


## AIDS Ride Mgt Dispute Leads To Lawsuit

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SAN FRANCISCO (AP) -- The California AIDS Ride, a feel-good event in which 11,000 cyclists have raised \$40 million since 1994, is being abandoned by the non-profit agencies it benefits. They say it's unacceptable they get only 50 cents of every dollar raised.

Cyclists from all over the country have joined the annual ride from San Francisco to Los Angeles, a grueling, one-week, 575-mile trek down Highway 1. The inspiring cause -- and the breathtaking views of the Pacific Coast -- help ease the pain of the punishing hills.

"It's an amazing community of people that are there dedicated to doing something that changes the lives of people," said 51-year-old Cathy Johnson, who alone has raised more than \$22,000 from friends and family to participate in the past three California AIDS Rides. "That's also what gets people past their personal boundaries on a day-to-day basis."

But the San Francisco AIDS Foundation and the Los Angeles Gay and Lesbian Center say Pallotta TeamWorks, the ride's organizer for the past eight years, has mismanaged the event and increased its overhead so much that they're better off running it themselves.

So this year, they're planning their own competing six-day fundraising ride, dubbed AIDS/LifeCycle, along the same route next summer, two weeks before the traditional AIDS Ride.

In response, Pallotta Teamworks is suing the non-profits, and has found a new charity for the AIDS Ride.

"We've raised over \$40 million in California since 1994 for people living with HIV and AIDS," said Pallotta spokesman Norm Bowling. "Now the prospect of two competing events is just going to divide the community ... and will affect everyone ultimately by having less funds raised."

Johnson, who said she was "appalled" that only 50 cents for every dollar went to charity, already has signed up for AIDS/LifeCycle.

"All the repeat riders I know are doing LifeCycle because people were really turned off by (the AIDS) Ride last year."

The charities say skyrocketing costs -- from \$2,373 per rider in 2000 to \$3,022 last year -- cut too far into the money they need to provide services for people living with AIDS and HIV.

"We understand it's an expensive event to produce," said Bonnie Osborn, spokeswoman for the Los Angeles Gay and Lesbian Center. "Our concern is that it's costing more now than in the past."

The California AIDS Ride provides about a quarter of the San Francisco AIDS Foundation's \$24 million annual operating budget, according to spokesman Gustavo Suarez.

"This year they raised more money than ever before, and we got back a lower percentage," he said. "Something happened to it."

In 2000, the foundation received 65 cents of every dollar raised. Last year, Suarez said, that went down to about 50 cents.

Expenses generally should not exceed 35 cents per dollar, according to the Better Business Bureau's Wise Giving Alliance.

The California ride is one of the nation's biggest AIDS rides. Tens of thousands of cyclists have participated in AIDS Rides across the country since 1994, raising nearly \$70 million overall.

Riders are totally supported with meals, medical care, sleeping tents, hot showers and portable toilets. They're followed by trucks and trailers and swept up if they get into trouble. Such logistics ran 37 percent over budget this year, at \$2.7 million.

Riders also were hit with a barrage of marketing -- slickly produced books, glossy brochures and signs -- both before and during the ride.

Bowling acknowledged that Pallotta ran 8 percent or 9 percent over budget overall this year, but he said the AIDS Ride has a "great track record" and that the charities are overstepping their bounds.

He said the company's contract with the charities specifically prohibits them from organizing their own bike-a-thon.

"They can do any kind of fundraising event they want other than the California AIDS Ride," Bowling said.

The nonprofit agencies believe they're on solid ground.

"There are differences in the route and the focus and the feel of the event," said Gwenn Baldwin, executive director of the Los Angeles Gay and Lesbian Center. "Using bicycles to fund raise is not a unique concept."

Both nonprofit agencies say they felt they had no choice but to sever their relationship with Pallotta. They said they're still sorting out questionable expenses, including delinquent taxes owed to the city of Philadelphia, a Web address connected to a nonexistent canoeing event and executive travel to Chicago for a book tour.

"There are many things that make us question exactly what is going on here," Suarez said.

Bowling acknowledged money disputes with the charities and said Pallotta is trying to resolve them through arbitration.

The nonprofits also complained about heavy marketing and cross-promotion last year of other Pallotta-planned events, such as the Avon Breast Cancer 3-Day walk.

A court hearing on Pallotta's suit is set for Jan. 14 in Los Angeles County Superior Court.

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