

THURSDAY, AUGUST 25, 1988

3 Agents and Player Charged in **Fraud** of Colleges

By WILLIAM E. SCHMIDT

Special to The New York Times

CHICAGO, Aug. 24 — A Federal grand jury indicted three agents today, finding that improper payments and threats of violence were used to induce dozens of athletes to sign professional management contracts while they were in college.

In addition, Cris Carter, a player for the Philadelphia Eagles of the National Football League, was indicted on charges of mail **fraud** and obstruction of justice in connection with payments he received from the agents.

The indictments ended one of the most extensive investigations ever into college sports and the relationship between agents and student-athletes.

Papers released by the office of Anton R. Valukas, the United States Attorney, also named 43 athletes, many of whom are playing professionally, who

concealed improper payments from the two men while they were in college.

In pretrial agreements reached with Federal prosecutors, they agreed to enter a one-year Federal probation program, perform up to 250 hours of community service and pay back any scholarship money they improperly received, in return for testimony. The 43 athletes, from 28 separate institutions, were not indicted.

Mr. Valukas said that **Norby Walters** and **Lloyd Bloom**, two agents who were the targets of the 18-month inquiry, had warned some of the players that they had friends who would visit the athletes and break their legs if they tried to back out of deals they had signed.

2 Giants Named

Among the professional football players who signed pretrial agreements were Mark Ingram and Adrian White of the Giants, Brent Fullwood of the Green Bay Packers, **Ronnie Harmon** of the Buffalo Bills and Paul Palmer of the Kansas City Chiefs. Brad Sellers, a player with the Chicago Bulls of the National Basketball Association, also signed a pretrial agreement.

In effect, the Government said the agents and the athletes conspired to **defraud** the colleges and universities for which they played, since the receipt of the payments from Mr. **Walters** and Mr. **Bloom** rendered them ineligible to play under intercollegiate rules and, therefore, ineligible to accept the financial assistance they were given at the time as student-athletes.

Among the institutions of higher education that the indictment said were **defrauded** by Mr. **Bloom** and Mr. **Walters** were the University of Michi-



The New York Times

Norby Walters, one of the agents indicted yesterday in Chicago.

Rules Proposed Garbage Landfills

MOLOTSKY

New York Times

Today's action addresses one of two major problems associated with garbage landfills: their safety. It does not address the second problem, the scarcity of landfill sites, especially in the Northeast.

Dr. Porter was asked at a press briefing today if, in dealing with the safety problem, the Government might be exacerbating the scarcity problem, and he replied, "Certainly some will

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The Polish

Solidarity Lacks Wid
But the Regime Can't

By JOHN T.

Special to The N

WARSAW, Aug. 24 — As the tide of labor unrest sweeping Poland appeared to ebb today, the Government and the outlawed Solidarity trade union remained locked in paralyzing stand-off.

News
Analysis

For the second time this year, the Government appears to be succeeding in controlling the damage from strikes that have crippled such key industries as coal mining and

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4 Indicted in Fraud of Colleges

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due University, the University of Illinois and Notre Dame.

The only athlete who was formally charged in the indictment was Mr. Carter, a former Ohio State University receiver. He was charged with mail fraud in seeking to conceal payments he received, like the other athletes, from Mr. Bloom and Mr. Walters.

Mr. Carter was charged with concealing improper payments he received from the two men which, in effect, defrauded the university because they rendered him ineligible him to play and collect scholarship money under the rules of the National Collegiate Athletic Association. Also, under N.C.A.A. rules, teams that use ineligible players can be required to forfeit victories.

Mr. Valukas said that Mr. Carter was, to the best of his knowledge, the first athlete ever to be charged with criminal fraud as a result of accepting improper payments from agents that rendered him ineligible for college competition and a scholarship.

Second Obstruction Charge

Mr. Carter was also charged with a second count of obstruction of justice for allegedly attempting to conceal from Federal investigators another payment of \$5,000 he received from a third agent, David Lueddeke, who was also indicted today.

Mr. Bloom and Mr. Walters were charged by the grand jury with one count apiece of racketeering conspiracy, one count of racketeering, five counts of mail fraud and one count of conspiring to commit extortion, mail fraud and wire fraud in connection with their efforts to sign college athletes to contracts in violation of intercollegiate rules.

The contracts allowed the agents to represent the athletes exclusively in their professional contract negotiations, in return for lucrative commissions.

If convicted on all counts, Mr. Walters, 58, of New York City, and Mr. Bloom, 29, of Sherman Oaks, Calif., each could face 70 years in jail, \$2 million in fines and forfeiture of their business interests.

Mr. Carter, 22, of Middletown, Ohio, is facing a maximum penalty of 10 years imprisonment and a \$500,000 fine, if convicted. Mr. Lueddeke, charged with perjury and obstruction of justice, is liable to 15 years in prison and fines of \$750,000.

Michael Franzese, who has been identified by Federal prosecutors as a member of the Colombo crime syn-

dicate and is serving a 10-year sentence for extortion, was named as an undicted co-conspirator. He was identified as the man the two agents used to threaten athletes.

Efforts to reach Mr. Walters were unsuccessful. Mr. Bloom's lawyer, M. L. Trope, told The Associated Press that he had understood the Mr. Walters and Mr. Bloom would be indicted this month.

Mr. Carter, in a statement issued to The Associated Press, said, "I'm cooperating fully and could only say I regret my past mistakes."

Mr. Valukas said the four men were not in custody but had agreed to surrender to Federal authorities here.

Complex Pattern

The indictment, released here today, outlines a complex pattern of alleged criminal actions on the part of Mr. Walters and Mr. Bloom. From 1981 to 1987, the men operated two corporations, Norby Walters Associates and World Sports & Entertainment, that solicited contracts to manage musical talent and professional athletes.

The Government contends that the two men used Mr. Franzese's reputation as a member of a New York City organized crime family "to obtain and retain clients by extortionate means," including threats of economic or physical harm.

The Government alleges, for example, that in 1981 Mr. Walters attempted to become the booking agent for a tour by the Jackson Five, the popular musical group that consisted of members of the Jackson family, including Michael Jackson. When another agent was selected, the Government says, Mr. Walters and Mr. Franzese told the group's manager there would be no tour if they were not given the bookings.

Later, Mr. Walters and a man described as an associate of Mr. Franzese threatened the group's manager, the indictment says. Federal officials did not say what happened after the alleged threats were made.

Between 1984 and 1987, Mr. Bloom and Mr. Walters began to solicit highly regarded college athletes, offering to represent them in negotiations with professional teams.

To get the athletes to sign with them, the Government contends, the agents offered various inducements, including cash, interest-free loans, automobiles, clothing, concert and airline tickets, hotel accommodations, use of limousines, insurance policies, trips to major entertainment events and introductions to prominent entertainers.

Since most such inducements violate rules of the N.C.A.A., and would

render the athletes ineligible to compete, the indictment alleges that the two agents engaged in a conspiracy with the athletes to conceal the payments by various means. These included post-dating agreements to make them appear they were signed after the athlete's last collegiate season, or using the names of third parties to supply cash or cars.

Moreover, when some athletes decided they no longer wanted to be represented by the two men, the indictment says, the agents threatened them and their families with physical harm, or threatened to damage their careers or reputations.

The following is a list of the players who entered into pretrial agreements with prosecutors. Included are their schools and their graduating classes.

Egypt Allen, Texas Christian, 1986; Jeffrey L. Atkins, Southern Methodist, '87; Teryl D. Austin, Pitt, '88; Jerry L. Ball Jr., S.M.U., '87; Robert Banks, Notre Dame, '87; Raven Caldwell Jr., Arkansas, '86; John Clay, Missouri, '87; Terry Coner, Alabama, '87; Kenneth Davis, T.C.U., '86; Donald Douglas DuBose, Nebraska, '87; Charles Faucette Jr., Maryland, '87; Robert T. Flagler, Clemson, '87; Kenneth Flowers, Clemson, '87; Brent Fullwood, Auburn, '87; Everett Gay, Texas, '87; Charles R. Gladman 3d, Pitt, '88; Ronald Harmon, Iowa, '86; Carl Hilton, Houston, '86; Mark Ingram, Michigan State, '87; Mark Logan, Kentucky, '87; James Lott, Texas, '88; Terance Mann, S.M.U., '87;

Timothy McGee, Tennessee, '86; Alvin Miller, Notre Dame, '87; Devon Mitchell, Iowa, '86; Ronald Morris, S.M.U., '87; Andrew Mott, Southern Mississippi, '87; Frankie Neal, Fort Hays (Kan.) State, '87; Paul Palmer, Temple, '87; Robert Perryman, Michigan, '87; Tom Powell 3d, Auburn, '87; Garland Rivers, Michigan, '87; Terrence Rouhac, Clemson, '87;

Bradley D. Sellers, Ohio State, '86; Edwin Simmons, Texas, '87; George W. Swann 3d, Miami, '86; Craig Swoope, Illinois, '86; Raymond Tate, Houston, '87; Adrian White, Florida, '87; Lester Williams, Iowa State, '86; Stanley Anthony Woods, Pitt, '87; Roderick Woodson, Purdue, '87; Timothy Smith, Texas Tech, '87.

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