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U.S.: Pro agents muscled athletes - Indictment cites bribes, threats

By Adrienne Drell August 25, 1988 Publication: Chicago Sun-Times Page: 1 Word

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Two pro sports agents were charged Wednesday with paying bribes to sign up top college athletes and threatening to break the legs of some of their clients to keep their business. The federal indictment issued here against Norby Walters, of New York, and Lloyd Bloom, of Sherman Oaks, Calif., gave a detailed account of what is one of the biggest scandals in American sports history.

Athletes still in college were offered cash, interest-free loans, cars, clothes, concert and airline tickets, trips to New York with limousines and introductions to prominent entertainers to sign with the agents, the indictment said. Collegiate rules require that student athletes be unpaid amateurs.

Chicago Bears players Maurice Douglass and Ron Morris were among the athletes allegedly threatened with physical violence when they decided to sign with other agents. Each was told someone would "break his legs" to make sure he never would play pro football, the indictment charged.

In a wide-ranging press conference about the scandal, U.S. Attorney Anton R. Valukas also said:

Walters and Bloom were accused in a federal racketeering indictment with using New York mobster Michael Franzese and hints of organized crime influence to keep the athletes and musical clients, such as the Jacksons, in line.

In a special deal with prosecutors, 43 former student athletes - 41 football and two basketball players - agreed to pay back to their schools tuition or fees received after they falsely signed certificates saying they were amateurs.

They also agreed to perform 100 to 250 hours of community service and to testify in trials and the continuing federal investigation.

Besides Morris and Douglass, the athletes include Chicago Bulls forward Bradley D. Sellers and Pittsburgh Steelers defensive back Roderick Woodson.

The schools deceived and defrauded included the universities of Michigan, Iowa and Illinois as well as Notre Dame and Temple. They paid tuition, room, board and other fees for the students. Former Ohio State football player Christopher D. Carter and California sports agent David Lueddeke also were charged.

Carter, 22, of Middletown, Ohio, was accused of defrauding Ohio State and trying to obstruct justice by lying to a grand jury about \$5,000 he allegedly received from Lueddeke in 1986. Carter is cooperating in the investigation and is expected to plead guilty.

Lueddeke, 37, was indicted on perjury and obstruction of justice charges.

Chicago Sun-Times columnist Art Petacque was credited with triggering the investigation. "One way the FBI got into it was a phone call from (Petacque) which brought certain information to our attention," Valukas said.

The investigation is believed to have begun in March, 1987, after the brutal beating of Kathy Clements, an associate of Chicago sports agent Steve Zucker.

He represented players who had ended relationships with Walters, 58, and Bloom, 29, and their company, World Sports & Entertainment.

Besides offering cash and gifts to athletes, the two agents coached the students on how to conceal the payments and agreements, which were a violation of National Collegiate Athletic

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Association rules, the indictment said.

Bears player Douglass, a defensive back, had finished the football season at the University of Kentucky in 1985 when he signed a representation agreement with World Sports.

But a year later he decided to retain a different agent, and, the indictment said, Bloom threatened Douglass, saying somebody would "break his legs" to make sure he never made it to the upcoming National Football League draft.

Douglass decided to terminate the agreement and repay the agents their monetary advance. Shortly afterward, the indictment said, Bloom threatened to send someone to "get" Douglass if the money was not repaid immediately.

Morris, a Bears wide receiver, was a student at Southern Methodist University in 1985 when he signed up with World Sports.

But when Morris refused to sign a new agreement "or pay back" some financial benefits the next year, the indictment said, Bloom warned him that the money came from people in Los Angeles who "don't play around" and who "don't care what they do to you and your family."

The threats continued, the indictment said, with Bloom telling Morris that the booking firm "would have someone break his legs, ruin his reputation" with charges he brought down the athletic program at SMU.

In 1986, the SMU football program was suspended for two years by the NCAA for repeated recruiting violations.

Bloom, according to the indictment, also told Morris that "bigger backers" from Los Angeles "don't care about what they do," including blowing up the house of Morris' new agent.

The FBI reportedly has a tape recording of one of the alleged extortionate conversations.

Morris had no comment on the scandal.

Walters, in the music business for years, and Bloom allegedly linked up with Franzese, a longtime mob figure, in the early 1980s. Franzese is serving a 10-year sentence for racketeering.

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The indictment said that in 1981, Walters and Franzese threatened the manager of the Jacksons with economic and physical harm if Norby Walters Associates was not selected as the booking agent for the group's tour.

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