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Court Voids Conviction Of Ex-Agent Walters

By Gilbert Jimenez July 1, 1993 Publication: Chicago Sun-Times Page: 16 Word Count: 357

A federal appeals panel Wednesday tossed out the mail fraud conviction of former sports agent Norby Walters, who allegedly offered college athletes cash and gifts for signing professional contracts. Walters and co-defendant Lloyd Bloom were convicted of racketeering in 1989, but the following year the U.S. Court of Appeals for the 7th Circuit overturned those convictions. They then conditionally pleaded guilty to using the mail to defraud universities in connection with the scheme.

Tyrone Fahner, Walters' attorney, applauded Wednesday's decision and expressed hope that his client's four-year legal odyssey had come to an end.

Dan Webb and Steven Molo, Bloom's attorneys, could not be reached for comment Wednesday evening. A spokesman for the U.S. attorney's office confirmed the ruling.

Federal prosecutors had alleged Walters and Bloom secretly signed football players at the University of Michigan and Purdue University to exclusive representation contracts.

According to National Collegiate Athletic Association rules a player who expects to retain eligibility cannot sign with an agent or receive payment. The contracts would have allowed Walters and Bloom to represent the players when they eventually negotiated professional contracts.

The government argued the schools were defrauded because they paid scholarship funds to athletes who had become ineligible by signing the agency contracts.

The Postal Service allegedly was used, and the mail fraud committed, when the athletes mailed forms verifying their eligibility to their respective athletic conferences.

But in Wednesday's ruling, Appellate Judge Frank H. Easterbrook wrote that it was unclear if the use of the mail had anything to do with Walters' scheme or if he had any knowledge of any mailings.

The judges also questioned whether the schools had been defrauded because they apparently never were aware of the loss of the athletes' amateur standing.

Although Walters had pleaded guilty to the mail fraud charge, the government retained the right to try him on charges of perjury and obstruction of justice.

"I'm personally hopeful they (federal prosecutors) think four years of this is enough," Fahner said.

Bloom pleaded guilty to the single count with the understanding he could withdraw his plea if a federal appeals court found that Walters' actions did not constitute mail fraud.

Chicago Sun-Times

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