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# Sport agents Bloom, Walters convicted

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*By Adrienne Drell April 14, 1989 Publication: Chicago Sun-Times Page: 3 Word Count: 783*

The federal government scored its first successful racketeering prosecution against sports agents Thursday with the convictions of two men for enticing college athletes with cash and gifts to sign professional contracts. Norby Walters, 56, of New York City, and Lloyd Bloom, 29, of Sherman Oaks, Calif., were found guilty of defrauding at least two colleges out of scholarships given star players and threatening their clients with mob violence to keep their business.

Prosecutors contended that their defunct business, World Sports & Entertainment, was funded by organized crime.

A packed courtroom watched as the jury of eight women and four men returned the verdict after 39 hours of deliberations over six days.

The silver-haired Walters somberly leafed through a Hebrew prayer book while waiting for the jury to file into the courtroom. Later, he showed no emotion but told reporters as he left the courthouse, "I intend to win on the next go-round."

"I'm sorry we lost this one," Walters said with a little salute. His attorney, Robert Gold, said an appeal would be filed.

**Bloom** appeared stony-faced as the convictions on two mail **fraud** offenses and one count each of **racketeering, racketeering** conspiracy and conspiracy were announced. After the jurors left, however, he dissolved into tears as he talked quietly with his attorneys.

Each man - neither of whom took the stand - faces a maximum of 55 years in prison and \$1.5 million in fines. The government also is seeking an estimated \$250,000 in assets from **Walters** and \$125,000 from **Bloom** under forfeiture provisions of the **racketeering** statute. The jury was asked to return today for a possible decision on how much should be forfeited.

U.S. Attorney Anton R. Valukas, who prosecuted the case with assistants Howard Pearl and Helene Greenwald, acknowledged the unprecedented use "of **racketeering** and mail **fraud** statutes to show that colleges could be victims of crimes."

"Criminal laws apply across the board," said Valukas, saying the trial "exposed the potential evils of sports agency involving college sports."

Chicago Sun-Times columnist Art Petacque played a key role in the case, said Valukas.

Petacque told the FBI about the brutal beating of Kathy Clements, an associate of Chicago sports agent Steve Zucker, who represented athletes who had ended their relationship with **Walters** and **Bloom**.

Zucker told Petacque that **Bloom** and **Walters** were "rivals from New York who are trying to steal clients from me."

The jury acquitted **Walters** and **Bloom** of mail **fraud** charges involving the University of **Iowa** and Michigan State University. Defense attorneys tried to show that the two Big 10 schools had violated National Collegiate Athletic Association rules by overlooking star athletes' poor grades or criminal convictions. The two men were convicted on mail **fraud** offenses involving the University of Michigan and Purdue University.

**Bloom's** attorney, Dan Webb, said, "It was obvious the jury rejected two of the schools because they did not believe they had been victims of any **fraud.**"

During the four weeks of testimony, prosecutors called an array of witnesses, including the Rev. Theodore Hesburgh, University of Notre Dame president emeritus; Michigan football coach Bo Schembechler; Ronald Weisner, the former manager of entertainer Michael Jackson,

and Michael Franzese, an admitted captain in the New York Colombo crime family.

Franzese, now serving a prison term on unrelated charges, testified he gave \$50,000 in seed money to his longtime friend Walters to expand bookings into the sports representation field.

On at least three occasions Franzese said he allowed Walters to invoke his name, and even accompanied Walters to see the managers for singers Jackson, Dionne Warwick and the New Edition group, to make sure Walters was not fired.

Attorneys Gold, Ethan Levine-Epstein and Matthew Kennelly for Walters and Webb, Steven Molo and George Lombardi for Bloom attacked Franzese's credibility.

"He was the poison supposed to convince you Norby Walters is a gangster," Gold said during the trial, contending that Franzese stood to have his sentence reduced and that he needed Valukas' reference because he had lied to a New York judge.

Valukas hailed the verdict as validating Franzese's testimony.

"I would say the most sinister aspect of this case dealt with the fact the Colombo family had invested in the sports agency and presented the frightening specter of organized crime money being used to underwrite the agents' scheme," Valukas said.

Government witnesses also included 13 athletes. They were listed as co-schemers in the fraud against their schools, but all were granted special agreements to avoid prosecution if they paid back tuition and spent time in community service.

Norby Walters waves to photographers Thursday as he leaves the Dirksen Federal Building with attorney Robert Gold. Sports agents Walters and Lloyd Bloom were convicted by a jury of racketeering, conspiracy and mail fraud charges. Credit: Brian Jackson

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