

WEDNESDAY, MARCH 15, 1989

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The New York Times/March 15, 1989

Crime Figure Testifies to Link With Sports Agent

By STEVE FIFFER

Special to The New York Times

CHICAGO, March 14 — In a case involving Federal racketeering charges against sports agents, a jury heard testimony today from a man who described himself as a member of the Colombo crime family and said he was a silent partner in the sports-agency business of Norby Walters.

Mr. Walters and Lloyd Bloom, another agent, are standing trial on racketeering and mail-fraud charges in connection with representation of several athletes who were signed to contracts before their college eligibility expired.

The Government, in a case expected to provide a window onto abuses of big-time sports in higher education, contends that the signings and the loaning of money to the athletes by Mr. Walters and Mr. Bloom rendered the athletes ineligible and thus defrauded several universities of the scholarships they had awarded the athletes.

Today's witness in the case, where the charges are similar to those applied to Wall Street wheeling and dealing and to organized crime, was Michael Franzese, who said he was a captain in the Colombo organization.

PAUL MOORE, BISHOP OF N.Y. WILL PREACH at St. Bartholomew's on Peter Sunday.—ADVT.

Testifying under a grant of immunity before a packed courtroom, the dapper Mr. Franzese, who is serving a 10-year Federal sentence on racketeering and tax-evasion charges and a concurrent nine-year Florida sentence for racketeering, said that as a silent partner, he pressured no athletes for Mr. Walters, who is a lifelong friend. He explained that he and Mr. Walters had long been associated in the music business, in which Mr. Walters was a prominent booking agent, with such clients as the singer Dionne Warwick.

Mr. Franzese, who is 37 years old,

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Crime Figure Admits Link to Agent

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indicated that his father, John (Sonny) Franzese, who is also reputed to be a member of the Colombo crime family and has also served time in prison, was also one of Mr. Walters's associates in the music business.

Under questioning by the prosecutor, Anton Valukas, Mr. Franzese said that in late 1984 he met Mr. Walters, at the agent's request, in the Polo Lounge at the Beverly Hills Hotel in California.

At that time, Mr. Franzese said, Mr. Walters indicated that he wanted to duplicate his success in representing black entertainers by representing top black college athletes when they entered the National Football League.

"He asked me to participate in some way, and I told him I'd be interested," Mr. Franzese said.

'Using Cash'

The two met again early in 1985, at Mr. Walters's Manhattan office, and at that time, Mr. Franzese said, Mr. Walters told Mr. Franzese "he would be using cash to sign athletes." Mr. Franzese said he agreed to provide Mr. Walters \$50,000 in return for a 25 percent interest in the new sports agency.

At a third meeting, in July 1985, Mr. Franzese said, his brother-in-law, Dino Garcia, handed Mr. Walters a brown paper bag containing \$50,000 in cash in Mr. Franzese's presence. The money was from Mr. Franzese, who explained to the court that because of the nature of his business, he did not like to carry money himself.

Mr. Franzese said his role in the agency was not to be limited to that of investor. "I was to continue to perform the same services I always provided for him," Mr. Franzese said, referring to Mr. Walters.

Those duties, in light of Mr. Franzese's testimony, apparently included trying to persuade would-be business associates of Mr. Walters to agree to the agent's business propositions.

Mr. Franzese testified that on several occasions he paid calls to such associates with Mr. Walters, and that he believed these individuals knew of his organized-crime ties. In 1981, when the singer Michael Jackson and his brothers were considering a national tour, Mr. Franzese, at Mr. Walters's request, talked to the Jacksons' manager.

"I explained that if Norby wasn't involved with the tour in some manner, then there might not be a tour," Mr. Franzese said. The tour eventu-

ally proceeded without the agent's involvement.

Mr. Franzese was apparently more successful in 1982 in representing Mr. Walters's interests to Ms. Warwick's manager. The manager had indicated his desire to terminate Mr. Walters as the singer's booking agent, but after Mr. Franzese spoke on the agent's behalf, Mr. Walters continued in his role.

Under cross-examination by attorneys for Mr. Walters and Mr. Bloom, Mr. Franzese, who was indicted in 1985 on 14 counts including racketeering, counterfeiting, extortion and tax evasion and pleaded guilty to two of the counts in 1986, said that he never exerted pressure on any of the athletes with whom the agents had been dealing.

The Government contends that while Mr. Franzese might not have had direct contact with the athletes, Mr. Walters invoked Mr. Franzese's name in threatening the athletes when they indicated they wished to terminate their agreements with the agents.

Under cross-examination by Mr. Walters's attorney, Robert Gold, who tried to challenge Mr. Franzese's

credibility, Mr. Franzese admitted that he became a Federal informer in February 1986 and that his sentencing in connection with the charges for which he pleaded guilty was contingent upon his cooperation with the Government in several investigations.

He stated that he had informed the Government of meetings at which Carmine Persico and top leaders of New York's five organized-crime families discussed taking retaliatory measures against Federal agents.

Mr. Franzese admitted to Mr. Gold that he lied at a Federal detention hearing and also lied in a deposition given to the Government in April 1986, when he did not mention his holdings in Mr. Walters's sports agency. "At that time, being a member of a organized-crime family did not allow me to tell the truth," he explained.

The trial will resume Wednesday. Maurice Douglas, a defensive back for the Chicago Bears of the National Football League, who is one of the athletes whom Walters is alleged to have threatened by invoking Franzese's name, is expected to testify for the Government.

McFadden Is 1 of 3 Giants Lost to New Free Agency

By FRANK LITSKY

The Giants lost three more players yesterday to the National Football League's new system of free agency.

The Atlanta Falcons said they had signed Paul McFadden, the Giants' kicker most of last season, and Brad Beckman, a backup tight end for the Giants, to two-year contracts. Sammy Lilly, a Giants rookie cornerback who spent the season on injured reserve, signed a two-year contract with the Philadelphia Eagles.

The Eagles cut McFadden in training camp last summer, but when Raul Allegre strained a groin muscle early in the season, McFadden was signed by the Giants. He kicked in 10 of the 16 games. Kicking barefoot, he made 14 of 19 field goals (Allegre made 10 of 11). Coach Bill Parcells decided Allegre would be his kicker this season, and McFadden was one of 27 unprotected Giants allowed to sign with any other team between Feb. 1 and April 1.

McFadden's two-year contract with the Falcons provides for a \$35,000 signing bonus and salaries of

\$200,000 this year and \$225,000 in 1990, plus incentives. That makes him one of the league's higher-paid kickers.

The highest-salaried kickers last season were Tony Franklin of the New England Patriots (\$360,000), Morten Andersen of the New Orleans Saints (\$325,000), Nick Lowery of the Kansas City Chiefs (\$315,000) and Gary Anderson of the Pittsburgh Steelers (\$275,000). Franklin did not receive all that money because he was waived during the season.

"I feel bad leaving the Giants," said McFadden from his new home in Cleveland, "but this is just a business decision. Coach Parcells said Raul and I would come to camp and kick it out, but with this opportunity I saw no reason to do that."

The Giants have lost five players, including Billy Ard and Mike Arley, in this free-agency system. In addition, Jim Burt and Stacy Robinson have attracted strong interest from other teams.

The Jets have lost three players, Ted Banker, Onzy Elam and Mike Zordich. The Jets have signed four players, the Giants one.