

He said the inquiry, named Ill Wind by Federal prosecutors, "is moving very rapidly into new areas," indicating that more indictments are likely.

Today's verdicts appeared to round out a phase of the Ill Wind inquiry that had led to the indictments of not only Teledyne Electronics and its three executives but also four other men: Mi-

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Two Sports Agents Convicted of Fraud And Racketeering

By STEVE FIFFER

Special to The New York Times

CHICAGO, April 13 — A Federal jury today found two sports agents guilty of five counts of racketeering and fraud in connection with payments made to college athletes. The jury acquitted the agents of two counts of mail fraud.

The charges against the agents, Norby Walters and Lloyd Bloom, involved defrauding universities of scholarship money paid to athletes who became ineligible by signing with the agents before their college eligibility expired.

United States Judge George M. Marovich, who presided over the monthlong trial, set the week of May 23 for sentencing. The agents face a maximum of 55 years in prison and \$1.5 million in fines, but lawyers who have followed this case think that 10 years in prison would be a severe punishment. The agents remain free on bond until their sentencing.

Mr. Bloom, 29 years old, also faces a forfeiture of up to \$200,000 under the Racketeer Influenced and Corrupt Organizations statute, known as RICO, while Mr. Walters, 58 years old, could lose up to \$500,000. There is no way to estimate the actual amounts. Attorneys for both defendants promised what Mr. Walters's attorney, Robert Gold, termed a "vigorous appeal."

After the verdict, a somber Mr. Bloom left without comment. Mr. Walters, who had been ebullient throughout the trial, left the courtroom with a

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A Palestinian after being wounded in a clash with Israeli police in Nahhalin, in the

Oil Cleanup Project Bogs Down in

By ROBERTO SURO

Special to The New York Times

KNIGHT ISLAND, Alaska, April 12 — At dusk the fishermen on Herring Bay looked at today's catch, mucky pools of oil circled by yellow floating booms, and cursed because the Exxon Corporation had promised to send

ships to skim up the oil but the ships had not arrived.

Herring Bay was the target for what Alaskan officials had proclaimed as "the first major offensive operation" against the Exxon Valdez oil spill. By nightfall all involved acknowledged that the operation had failed, as so

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INSIDE

Papandreou Friend Jailed

A friend of Prime Minister Andreas Papandreou of Greece was arrested on charges of handling embezzled funds that were said to have been given to the Prime Minister. Page A3.

Higher Air Fares

Continental Airlines will raise its discount fares on most routes by as much as 18 percent, starting May 25, and there is a good chance its competitors will do the same. Page D1.

Questions Over Athlete

Andrew Gaze's short Seton Hall career and background in Australia raise new issues of recruitment and amateur standing. Page A27.

13th Body Found on Ranch

A suspect led officials to one more body on the Mexican border where a ring of drug smugglers apparently practiced ritual murder. Page A14.

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Two Agents Found Guilty of Racketeering

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salute and a "so long" to bystanders. He told reporters: "We lost the first round but there is another round. We'll be vindicated on the next go-round."

United States Attorney Anton Valukas disagreed. "This was an extraordinary verdict by an extraordinarily conscientious jury," he said. Asked whether he thought the verdict would lead to guidelines to regulate the conduct of sports agents, Mr. Valukas said: "Some people think we prosecuted the case to create a new law. But it was initiated because we felt two people were involved in criminal acts."

40 Hours of Deliberation

The verdict came at the end of six days and more than 40 hours of deliberation. The jury found the defendants guilty of one count of racketeering conspiracy, one count of conspiracy to commit mail fraud, wire fraud and extortionate acts, one count of racketeering and two counts of mail fraud involving the defrauding of the University of Michigan and Purdue University.

The jury found the defendants not guilty of defrauding the University of Iowa and Michigan State University.

During the trial, the defense contended that the universities had not been defrauded because the agents lacked the requisite criminal intent to defraud. The defense suggested that athletes attending the universities should have been declared ineligible before they even met Mr. Walters and Mr. Bloom because of the athletes' academic records and extracurricular actions.

The jury appeared to agree with this latter argument. The academic records of the former Iowa football stars Ronnie Harmon and Devon Mitchell were presented to the jury in detail, and the defense introduced evidence indicating that Mark Ingram, a former Michigan State University wide receiver, had been granted a

scholarship despite a felony conviction for breaking into the rooms of several students at the school.

In finding the agents guilty under the RICO law, the jury indicated that Mr. Walters had engaged in a pattern of racketeering involving his association with an organized crime figure, Michael Franzese. Mr. Bloom was found to have defrauded Paul Palmer, a football player whom he represented, of \$145,000 and also of making extortionate threats to his former clients Everett Gay and Maurice Douglass.

The RICO law, passed in 1970, permits prosecution of those engaged in

The verdict appears to justify a two-year investigation by the Government.

an "enterprise" that has engaged in "a pattern of racketeering activities."

The verdict appeared to justify an expensive two-year investigation by the Government, while refuting the plan the agents had conceived in 1984.

The plan seemed so simple. Mr. Walters, a prominent music booking agent, would join forces with Mr. Bloom, an enthusiastic young former football player, and together the two men, both white, would woo black college athletes with the promise that they could do for the athletes what the booking agent had done for such black entertainers as Luther Vandross and Kool and the Gang.

What happened? The plan ran into problems almost immediately.

When Mr. Walters and Mr. Bloom made their initial field trip to the Sen-

ior Bowl in Mobile, Ala., at the end of the 1984 season, they discovered that most of the college football players they wanted to sign had entered into agreements with other agents months earlier, apparently before their college eligibility expired.

58 Athletes Sign

Not to be deterred, the agents, with the help of attorneys, devised the system that would eventually land them in court. They too would sign athletes before their eligibility expired, but they would postdate the contracts. In addition, as an inducement to signing they would lend the athletes money.

The agents would recoup the loans from the money the athletes received after signing their professional sports contracts. Their attorneys told Mr. Walters and Mr. Bloom that although such a plan would violate National Collegiate Athletic Association regulations, it broke no criminal statutes.

In the next three seasons, Mr. Walters and Mr. Bloom signed 58 athletes from 32 schools, an estimated 50 of them before their eligibility expired. It was a costly endeavor. According to Mr. Walters, the loans, consisting of money, cars and airplane tickets, totaled some \$800,000.

The indictment was a novel one. At its heart were four counts of defrauding the universities. But the investigation of the agents had also turned up other activities that the Government contended were criminal: alleged threats made by the agents to athletes who terminated the agreements; Walters's long-term association with Mr. Franzese, and Mr. Bloom's apparent defrauding of Paul Palmer, one of the few athletes whose contract the agents actually negotiated. The result was additional counts alleging racketeering under the RICO statutes.

The jury, which was unavailable for comment after the verdict at the judge's instruction, will return Friday, at which time it may hear arguments concerning the forfeitures required under the RICO statutes.