his father's political footsteps. He chose for his debut what seemed like political suicide—challenging incumbent Massachusetts Democratic Sen. Ted Kennedy. As one political consultant put it, "There is no one alive who can beat Ted Kennedy—and Abraham Lincoln would have a problem if he were to come back." But Romney felt that, after 32 years in the

Senate, "Kennedy was off on his own path and needed to be brought back to the concerns of Massachusetts voters." Romney out-dueled five others in a hard-fought Republican primary and then, surprisingly, gave Kennedy one of the stiffest challenges he has ever faced. In a state where only 13 percent of the voters are registered Republicans, Romney received 41 percent of the vote in the general election.

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Despite the loss—"it was like being in a ski race with Jean-Claude Killy"—and spending \$4 million of his own money, the experience was enlightening for Romney. He honed his skills as a leader and public speaker. And even though their race was sometimes bitter, he and Kennedy remained cordial. Kennedy spoke at an event for one of Romney's charities, and Romney later visited him in Washington, D.C. Says Romney: "Just because someone has a different political opinion doesn't make them a bad person."

His political itch scratched, at least for the time being, Romney returned to Bain Capital. He was back in the headlines, though, in the summer of 1997. When a co-worker's daughter was reported missing, Romney closed the Boston office and he and 40 employees went to New York City, combing the streets for the girl. She was found in New Jersey, thanks to Romney's efforts. "When Mitt is needed, he relies on pure instinct and pure belief," says Michael Brown, president of City Year, a volunteer organization that Romney is involved with. "He's truly inspiring."

BUT ROMNEY ALMOST DIDN'T come to the rescue of the Olympics. When deposed Salt Lake Organizing Committee (SLOC) President Frank Joklik resigned in 1999, leaving the Winter Games in shambles and the very real possibility that the Olympics could be moved out of Salt Lake, local businessman Kem Gardner decided Romney was an ideal candidate to replace him. But Gardner didn't contact Romney directly, instead calling Ann Romney first. "He figured I would dismiss it out of hand," Romney recalls. "Ann then called me at work and I said, 'That's crazy. What do I know about the Olympics?'"

Although he had only watched the Olympics on TV, Romney passionately believed the Games "have a unique place as the last great demonstration of peace on the world stage." He worried that the bid scandal threatened the future of the Games. Just as important to Romney, Utah had been tarnished—upsetting to a



SAVIN GRACE

man whose Utah roots go back almost two centuries. His great-great-grandfather was a scout for Brigham Young's wagon train 150 years ago. His parents were raised in Utah. Mitt, Ann and all five of their sons attended BYU.

Encouraged by his wife, Romney listened to his heart ("I felt like I had gotten kicked in the stomach when I first read about the scandal") and his head ("I had the turnaround skills to fix it"). Less than three weeks after Gardner called, Romney was on the job. "I would not have come out here to save some corporation," he says. "But the Olympics are important to me—these athletes are kids' heroes."

Almost immediately, Romney realized the problems were worse than he had anticipated. Not only was the bid scandal lingering as a public-relations nightmare, he also discovered that his predecessors had run up a budget deficit of \$379 million. Unbelievably, some \$97 million of the deficit had resulted from simple math errors. "The first two months were really, really high-stress," says Romney. "I lost weight, I couldn't sleep. I was terrified. Could we raise the money? Could we put on a Games that would make us proud?" The stress was magnified by the recent diagnosis that Ann had multiple sclerosis.

At work, Romney relied on his years of turning around struggling companies. "I have spent my business life looking at numbers and deciding what has to be done," says Romney. "In a turnaround you do things that are symbolic and you do things that are substantive."

At his first SLOC board meeting, he announced that the free lunch was over—literally. Board members now buy their own pizza and soft drinks, saving a total of \$250,000. Romney flew solo to his first International Olympic

Committee meeting in Switzerland, eschewing the usual entourage of a dozen people. He cut perks for visiting IOC dignitaries. No more flowers or limos.

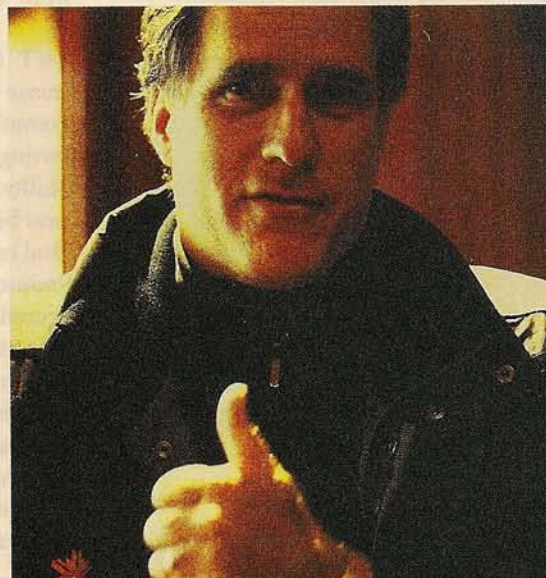
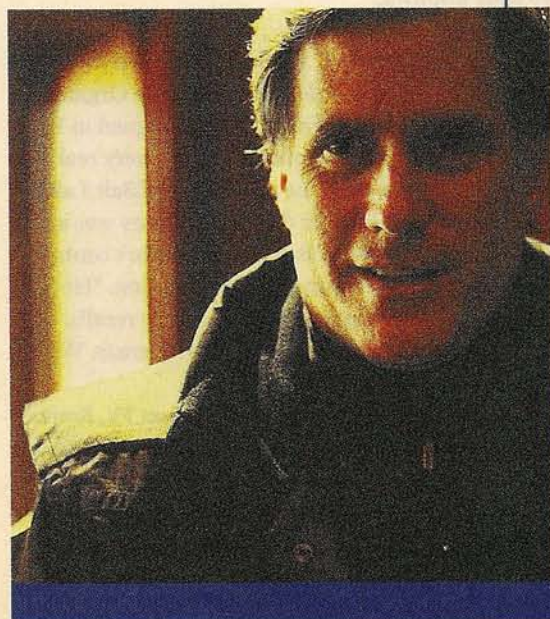
Romney convinced Fraser Bullock, a partner from Bain Capital, to join SLOC as its chief operating officer. Together, they pored over thousands of budget line items in a 6-inch-thick binder. They trimmed more than \$200 million, including \$30 million in staff cuts and \$20 million in volunteer lunches (sponsors will now donate the food). One cut was easy: The already-wealthy Romney eliminated his own \$280,000 annual salary. "The Olympics is about sports, No. 1," Romney says. "We want a world-class competition with fast ice and perfect snow. Things that are not directly related to sports are not a priority."

At the same time he was cutting dollars, Romney also had to add money. On numerous trips around the country, he has helped attract more than a dozen new sponsors and more than \$100 million in new sponsorships. He has also flown repeatedly to Washington, D.C., successfully lobbying for federal support in building roads and providing security for the Games.

Closer to home, he has rallied public support by holding town meetings throughout the state and hosting a monthly radio call-in show. "Initially, people were really skeptical, really concerned," says Romney. "But it's been a great way to clear up misperceptions, and public support has rebounded." Romney is working to make sure that Utahns will be able to enjoy the Olympics, including setting aside 20 percent of all tickets for Utah residents as well as creating blocks of inexpensive tickets.

Romney has even tried to romance his critics. His very first day on the job he called Stephen Pace, a 53-year-old health-care consultant who, for more than a decade, has been loudly opposed to Utah hosting the Games. Romney

BUSINESS PARTNER FRASER BULLOCK FIRST MET ROMNEY (BELOW) IN 1980: "I SAID TO MYSELF, 'THIS GUY IS A STAR. HE'S GOING PLACES.'"



offered to trade an Olympic T-shirt for the "Slalom & Gomorrah" T-shirt that Pace had worn to the announcement of Romney's appointment. "On the positive side, Romney has been a bunch more open about the business of running the Games," says Pace. "On the negative side, he continues to have attorneys on his board and on his staff who were right in the middle of the corruption."

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Despite daily reminders of the bid scandal, Romney says he doesn't "have the time nor an inclination to look back" at the affair, which has resulted in federal indictments of at least two former SLOC officials and the resignation or removal of 10 IOC members. "I believe a few people made a very bad judgment to follow the same sordid process that other cities had followed in the past, and they got caught," says Romney. "They embarrassed a community and a nation."

The embarrassment might not be over. Still looming over the Salt Lake Olympics is the \$1 million bribery case of former SLOC leaders Thomas Welch and David Johnson. Romney and other officials apparently failed to convince the two to exit quietly and accept plea bargains. If the case goes to trial—it's scheduled to start in June—and is prolonged, Romney could face the potential public-relations disaster of witnesses giving testimony during the Games.

When Romney took over at SLOC, his sister-in-law was besieged by friends asking for free tickets to the Olympics. "Don't you understand?" she would reply. "That's exactly

what he was brought in to clean up." Indeed, Romney has tightened the reins so much that no staff or board member—not even Romney himself—will get free tickets. "This isn't about me or the staff enjoying the Games," says Romney. "It's about making sure the athletes, media and spectators are taken care of."

To be sure, Romney is having a good time now. He gets to meet his own winter-sports heroes, including skiers Picabo Street ("she's so effervescent") and Stein Eriksen ("he skis like a big graceful swan"). He's in the limelight, especially in Utah, where his face is so omnipresent that son Josh says he watches the "news every night to see what Dad is doing." Best of all, Ann's multiple sclerosis has responded well to daily doses of horseback riding and skiing in the mountain air.

There has been much speculation that, after the Olympics, Romney will run for office in either Utah or Massachusetts. "It's a natural springboard for Romney," says Christopher Smart, editor of the alternative *Salt Lake City Weekly* newspaper. Smart's paper has been sometimes critical of Romney, but even Smart admits that "Romney led SLOC out of the mess it was in." Romney himself is vague about his plans after the Olympics. But when he says, "there is more to life than making money," you certainly sense that Romney will be seeking new challenges.

Right now, he is single-minded. Even while skiing with his family at Deer Valley, he is focused on February 2002. Romney points up at the Champion run, where the moguls events will be held, and talks excitedly about the tons of dirt that were moved so spectators will have a better view. Romney savors both the big picture and the smallest detail.

"Someone said, 'It must be like a Super Bowl,'" says Romney. "I said, 'No, the Olympics are like 10 Super Bowls a day for 17 days.'" During those 17 days, he vows the Olympics will break even financially, the buses will run on time and the athletes will be the heart of the Games.

If that happens, the stain on his beloved Utah will be wiped clean, the scandal will be a distant memory and Mitt Romney will be singing a happy tune—even if a bit off-key. ♦

