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The Washington Post

Lemocracy Dies in Derkness

WALTERS, BLOOM, 2 OTHERS INDICTED

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By Maurice Possley and John Gorman

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CHICAGO, AUG. 24 -- New York sports agents Norby Walters and Lloyd Bloom, backed by the money and muscle of a powerful organized-crime boss, used cash and threats of violence to secure bargaining rights for 44 college athletes, a federal grand jury charged today.

The eight-count indictment against Walters and Bloom charged that Michael Franzese, reputed to be a top boss in the Colombo organized-crime family, was a silent partner in Walters' firm.

Franzese financed efforts by the agents to induce college athletes to sign over their rights to represent them in professional contract negotiations before their college eligibility expired, according to the charges. He also provided the muscle for Walters in an unsuccessful attempt in 1981 to take over the Jacksons musical tour, according to the charges.

The long-awaited grand jury and FBI investigation that convulsed the college sports world for the last 18 months produced charges that included extortion, mail fraud, racketeering, obstruction of justice and perjury.

The indictment against Walters and Bloom, who operated World Sports & Entertainment Inc., also seeks forfeiture of the business, as well as \$275,000 in earnings.

Also indicted separately was David Lueddeke, a California-based sports agent who allegedly paid \$5,000 to Cris Carter, a former Ohio State University football star. Carter was charged with perjury and obstruction of justice, but he is cooperating in the investigation, officials said.

The indictment against Walters and Bloom said Franzese, now serving a 10-year prison sentence for a New York racketeering conviction, invested \$50,000 in World Sports & Entertainment and received numerous cash payments of unspecified amounts in return.

In a major breakthrough, the federal government got Franzese to cooperate in its investigation, according to sources familiar with the inquiry. U.S. Attorney Anton Valukas said the investigation was continuing. He also said it would be "unfair" to suggest it focused on shaving points or fixing games.

Valukas said 43 college athletes who signed with Walters and Bloom avoided prosecution with pretrial agreements, agreeing to testify if the case goes to trial. Those athletes include NFL players Timmy Smith of the Washington Redskins, Paul Palmer of the Kansas City Chiefs, Chuck Faucette of the San Diego Chargers, Ron Morris of the Chicago Bears and Ronnie Harmon of the Buffalo Bills, plus Brad Sellers of the NBA's Chicago Bulls. Palmer attended Churchill High in Potomac, Md; Faucette went to the University of Maryland.

The indictment charged that Walters and Bloom invoked the threat of organized-crime associates in Las Vegas and California to keep athletes in line.

Athletes who balked at signing agreements or later sought to dismiss Walters and Bloom were threatened with physical violence, authorities said. One player was warned that the house of his new agent "would be blown up," said Valukas, who announced the indictment at a news conference.

If convicted on all counts, Walters and Bloom each face a maximum sentence of 70 years in prison and a \$2 million fine

Valukas said that starting with Franzese's \$50,000 in seed money. Walters, 58, of New York, and Bloom, 29, of Sherman Oaks, Calif., descended on college athletes to persuade them to sign agreements allowing the agents to bargain for them with professional teams.

{Late yesterday, the NFL Players Association called for a conference of representatives of the NCAA, major university football powers, the NFL and the NFLPA to coordinate effective regulation of sports agents.}

Federal prosecutors say these athletes have entered a one-year pre-trial diversion program for illegally signing representation agreements and accepting money from agents Norby Walters and Lloyd Bloom. Prosecutors say the athletes have agreed to perform community service, reimburse their schools and cooperate with the ongoing government investigation:

AthleteCollegeClass
Egypt Allen Texas Christian1987
Jeffery Atkins So. Methodist1987
Teryl D. Austin Pittsburgh1988
Jerry L. Ball So. Methodist1987
Robert Banks Notre Dame1987
Ravin Caldwell Arkansas1986
John Clay Missouri1987
Terry Coner Alabama1987
Ken Davis Texas Christian1986
Donald D. DuBose Nebraska1987
Charles Faucette Maryland1987
Robert T. Flagler Clemson1987
Ken Flowers Clemson1987
Brent Fullwood Auburn1987
Everett Gay Texas1987
Ronnie Harmon Iowa1986
Ronnie Harmon Iowa1986 Mark Ingram Michigan State1987
Mark Ingram Michigan State1987
Mark Ingram Michigan State1987 Charles Gladman Pittsburgh1988
Mark Ingram Michigan State1987 Charles Gladman Pittsburgh1988 Carl Hilton Houston1986
Mark Ingram Michigan State1987 Charles Gladman Pittsburgh1988 Carl Hilton Houston1986 Mark Logan Kentucky1987
Mark Ingram Michigan State1987 Charles Gladman Pittsburgh1988 Carl Hilton Houston1986 Mark Logan Kentucky1987 James Lott Texas1988
Mark Ingram

Tom Powell III...... Auburn.....1987