

NEWS

INDICTMENTS SEEN IN WALTERS CASE

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A long-brewing scandal over payments of money to college athletes by Nurby Walters and Lloyd Bloom, New York sports agents who allegedly induced players to sign improper contracts, is expected to result in federal grand jury indictments Wednesday in Chicago.

The indictments would culminate an 18-month FBI investigation of the two men that began in March, 1987, following the beating of Kathie Clements, who along with Chicago agent Steve Zucker, had signed up two players who had broken ties with Walters and Bloom and their business, World Sports & Entertainment.

Legal sources in the defense community, who asked to remain anonymous, said Tuesday that they had been informed that the indictments would be announced this week.

U.S. Atty. Anton Valukas, who, along with Assistant U.S. Atty. Howard Pearl, has conducted the investigation, declined comment.

However, Valukas' office late Tuesday issued a terse advisory that a Wednesday press conference would reveal "three indictments in connection with the management and representation of professional athletes and others."

Sources have said that athletes who received money are not expected to be charged criminally. Instead, the athletes agreed to make restitution to their colleges for scholarship money received and to perform some community service. The investigation also has turned up allegations of threats of violence against some of the athletes who later broke ties with Walters and Bloom, which has raised speculation by defense lawyers that organized crime figures may be involved.

Walters has repeatedly denied that he engaged in any criminal activity. Efforts to reach Walters Tuesday were unsuccessful.

The Chicago grand jury investigation has centered on allegations that Walters and Bloom gave cash payments to star college athletes before the expiration of their athletic eligibility, sources said. Such payments, which some athletes have acknowledged, are a violation of National Collegiate Athletic Association rules.

The payments were made, some allegedly as loans, to induce athletes, including football stars such as Temple's Paul Palmer, Auburn's Brent Fullwood, Iowa's Ronnie Harmon and Ohio State's Cris Carter, to sign agreements allowing Walters and Bloom to represent them in professional contract negotiations.

Harmon received at least \$54,000 over two years. The National Football League Players Association confirmed Tuesday that the grand jury had subpoenaed all documents related to its own investigation of a dispute between Harmon and Walters and Bloom regarding the New York agents' claim that Harmon owed them substantial amounts of money that they had lent him.

Under the union's arbitration proceedings, former U.S. Sen. John Culver

(D., Iowa), acting as the arbitrator, turned aside the agents' claim that that \$54,000 constituted loans and allowed Harmon to keep the money.

Last May Bloom pleaded guilty to a misdemeanor charge in Alabama state court relating to payments made to former University of Alabama basketball players Derrick McKey and Terry Coner. As part of the agreement, Bloom agreed to testify at the trial of Walters, who also was charged with misdemeanor counts of commercial bribery, deceptive trade practice and tampering with a sports contest.

More than two dozen athletes have either been accused of or have acknowledged receiving money from Walters and Bloom. The grand jury reportedly subpoenaed more than 50 athletes to appear to testify.

On March 27, 1987, Walters and Bloom filed lawsuits against Fullwood and Clemson's Terrence Flagler alleging that the players accepted money before their NCAA eligibility expired.

On Tuesday, former Iowa State linebacker and defensive end Lester Williams said he was notified by the FBI earlier this week that Walters was about to be indicted. Williams, who was previously reported to have received about \$10,000 from Walters, testified before the grand jury last winter.

Williams, now a Cedar Rapids, Ia., construction worker, said he signed with Walters the summer before his senior year. "It was kind of hard to turn down free money when it's right there," said Williams. "My family does okay. I guess it was just the timing that went along with it, and the people and the things he said to us about the stars he knew. He is a good salesman."

He added that "a lot of people don't understand that, at the time, we didn't think we were breaking any laws." Williams has agreed to perform 100 hours of community service and pay back a portion of his scholarship to Iowa State.

The investigation began following a series of events unusual in the world of college athletics.

The NFL Players Association announced in March, 1987, shortly before the attack on Clements, that two college seniors notified the union that Walters had threatened to "break their legs" after they stopped dealing with him.

Union sources said that one of the athletes was drafted and is playing in the NFL and that the other was not drafted and is not playing professional football.

On March 6, 1987, a man was fatally shot while driving a car owned by Jeff Atkins, a Southern Methodist University football player who was later subpoenaed to appear before the grand jury investigating Walters. Atkins claimed he did not know the man, identified as David Simpson, and the shooting has not been solved.

A week later the New York Times reported that the FBI in Dallas had recorded a telephone conversation between former SMU wide receiver Ron Morris, now with the Bears, and Bloom during which Bloom threatened to have Morris`

hands broken if he dismissed the agents.

Two days later Clements was beaten and slashed near her Skokie office by two men wearing gloves and ski masks. Clements, the wife of Loop lawyer and former Notre Dame and Canadian Football League quarterback Tom Clements, no longer works with Zucker and no charges have been filed as a result of the incident.

Walters told the Washington Post that he came to know certain members of New York organized crime families because they frequented his restaurant two decades ago. Walters told the Post that he knew John "Sonny" Franzese, who is now in prison for a parole violation of a 1967 conviction for a series of bank robberies.

Franzese's son, Michael, told Sports Illustrated last year that he knew Walters as "Uncle Norby" while growing up and that their families socialized together.

Michael Franzese, described by federal prosecutors in New York City as a high-ranking member of the Colombo family, is currently serving a 10-year prison term in California after pleading guilty to racketeering and tax charges arising from the embezzlement of millions of dollars from more than a dozen companies.

Walters told Sports Illustrated that he had never been involved in any financial relationship with Michael Franzese.