

The 98th Round

Back on May 10, 2002, junior middleweight contender Kassim Ouma stepped into a ring at Delaware's Dover Downs for his fight with Jason Papillon, wearing a back ad displaying the name of an online casino - something that was expressly forbidden by the televising outlet, ESPN. Contracts issued by the network had included a clause that if a fighter did indeed wear one of these back ads, the promoter of the bout could get fined up to \$10,000. In this case, the promoter was Russell Peltz, also a contract employee of ESPN, and he was hopping mad.

Peltz unleashed several threatening statements about Ouma, not the least of which was, "He'll (Ouma) never fight on ESPN again," which was rather unusual, considering Ouma was a fighter Peltz had under an exclusive promotional arrangement. (Details in Chapter 18 of "Operation Cleanup: A Blueprint for Boxing Reform").

Less than two weeks later, there was a very interesting - though seemingly unrelated - development. On May 22, John McCain's Professional Boxing Amendments Act was introduced to the Senate Committee on Commerce, Science and Transportation. The bill contained certain changes and amendments to federal bills before it - one of those changes concerned Section 15 of the Professional Boxer Safety Act, which dealt with the concept of "confidentiality", primarily in dealings between fighters and promoters:

"`SEC. 15. CONFIDENTIALITY.

`(a) IN GENERAL- Neither a boxing commission or an Attorney General may disclose to the public any matter furnished by a promoter under section 13 except to the extent required in a legal, administrative, or judicial proceeding.

`(b) EFFECT OF CONTRARY STATE LAW- If a State law governing a boxing commission requires that information that would be furnished by a promoter under section 13 shall be made public, then a promoter is not required to file such information with such State if the promoter files such information with the ABC."

The reference to Section 13 in the Professional Boxer Safety Act pertains to the requirement of financial disclosure on the part of promoters, which includes this:

"(b) DISCLOSURES TO THE BOXER- A promoter shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match until it provides to the boxer it promotes--

`(1) the amounts of any compensation or consideration that a promoter has contracted to

Written by Charles Jay
Monday, 01 December 2003 18:00

receive from such match"

What this meant, in effect, was that even though the law seemed to state, subject to interpretation of course, that promoters had to "open their books" to fighters, at least to the extent that it concerned that fighter directly, it could be nullified by a provision that allowed for confidential dealings, and that the only way a fighter could avail himself of these figures was to file a lawsuit or be granted an administrative proceeding by a commission, and furthermore, that the promoter doesn't even have to make those figures available to a state commission if he has already filed them with a duly authorized representative of the Association of Boxing Commissions - something that would certainly happen in states without commissions.

Either way, it would be too late for the fighter to utilize the result of any such disclosures in the process of negotiating or re-negotiating a deal for a fight.

However, when McCain's bill came before committee on May 22, the confidentiality clause was completely eliminated, as if it were just a bad memory:

"As introduced in Senate:
S.2550(IS)

SEC. 114. CONFIDENTIALITY.
Section 15 (15 U.S.C. 6307g) is repealed."

That move was applauded by those officials from state commissions who were paying attention. One of them told me at the time, "Looks like someone didn't consult with Greg Sirb (Executive director of the Pennsylvania commission, a proponent of confidentiality, and a key player in the legislation) on that one."

Maybe McCain was influenced by a letter sent to him a year earlier by the astute Tom Mishou, executive director of the Georgia Boxing Commission. In it, Mishou wrote,

"Raising a barrier of confidentiality in the business of boxing, as was done in Section 15, is in direct conflict with almost every other principle of government you are so respected for promoting. There is simply no sound reason why bout agreements and contracts should be confidential. These are agreements and contracts sanctioned by the authority of the state. Public interest demands that they be available for public scrutiny. Georgia law supports one of the most aggressive open records laws in the country. Government operates best when there are no secrets.....I would urge that Section 15 be deleted in its entirety. A promoter should write contracts that survive public scrutiny - not defy public scrutiny."

Following the May 10 fiasco, Ouma was understandably distrustful of Peltz, who may or may not have actually been fined by his employer, but who was nonetheless able to leverage the Ouma-Papillon bout into a multi-fight deal at Dover Downs, a pari-mutuel establishment that has experienced a great deal of success with slot machines.

Written by Charles Jay
Monday, 01 December 2003 18:00

After having "benched" him for a while, Peltz scheduled Ouma for another ESPN-televised fight for October 4 at Dover Downs, where he was to take on Darrell Woods. The offer for the 12-round USBA title fight was \$17,500.

Ouma was worried that in light of his newfound "racino" deal at Dover Downs, Peltz may have been penalizing him somehow by shorting him on the purse. So he contacted a couple of friends - Paul Johnson, the head of the Boxers Organizing Committee (BOC), and Johnson's associate, Tom Moran, the former manager of ex-heavyweight champion Tim Witherspoon. The two had been moral supporters of Ouma's decision to wear the back ad in the May 10 fight, and in fact Johnson's BOC had challenged ESPN's edict by issuing a resolution in writing and staging a demonstration in the ring with several fighters, including Witherspoon, Bones Adams, and Vito Antuofermo.

Johnson and Moran sought to find out what they could about the revenues and expenses associated with the October 4 date. What they discovered was that Peltz was receiving the equivalent of \$50,000 from Dover Downs - an estimated \$30,000 in cash and \$20,000 in tickets, which were re-sold. And the standard rights fee from ESPN was \$52,000, so Peltz' revenue from the fight card would be at least \$100,000, not including what he may have been pulling in for his ESPN "consulting fee".

To the best of their knowledge, Michael Stewart, a Peltz fighter who was in the semi-main event, was to receive \$6500; Woods, for example, got \$12,500. Plugging all of their numbers into the formula, the two men concluded that Peltz could be making as much as \$50,000 in profits on the show - nearly three times that of his main event fighter. And they came to the conclusion that, based on what they had unearthed, Ouma's purse should have been bigger. Perhaps much bigger.

So Johnson, in the name of the BOC, as well as the interests of Ouma, fired off a letter to Peltz on September 27 - one week before the fight - in which he requested that Peltz forward certain financial information - namely, what his sources of revenue were for the fight card and how much he was getting from them, pursuant to his interpretation of Section 13 in the Professional Boxer Safety Act.

Peltz did not answer the letter. Johnson then made contact with Sirb, the executive director of the Pennsylvania commission, who was the supervisor for all pro fights in Delaware - a non-commission state - by way of authority in the Professional Boxer Safety Act which requires that someone representing the Association of Boxing Commissions oversee all fights in states without commissions. In January of 2001, when Sirb was still president of the ABC, he entered into a Memorandum of Understanding with Delaware in which the ABC would be in charge of pro boxing in the state. Then, conveniently, he assigned that responsibility to his own commission. Because of all this, Sirb had what amounted to an exclusive license to regulate boxing there.

Sirb affirmed that all the contracts connected to the fight would be in his possession, but that Ouma, by way of Johnson, could only get them "if Russell says it's okay." Johnson continued his efforts, but according to Peltz, financial disclosure was most decidedly NOT okay.

Written by Charles Jay
Monday, 01 December 2003 18:00

Ouma did go ahead with the fight, stopping Woods in the 11th round.

A week or so after the bout, Johnson decided to try contacting Sirb again. Once again, he was told, "Russell Peltz has to agree to it", but this time, Sirb was a little more defiant and much more abrupt. He more or less recited the "confidentiality clause" in the federal law and explained to Johnson that Ouma basically had no right to see the financial information. Evidently, while he was sitting in his state office in Harrisburg, and on a state telephone, Sirb was speaking to Johnson with his "ABC hat" on - indeed, as an ABC representative (he had the title of "Past President") rather than a state official, he felt he could justifiably protect Peltz under the governing federal law.

Undaunted, Johnson made contact with Tim Lueckenhoff, the president of the Association of Boxing Commissions. When asked about the financial records, Lueckenhoff was "very political" about it, according to Johnson, and did not make himself clear as to whether he had the documents from Peltz' show or not. Of course, Lueckenhoff may have been coming from a position where he felt he was standing on solid ground, since the confidentiality provisions in the law seemed to allow the ABC to hold the records from public review, even if it had them.

To add insult to injury, Sirb, as supervisor of the Ouma-Woods fight, proceeded to change Ouma's victory to a "no decision" on the basis of an alleged "positive marijuana test".

Then a rather astonishing thing happened.

On October 17 - just thirteen days after Ouma's fight with Woods and literally days after Johnson had been rebuffed again by Sirb - the Professional Boxing Amendments Act was voted out of McCain's committee. But mysteriously, there was no longer a repeal of the Section 15 "Confidentiality" section. It remained very much intact. "This looked clearly like it was done at the eleventh hour," said one northeastern commissioner, who requested anonymity. "We had absolutely no idea that was going to happen, and no one from the committee ever addressed anybody I know about it. The strange thing is, somebody must have felt it was important enough to eliminate the confidentiality thing. But even stranger is why someone, for some reason, felt it was important enough to put back in. Obviously someone had gotten to McCain's people during that time, and it must have been late in the game."

This action certainly had its effect. Had the bill, containing the repeal of Section 15, gone to the Senate floor, then to the House, and passed in expeditious fashion, Peltz may have been in the position where he'd have to make the requested financial records available. But now, he was home free.

Did someone take special steps to make sure of that? Maybe someone who had his own interests to protect as well?

It is undisputed that Sirb, who was named by the ABC as the liaison to McCain and attorney Ken Nahigian (who wrote the new bill) at the 2001 convention in New Orleans, was intimately acquainted with most steps in the process, and was in fact designated to "advise" Nahigian on issues related to the bill.

Written by Charles Jay
Monday, 01 December 2003 18:00

By virtue of Sirb's arrangement with Delaware, he stood to realize licensing and supervisory fees, and monies based on the television revenue, if he so chose. This would happen on a regular basis, with Peltz having firmed up his deal with Dover Downs. As mentioned, such authority was granted the ABC by federal law, since Delaware has no commission. In fact, for all intents and purposes, Sirb WAS the ABC. And he was not necessarily under any obligation to turn those fees over to the general fund in Pennsylvania, since he was not performing those tasks on behalf of the state, within state boundaries, or on state time.

In this business, that's what's referred to as a "sweet deal".

For Peltz too. Imagine being faced with a law that in one paragraph, may very well (dependent upon interpretation) require you make disclosures that might disadvantage you somewhat, and yet another paragraph have that nullified, AND on top of all that, have a commissioner at your disposal who's apparently not answerable to anybody, and who's perfectly willing to run interference for you? Who couldn't strike it rich under those circumstances?

"There is nothing more appalling and egregious in the federal laws than this," says Mishou. "Nothing should be proprietary.

"It is inconsistent with the principles of government to preserve secrecies. If the boxing community wants the privilege of being sanctioned by state government 'boxing commissions', they need to operate in the open like everyone else. State governments have rigorous laws requiring open meetings and requiring that documents be open for public inspection. The federal government has its own Freedom of Information Act. Why do they now think documents concerning boxing should be shielded and confidential? What makes them think they can solve the problems of boxing by perpetuating the secrecy of boxing?"

In the irony to end all ironies, on October 4, 2002, the same day Ouma went into a Delaware ring "in the dark", so to speak, for the Woods fight, Senator John McCain authored a letter to Paul Johnson, responding to earlier correspondence Johnson had sent him about financial disclosure on the part of promoters. McCain, who copied the letter to Ken Nahigian, wrote:

"Thank you for your recent efforts to encourage promoter compliance with the disclosure requirements of the Professional Boxing Safety Act (PBSA). Promoters must be held accountable to the law, and I commend you for taking action. As you know, the PBSA was enacted in an attempt to improve the safety and welfare of professional boxers, and to ensure the truthfulness of promoters in their financial dealings with professional boxers. Unfortunately, due to limited federal and state law enforcement resources, the implementation of the PBSA has been lacking. Your efforts to pressure promoter compliance with the PBSA is a much needed step toward improving the internal regulation of the sport of boxing."

Clearly, this would show a degree of intent at the time on the part of McCain. But sadly, over the next thirteen days, the senator and his staffers endeavored - successfully - to take all that promoter "accountability", not to mention the interests of the fighters who would be enlightened by it, and flush it down the toilet.

KILL THE BILL Vol. 6 - UNDER COVER OF DARKNESS

Written by Charles Jay
Monday, 01 December 2003 18:00

Did undue influence from somebody with an agenda - triggered by the persistence of Ouma and Johnson - contribute to that?

You be the judge.

fightpage@totalaction.com

Copyright 2003 Total Action Inc.