

PELTZ' OUSTER COULD HAVE TAUGHT A LESSON

Written by Charles Jay
Wednesday, 02 October 2002 18:00

For those of you who feel that Senator John McCain and his "effort to clean up boxing" are in touch with reality, allow me to offer this, which was extracted from a story in the Las Vegas Review Journal, published the day the Professional Boxing Amendments Act of 2002 was voted out of McCain's Committee on Commerce, Science and Transportation:

"McCain, R-Ariz., has argued that unlike boxing promoters, cable television networks have not been accused of criminal behavior that would justify increased oversight.

"We tried to address Sen. Reid's concerns," said McCain spokeswoman Pia Pialorsi. "Apparently, he is not interested in reforming boxing."

I don't know whether Ms. Pialorsi is a true idiot or not (Our research indicates her maiden name is not Zadora). But it was truly an idiotic statement to make.

This is the kind of mentality that reminds me of the way J. Edgar Hoover used to conspicuously ignore the existence of organized crime. Naturally, there was an entire subtext behind it; something that has been addressed and documented in various ways through the years.

Okay, I understand - Meyer Lansky had pictures of J. Edgar in a party dress, with makeup and eye shadow, in a "compromising position".

What I'm wondering is - what's John McCain's excuse?

What could explain McCain's reticence to recognize the networks' role in boxing, in spite of all evidence to the contrary?

Reports are that Russell Peltz, the "boxing coordinator", or whatever, for ESPN, almost got the axe this past week. Some contend that although it hasn't been announced yet, he will nonetheless still get it, even though our own information is that someone came to his rescue at the last minute to give him a reprieve.

His firing would have sent an effective message to those sympathetic to McCain's view, and his bill, that sticking your head in the sand insofar as the regulation of networks is concerned is a silly posture indeed.

Hopefully, that message will become clear soon enough.

Two years ago, we made it known that the FBI was conducting an inquiry into Peltz' activities at ESPN, in what was more an FTC-related issue than anything else. Peltz' conflicts of interest had been no secret inside the industry previous to that. Other reports followed, which can be easily accessed through "Operation Cleanup".

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Even with all this, Peltz' advice and input have still been sought out by those working on the ill-fated new piece of legislation, including McCain's "right-hand man" on boxing, government attorney Kenneth Nahigian.

Why?

Well, Nahigian had been "turned on" to Peltz by Greg Sirb, the executive director of the Pennsylvania commission - a voice who is very influential with Nahigian, and who is pushing hard to become the national boxing "czar", should McCain's legislation ever pass.

Peltz is licensed within Sirb's jurisdiction. The promotional contracts signed between Peltz and his fighters are governed by Pennsylvania law, and presumably they are registered with Sirb's office. It has become clear, through interviews we have done with fighters and managers, that Peltz has attempted to leverage his privileged position with ESPN for the purposes of signing fighters to promotional deals. No question this arouses suspicion. Yet there has never been so much as an inquiry into such behavior from the man who feels he can help to "reform boxing".

And it's always been a little conspicuous that McCain's bill has consciously avoided the issue of television networks and the role they play in the boxing landscape, to the point where it has caused a riff between McCain and fellow Senator Harry Reid that might ultimately lead to the death of McCain's legislation.

Indeed, comments like those listed above by the McCain staffer are bizarre, to put it gently.

According to Reid's bill,

"The term 'promoter' means any person licensed under this Act -

(A) to hold, give, or otherwise conduct a boxing match, program, or exhibition, or

(B) to BROADCAST a boxing match.

McCain had to be dragged, kicking and screaming, into making a change in his bill, in a lame attempt to "accommodate" Reid (without consulting him, of course). With the change, it now says:

"PROMOTER. The term `promoter' means the person primarily responsible for organizing, promoting, and producing a professional boxing match. The term `promoter' does not include a premium or other cable or satellite program service, hotel, casino, resort, or other commercial establishment hosting or sponsoring a professional boxing match unless:

(A) the premium or other cable or satellite program service, hotel, casino, resort, or other commercial establishment is primarily responsible for organizing, promoting, and producing has a promotional agreement with a boxer in the match; and

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(B) there is no other person primarily responsible for organizing, promoting, and producing the match not affiliated with the premium or other cable or satellite program service, hotel, casino, resort, or other commercial establishment."

There is still quite a bit of difference between Reid's rather rigid standard and McCain's watered-down version. And Reid is not fooled in the least by it. Of course, I lean more toward Reid's way of thinking here. But my feeling is that the true definition of the network's role lies somewhere in the middle, and should be addressed in a way that neither side has gotten a handle on yet. Rather than consider the network as the promoter, I'd rather deal with the network as an entity which has the capacity to manipulate the proverbial playing field - to create favorable situations for one promoter over the other, often with an "under-the-table" financial incentive in mind. That's where you find more of a problem.

There is no question as to the prominent role of television on boxing. And there is at least tempting evidence that the process by which fights are being bought by the networks is being corrupted; that certain TV executives have "played both sides of the fence", and that the balance of power can easily shift as a result.

Peltz has pro-actively attempted to shift this balance - in large part to himself. And he has done so unencumbered by any ethical limitations that may have been imposed on him by ESPN. Evidence exists that even if Peltz were taken out of the ESPN picture, it would not solve problems of conflict of interest at the network.

So what do you do?

It's become obvious that boxing is an industry where it is necessary to have television in order to survive, much less thrive. That automatically puts television, as an institution, in the position where it has an incredible amount of power, although networks don't quite understand the position of responsibility that goes along with it.

The way television dates are allocated to promoters has to be done in the most fair and equitable way possible. That is something that is not being done now - obviously the most highly visible culprit here is ESPN.

ESPN executives were in a position where they could have done something about it. Among the questionable practices cited by the network as it put Peltz on the hot seat:

* Double standards in terms of the acceptance and approval of fights or fighters presented to him. In other words, he would refuse to air a fight presented to him by one promoter, then turned around and used that fight on his own show or one that was promoted by one of his "associates". We cited a situation like this in

Chapter 48

. * Refusal to grant a promoter any TV dates for the purposes of squeezing a fighter away from that promoter. A textbook example of this is found in

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Chapter 3

, a situation involving Rick Glaser and lightweight Billy Irwin which appears as if it may wind up resulting in an anti-trust suit against ESPN, Disney - its parent company, Russell Peltz, and boxing chief Bob Yalen, filed on behalf of Glaser by David Boies, the attorney who represented Microsoft in anti-trust actions and who argued for Al Gore in the Supreme Court over the election dispute.

* Collecting money fraudulently as a "promotional fee" for a fighter he had no promotional rights to, and perhaps leveraging his position with ESPN in order to do so. This is illustrated in

Chapter 21

. * Being in direct conflict, and seeking to injure, a fighter he had a promotional contract with, in order to favor his employers. This case is explored in

Chapter 18

. * Attempting to require that promoters give 50% of their fighters, and their operation, over to him as a condition of being granted ESPN boxing dates. This disgusting tale is told in

Chapter 43

. In the end, they didn't pull the trigger, though they not only should have, they should have left a few more bullets in the gun.

Are John McCain - an elected representative who is supposed to be working in the public interest, and Ken Nahigian - who is empowered by McCain with the responsibility of constructing legislation that is in the sport's best interest - going to sit there with a straight face and tell us none of this is, or ever has been, an area of concern?

I suppose they are.

Oh, by the way - the individual who stood up for Peltz; who defended his activities and helped him save his job, so he could continue making a mockery of any and all ethical concerns that legitimate boxing reformers have? Well, he just happens to be one of the six candidates on the McCain/Nahigian "short list" for the job of national boxing "czar".

I'll let you folks speculate as to who that is.

fightpage@totalaction.com

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