

# Feds Indict **Norby Walters** On **Racketeering** Charges

BY KEN TERRY

NEW YORK A federal grand jury in Chicago on Aug. 24 indicted **Norby Walters**, the head of a major talent agency, and two other agents, charging them with using wrongful payments to induce dozens of athletes to sign professional management contracts while they were still in college. **Walters**, CEO of General Talent International (formerly **Norby Walters Associates**), and **Lloyd Bloom**, head of World Sports & Entertainment, are also accused of having threatened some of the players with violence if they backed out of their contracts.

The government claims that the two agents used Michael **Franzese**, an alleged New York mobster who is named as an unindicted co-conspirator, and his reputation "to obtain and retain clients by **extortiate** means," including "threats of economic or physical harm."

The indictment also charges that **Walters** and **Franzese** threatened the Jackson Five's manager in 1981 with sabotage of a planned tour unless **Walters'** agency was hired to book the tour. After another agency was selected, the government charges, the manager received a phone call from **Franzese**, who met with him in Los Angeles and said that "**Norby Walters Associates** was going to be involved in the Jackson Five tour or there would be no tour." Later, the indictment avers, **Walters** and a **Franzese** associate made personal threats against the manager. At that time, the Jackson Five were managed by their father, Joe Jackson, Fred DeMann and Ron Wiesner.

Finally, the indictment alleges that **Walters** used his association with **Franzese** "to obtain, retain, and settle disputes with entertainment clients," none of whom are named in the court documents.

**Walters** and **Bloom** are specifically charged with one count each 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**.

The indictment charges another sports agent, David Lueddeke, and

Chris Carter, a professional football player, with lesser offenses.

In an advertisement that appears in this week's issue of *Billboard*, **Walters** denies the accusations against him. "I believe that the charges in this indictment are completely and utterly groundless," he writes, "and I will defend myself against these vicious, outrageous and false charges."

**Walters** gives no indication that he will leave the agency he founded.

Probably the largest booking agency in the black music field, GTI has more than 200 entertainment clients, including Taylor Dayne, Jimmy Cliff, Cameo, Run-D.M.C., the Beastie Boys, Bardeux, Brenda K. Starr, Public Enemy, the System, Betty Wright, Eric B. & Rakim, Public Enemy, Boogie Down Productions, the Cover Girls, the Force M.D.'s, Laura Branigan, Doug E. Fresh, Tiffany, Rick James, Kashif, Kool & the Gang, Patti LaBelle, L.L. Cool J, Frankie Beverly & Maze, and Ready For The World.

Commenting on **Walters'** indictment, Rick Smith of AMI, which manages Ready For The World, says, "I think **Norby** is the best agent for breaking new acts. I think he should concern himself with the music biz, not sports. He was entering an area that was not his field. I don't think he had a chance in that field. It's a tightknit group, and they resent him coming in and signing up a lot of athletes... I wish him the best. We have no plans to drop him."

Buddy Allen, whose firm manages Starr, says, "We're shocked [at **Walters'** indictment]. I've known **Norby** personally for many years, and I like him as a person. Our relationship with GTI has not been with him, but with other people. It's not going to make any difference as far as booking is concerned."

Noting that Starr has a one-year contract with GTI, Allen adds, "We have to watch the situation carefully to see whether it affects the agency or any of our artists. But at the moment, I don't see how it could, since we haven't been related to [**Walters**] in any way."

*Assistance in preparing this story was provided by Moira McCormick in Chicago and Jean Rosenbluth in New York.*



Edited by Irv Lichtman

**OPTICAL OPTIMISM:** The growing laserdisk market (*Billboard*, Aug. 27) will see a surge this fall as **Warner Home Video**, **Sony**, and **Yamaha** team up for a cross promotion touting software and combi-players. The program kicks off in October in the San Francisco Bay area, and a national market-by-market rollout is expected thereafter. Some 50 Warner Home Video titles will be permanently reduced in price; single-disk titles go to \$24.98, while double-disk titles will be \$29.98. Among the Warner titles are "Beetlejuice," "Full Metal Jacket," "The Color Purple," "Little Shop Of Horrors," "The Music Man," "The Witches Of Eastwick," "Lethal Weapon," four "Superman" movies, and four Clint Eastwood "Dirty Harry" titles. The promotion is significant in that front-line laserdisk titles usually average \$35 on initial release while such major A titles as "Beetlejuice," being released on videocassette in October at \$89.95, won't be reduced to the \$20 sell-through price point for another 12 months.

**HOME AWAY FROM HOME:** **CBS Records** is moving out of New York's Black Rock—at least as far as certain support functions are concerned. One reason is that it's setting up its own data-processing unit in New York. Since its sale by **CBS Inc.** to **Sony** in January, the label has been leasing the services of its parent's data-processing division. The facility is to be located in more than 40,000 square feet of space at 25 Broadway under a 16-year lease from Shearson Lehman Hutton. When on line, it will employ some 90 staffers. In another real estate move, the label will relocate 70 support-function employees from Black Rock to 46,000 square feet of leased space on the eighth floor of 666 Fifth Ave. By early 1989, some 140 employees will work there. The label has a long-term lease at Black Rock for its key execs and such divisions as marketing, promotion, A&R, and publicity.

**NEW CHAPTER:** After filing for Chapter 11 protection from its creditors Aug. 12 (*Billboard*, Aug. 27), South Plainfield, N.J.-based **Jem Records** has announced plans for continuing operations. **Security Pacific Commercial Credit Inc.** has agreed to finance Jem's period of reorganization, and the company's **Passport** group of labels will begin issuing new releases before the end of August, according to Jem chairman and CEO **John Matarazzo**. Among the upcoming product: a collection of previously unreleased live recordings by cult fave **Big Star**.

**COMPACT PRICES:** Effective Sept. 6, **Welk Record Group** is making across-the-board permanent cuts in its wholesale CD prices. **Vanguard** twofers and midline series, **ROM** front-line titles, and **Soundwings** front-line and midline titles are being reduced by 10%; **Vanguard** double CDs by 15%; **Vanguard Everyman Classics** budget series by 20%; and **Vanguard Classic Valupaks** by 25%.

**ON THE RUSSIAN FRONT:** This October, a "songwriter's summit"—a collaborative session involving more than 20 top writers from the U.S. and their colleagues from the U.S.S.R. called "Music Speaks Louder Than Words"—will take place in Tallinn, Estonia, in the Soviet Union. U.S. participants will include **Gregory Abbott**, **Michael Bolton**, **Desmond Child**, **Frannie Golde**, **Tom Kelly & Billy Steinberg**, **Dennis Lambert**, **Jerry Leiber & Mike Stoller**, **Barry Mann**, **Franke Previte**, **Dianne Warren**, and **Jimmy Webb**. **ASCAP**, **BMI**, the **National Academy of Recording Arts & Sciences**, and the **National Academy of Songwriters** have all lent their support to the project, as have the Russian state record company, **Melodiya**, and the copyright agency **VAP**. The songs produced by the U.S./Russian collaborations will be recorded and released in 1989; a televised concert event in either the U.S. or U.S.S.R. will take place that fall.

**RADIO'S LONGEST CONTINUOUS** running drama, the fate of **RKO Radio's** licenses, seems a little closer to being resolved. Agreements in principle now exist for urban **WRKS** New York to be sold to Atlanta's **Summit**

Broadcasting and for oldies **KRTH-AM-FM** Los Angeles to go to North Carolina-based **Beasley Broadcasting**. The L.A. station price is \$86.6 million; the estimate on the New York outlet is \$50 million. While the sales would leave the fate of only four **RKO** radio stations undetermined, the sales must still be approved by the **Federal Communications Commission**; that cannot happen until **RKO** settles with the handful of parties challenging each license. Earlier this year, for example, word came that **KFRC** San Francisco had been sold to the **Daytona Group**; that sale has since fallen through.

**CROSSING TO ATCO/ATLANTIC:** Vet music man **Carl Maduri** has set distribution for his Hollywood, Fla.-based **Oceana** label through **Atco/Atlantic**, with **Donna Allen** set to debut the label in October with a new album. Contact **Oceana** at 305-652-5473.

**GEORGE IS HERE:** **The Voice Bank**, a New York commercial production company, is peddling a recording called "Where Was George?," which was the taunt Democrats hurled at Republican presidential candidate **George Bush** throughout their convention in July. Sung by **Dee Dee & the Debu-Taunts** are such lines as "Ayatollah you once, ayatollah you twice/Selling guns to Khomeini, it just ain't nice."

**DCC INTERNATIONAL IS THE NEW NAME** for **Dunhill Compact Classics**, because as president **Marshall Blonstein** points out, the company has added LP and cassettes to its catalog. And due soon are **DAT** and **CD** video product. The label, continuing its series of best-of compilations, is releasing in September a 20-track CD performed by **Sammy Davis Jr.** that covers a span of almost two decades (1954-73).

**PRIVATE MATTER:** **Jody Miller** is closing down her **JLM Public Relations** firm, which has worked with **Iggy Pop**, **Joe Jackson**, **Roger Waters**, and **the Cure**, among others, to become VP of press and artist relations at **Private Music**. **JLM** shuts Wednesday (31); **Miller** begins at **Private** Thursday (1).

**THE CONTEST:** The **Musicland** retail chain has joined with **Lon S. Varnell's National Music Group** and **Holiday Inns** to promote the **America's Singers Dream Contest**, a talent competition in which amateur vocalists sing to prerecorded tracks... **Sheldon Michaelson** has left as head buyer of **Olsson's** in Washington, D.C., after 13 years. He can be reached at 301-474-8678.

**FOLLOWING ITS APPROVAL** by the House of Representatives Aug. 4, legislation that would permit songwriters and artists to deduct work-related expenses when they are incurred will be considered by the Senate this month. The music industry has lobbied for such legislation since passage of the 1986 Tax Reform Act, which allows expenses to be deducted only when income is received for the work. **Sen. Lloyd Bentsen**, the Democratic VP nominee from Texas, heads the finance committee that considered the legislation.

**ROMAN KOZAK**, the rock writer and former *Billboard* staffer who authored the recently published "This Ain't No Disco: The History Of CBGB," is seriously ill at University Hospital in Las Vegas. **Kozak** took ill while on assignment at the Summer Consumer Electronics Show in Chicago.

**SHEDDING NEW LIGHT:** Remember **Finial Technology**, the Silicon Valley, Calif., hi-tech firm that was working on a laser-read turntable for vinyl records? After a 13-month product delay to iron out the bugs, marketing VP **Allan J. Evelyn** reports that the company will definitely begin to ship product this fall. An initial professional product will list for \$3,786. Fuller details of the entire product line, including marketing strategies and other elements of the launch, will be unveiled at a Los Angeles press conference scheduled to coincide with the November Audio Engineering Society convention.

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