

Cooney: Bet

By Manny Topol

STAFF CORRESPONDENT

Washington — Before his June, 1982, title fight against WBC heavyweight champion Larry Holmes in Las Vegas, Gerry Cooney told friends to bet against him because he didn't think he could win, an organized crime figure testified yesterday at a U.S. Senate investigations subcommittee hearing on boxing.

As a result, Michael Franzese, former captain in the Colombo crime family now serving a four-year term in federal prison for parole violation, said he used the inside information to bet against Cooney and made more than \$30,000 when Cooney lost by a TKO in the 13th round.

The testimony about Cooney was one of the key points raised by Franzese as he appeared at the second day of hearings by the Senate Subcommittee on Investigations into purported corruption in boxing.



Gerry Cooney

At other points in the day, Franzese testified about hidden mob ownership of fighters, including former middleweight champion Vito Antuofermo, and of his 8 percent ownership of middleweight Davey Moore. He testified that the mob made sure certain fights were "pre-determined" and that the mob often obtained inside information on major fights, scoring big on bets ranging from \$50,000 to \$100,000.

Franzese did not characterize his relationship with Cooney but testified he was "aware of the outcome of that fight in advance through direct information by Gerry Cooney."

"He knew that he just couldn't win that fight and he passed that information along. He told people close to him to bet against him."

Cooney could not be reached for comment, but Dennis Rappaport, Cooney's co-manager at the time, said yesterday: "If B.S. were poetry, this Franzese guy would be Shakespeare. This is unconscionable. It's just plain bull."

Franzese told the committee that Antuofermo was owned by Colombo capo Andrew Russo. Franzese avoided the word "fixed" but said he and other crime family members "were often told in advance what the outcome would be of many of Antuofermo's fights."

"This enabled us to bet successfully on those bouts," Franzese said. "Fifty to \$100,000 were sometimes bet . . ."

He said many of the fights were set-ups by mismatch. "I was present . . . when Russo would meet with other managers and fight promoters regarding Antuofermo's opponents," he said. "The bouts would be arranged and certain family members would be assured of the outcome."

Antuofermo denied yesterday that he ever threw a fight. "No one ever told me to take a dive or anything," he said. "Every fight I lost, I lost because I was cut."

Ex-mobster testifies fighter said he'd lose

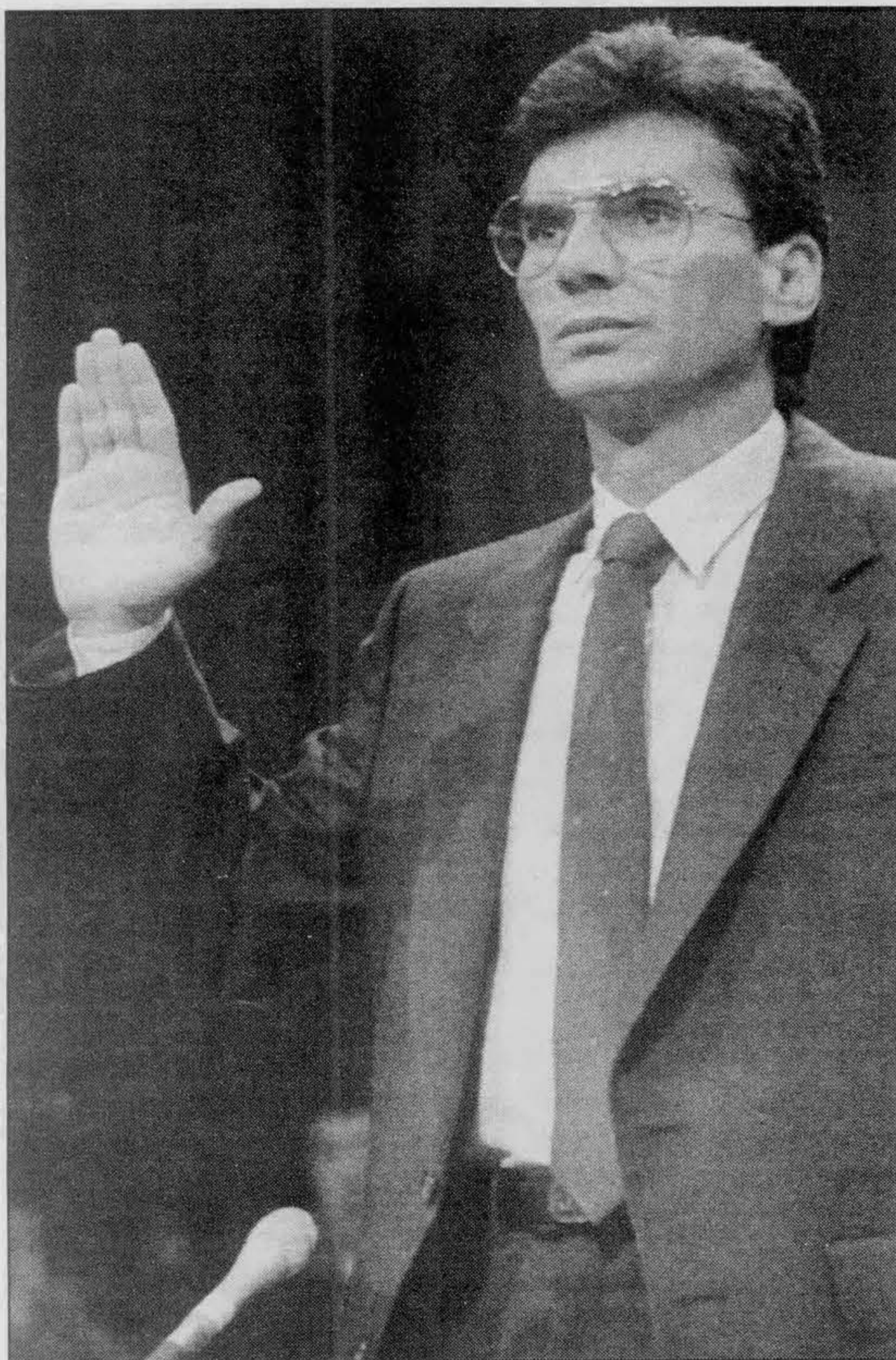


Photo by Annalisa Kraft

Former mobster Michael Franzese testified yesterday that he made more than \$30,000 after Gerry Cooney indicated he could not win his 1982 title fight.

Franzese and another witness, former FBI agent Joseph Spinelli, now New York inspector general, along with undercover FBI audio and videotapes, also linked fight promoter Don King and civil rights activist the Rev. Al Sharpton to associates of organized crime families.

Spinelli and Franzese testified about the FBI's 1983 undercover operation, "Crown Cola," in which FBI agents posed as drug dealers trying to launder drug money through a bogus boxing promotion company — TKO Promotions. The agents let it be known in boxing circles that they were willing to spend \$3 million on fight promotions and that they had millions of dollars on account in an Illinois bank.

The sting operation targeted King, and eventually four organized crime families got involved, along with King and Sharpton, in an effort to get the company set up. The operation was disbanded, with no indictments, when the FBI canceled the funding.

Franzese said he brought Sharpton into the scheme because of Sharpton's association with Danny Pagano, a soldier in the Genovese crime family. The undercover FBI films, revealed publicly for the first time, show Sharpton sitting next to Pagano, telling him that King had extraordinary power in controlling ratings of fighters and discussing a fighter, saying, "Don will know how to move him."

Franzese said, "I knew Sharpton . . . was associated with people in the Genovese family." Sharpton set up a meeting with Franzese, King, Sharpton and one of the undercover FBI agents.

Franzese said he attended a meeting in 1976 between the late Paul Castellano, then head of the Gambino crime family, and Thomas DiBella, head of the Colombo family, and King.

"[They] berated him regarding certain business dealings," Franzese said. ". . . It involved King's knowing the outcome of fights in advance because he owned both fighters. I also remember DiBella saying that King assured him that the families would not lose any money on whatever deals they had going together."

Sharpton, who is seeking the New York Democratic nomination for U.S. Senate, has been linked to organized crime in the past. In 1988, New York Newsday revealed Sharpton had business dealings with Matthew Ianiello, then a reputed member of the Genovese crime family, in an attempt to win a lucrative garbage collection contract with the Consolidated Edison Co. In 1985, Newsday reported Sharpton's participation in the FBI sting operation and his association with Franzese.

Yesterday, Sharpton told The Associated Press that he was unaware his name would surface in the hearings.

"It's from when they tried to sting us," he said. "They couldn't make a case . . ."

King said Spinelli and the FBI "spent five years doing an exhaustive investigation on me [that led] to no charges related to organized crime involvement."

In a deposition taken by committee

Michael Franzese File

Age: 41

Occupation: Owns two movie production companies.

Resides: Federal Correctional Institution in Englewood, Colo.

Immediate Family: Wife Cammy, and three children reside in Los Angeles. Has three other children by a previous marriage. His father is John (Sonny) Franzese, reputedly a major crime figure during the '60s.

Education: Attended Hofstra University. Quit after three years of pre-med.

Joined Mob: Oct. 31, 1975, he says.

Considered the youngest money-maker for the Colombo crime family in the early and mid-1980s. Was a Mafia captain. Made Fortune magazine's 1986 list of the top 50 mobsters.

Prison: Pleading guilty in 1986 to federal racketeering and conspiracy charges. Released in May, 1989, after serving 3½ years of a 10-year sentence. Returned to prison in 1991 after admitting to probation and income-tax violations.

Informant: His 1989 testimony helped convict New York sports agent Norby Walters on racketeering charges for illegally signing college athletes to pro contracts.

End Near in Trial Following Tribulations of Walters, Bloom

By Chris Mortensen

Staff Writer

CHICAGO — There are just days left before a federal jury determines the fate of sports agents Norby Walters and Lloyd Bloom.

Walters and Bloom, who signed 58 college football and basketball players from 1985 to 1987, rested their defense Thursday in a trial in which the two men face charges of racketeering, mail fraud, wire fraud and extortion.

Walters and Bloom put up just seven witnesses in three days of defense, including singer Dionne Warwick, who testified that despite dropping Walters as a booking agent in 1982 it is always "hugs and kisses" between the two.

U.S. District Judge George Marovich halted a potentially intriguing wave of witnesses by deeming their testimony irrele-

vant to the charges.

Bloom's lone witness was a linguist, Timothy Austin, who tried to differentiate between the meaning of "loan" and "compensation." But by the time Assistant U.S. Attorney Howard Pearl finished his cross-examination of Austin, the jury understood that the witness was being "compensated" for his testimony.

Walters's defense to the fraud charges focused on advice he received from lawyers from the New York firm of Shea and Gould.

The attorneys — Lon Trost, Morris Shelton and Michael Feldberg — each testified that when Walters inquired whether he was doing "anything illegal" in signing college-eligible athletes, they told him he was violating NCAA rules, not laws.

"I told him he would likely become a pariah or outcast," Feldberg told the jury. "But I told him he was not breaking any laws."

Feldberg is a civil and criminal lawyer and a one-time prosecutor under former U.S. Attorney Rudolph Giuliani in the Southern District of New York.

However, under cross-examination by U.S. Attorney Anton Valukas, Feldberg admitted Walters did not tell him that the agents were advising athletes to "lie" to their universities to receive scholarship benefits.

It was another word game played in the courtroom. Feldberg did say he assumed the agents's dealings with the athletes were being concealed.

It is the technical aspect of the fraud case that the attorneys are expected to dissect in closing arguments, probably Tuesday, to the eight-woman, four-man jury.

The government does not contend that agents paying college athletes is illegal, but it does consider fraudulent false statements

the athletes made on affidavits to receive their scholarships each year. Therefore, the government contends, the agents induced the fraud through their relentless pursuit of athletes with cash and contracts and the overt efforts to conceal the arrangement.

Prosecutors are expected to hammer Walters's alleged association with organized crime into the jury's mind. The government's star witness, Michael Franzese, testified that as a "capo" or "captain" in the New York Colombo crime family, he was a silent partner of Walters in entertainment and sports.

Though Walters did not testify, one of his own witnesses this past week confirmed the association of the agent and Franzese, but denied he received a veiled threat as previously alleged in Franzese's testimony.

Steven Machat, the former manager of the group New Edition, testified that Wal-

ters brought Franzese to a meeting in 1984. Machat said the New Edition was considering dropping Walters as a booking agent because the group wanted to do a film and, therefore, the job would belong to whatever agent secured the film.

Franzese, who did own a film production company, was at the meeting only to talk about a proposed film, and not to threaten the group's managers, Machat told the jury. Franzese has testified that his presence was needed to keep Walters as the agent.

"Franzese said he had a dream to remake the 'Dead End Kids,' and he wanted to use the New Edition," Machat testified. "He gave a pitch. He got into the conversation, using his hands. I thought it was moronic. I got up and left the room and let them talk to Rick Smith [a co-manager]."

Three More Players Cite Threats by Bloom, Walters

By Chris Mortensen
Staff Writer

CHICAGO — Prosecutors continued their attempts to link Norby Walters and Lloyd Bloom to organized crime when three more football players testified Tuesday of threats they received from the two former sports agents.

The most serious alleged threat was directed toward Dallas Cowboys wide receiver Everett Gay during his senior season at Texas in 1986.

"He [Bloom] told me that they had a situation with [Cincinnati Bengals receiver] Tim McGee when they had to send some people to the parents' house to collect some money owed to them," Gay testified. "He said, 'That's why we have friends in California, to make sure we don't get messed over.'"

U.S. Attorney Anton Valukas then asked Gay if he was aware of "who those friends were."

"No, not then," said Gay.

Walters and Bloom are standing trial in a U.S. District Court on charges of racketeering, mail fraud, wire fraud and extortion for their involvement with college athletes.

Former New York Colombo crime family captain Michael Franzese testified last week that he was a silent partner of Walters and Bloom. Franzese moved to Los Angeles in late 1984 and testified that he gave Walters permission to use his reputation as a crime figure to "settle disputes."

However, Gay said he was never threatened personally by Walters, and he admitted on the witness stand, "I like Norby. . . . I like him a lot. . . . I'm very impressed with Mr. Walters."

Also testifying about threats were Gay's former college roommate, Edwin Simmons, and former Pittsburgh All-America line-backer Tony Woods of the Seattle

Seahawks.

Simmons first allegedly took over the telephone the threat from Bloom on Nov. 13, 1986 that was directed at Gay, who was considering dropping the agents.

"He [Bloom] said, 'No one does Norby like that. If he [Gay] leaves, then we'll make a phone call to some people in Las Vegas who will come down and make sure Everett Gay doesn't play football again,'" Simmons testified.

Simmons added that he and Gay joked about the threat because "we didn't take Mr. Bloom seriously as far as him harming somebody."

Later, however, Simmons testified, "but I did perceive it as a threat because of [people Bloom might bring in]."

Gay said, "Edwin told me I shouldn't be going up for any passes, because I might not come down. . . . or come down with broken legs."

Under cross examination, Gay also admitted that he did not immediately report the threat to anybody, not even when initially interviewed by the FBI some six months later.

Woods, the first witness Tuesday, testified that Bloom and Walters threatened to expose his improper dealings with the agents to the NCAA and Pitt.

The jury then listened to a 30-minute tape-recorded telephone conversation involving Woods, Bloom, Walters and Terry Bolar, who was hired by Walters to retain disenchanted clients.

One recorded threat involved exposing the fact that Walters and Bloom had provided Darryl Woods, Tony's younger brother and then a sophomore player at Pitt, with a plane ticket to go home to New Jersey.

"Norby says I have to do what I have to do now because he got the plane ticket," Bloom told Woods on the tape. "He wants to give that [information] to the NCAA so



File
Sports agent Lloyd Bloom, along with former associate Norby Walters, faces charges of racketeering, mail fraud, wire fraud and extortion.

your brother can't play football for the next three years."

On the tape, Walters later came to the phone and told Woods that a lawsuit he filed would be terrible for his reputation. There was considerable dispute between defense attorneys and prosecutors on whether the tape recording was made before or after Walters filed a \$500,000 breach-of-contract suit against Woods.

"This is my life on the line; now it's your life on the line," Walters said on the tape. "To me, I say you have to examine it because it is your life, your reputation, your business, your family, your brother. Everything is gonna be tainted and tainted bad."

Woods testified that he dropped Walters and Bloom because of rumors that linked the agents to "the Mafia and cocaine selling." No evidence has ever come forward that Walters and Bloom have been involved with drugs.

Gay, Simmons and Woods each testified that they signed with Walters and Bloom in early 1986, several months prior to their senior seasons.