



!!SCANDAL IN THE RING!!

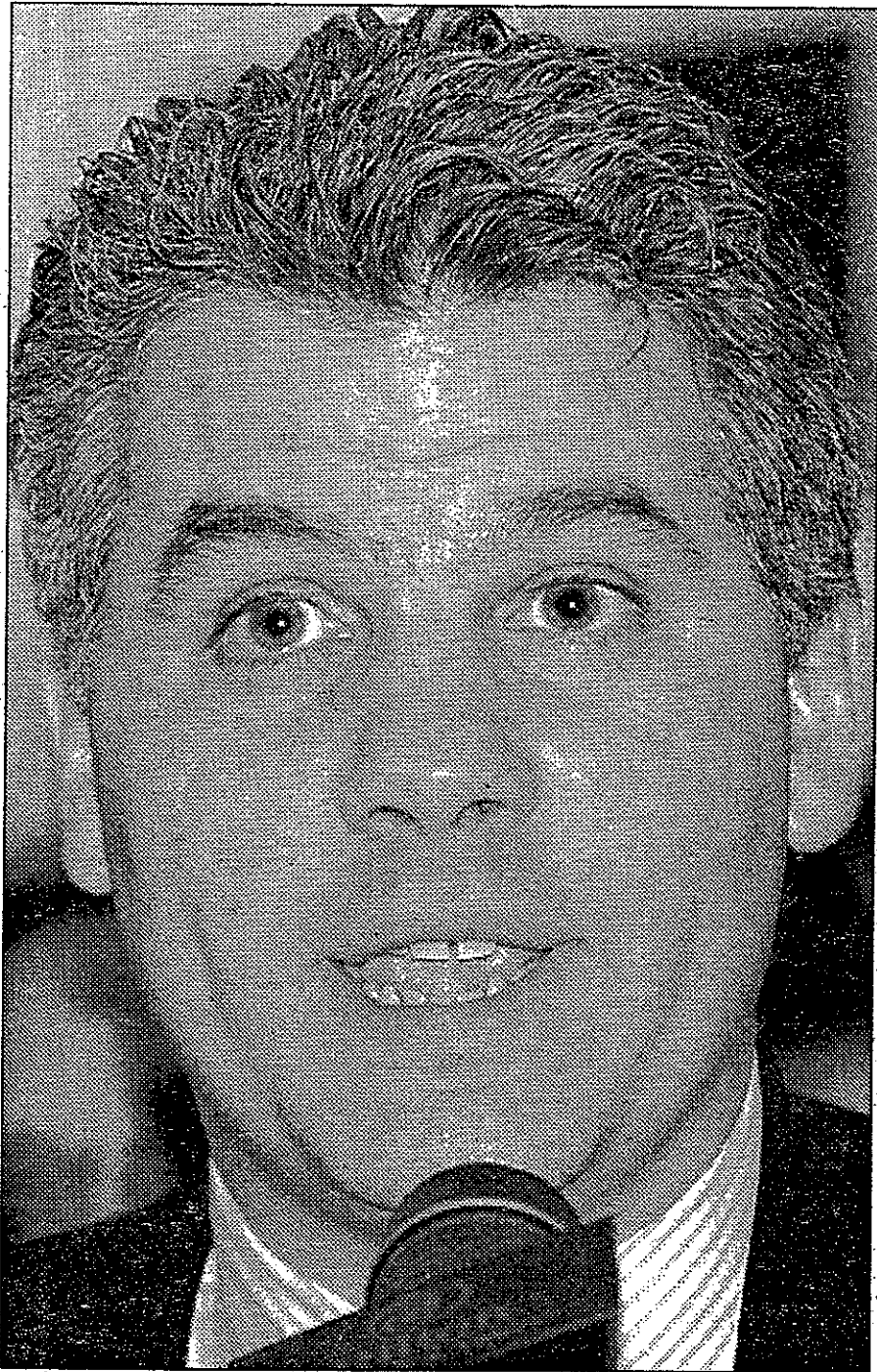
PROMOTER GOT ILLEGAL PAYOFF

BOXING BIG IN DOUBLE DIP FLAP - VIOLATION COULD COST PROMOTER HIS LICENSE

By Jack Newfield and Wallace Matthews

taken from
New York Post

Monday, June 12, 2000



Joe DeGuardia served as manager and promoter at a Madison Square Garden title fight — a violation of State Athletic Commission rules — The Post has learned.

Fight king accused of 'double-dipping'

A BOXING manager who calls himself the "fastest-growing promoter" in New York improperly double-dipped and took more than \$350,000 from a Madison Square Garden title fight, *The Post* has learned.

As a manager, Joe DeGuardia collected a standard one-third share of Bronx light-heavyweight Lou Del Valle's \$798,000 purse for fighting Roy Jones Jr. in a title fight at Madison Square Garden on July 18, 1998, a total of \$238,833.33.

As a promoter, DeGuardia also collected a paycheck from that fight — an additional \$132,500 from the bout's official promoter, Cedric Kushner, in the name of Star Boxing Inc., a boxing promotion company of which DeGuardia serves as CEO.

That second paycheck could cost DeGuardia his license to promote boxing in the United States because the practice, known as "double-dipping," is a violation of New York State Athletic Commission rules.

Not a dollar of that second, under-the-table payment ever made it into the hands of Del Valle, who took the punches of Jones, the world's most talented boxer, for 12 rounds and even sent him to the canvas for the first and only time in his career. The boxer contends it should have.

"I know Joey did it, for a fact," Del Valle told *The Post* last week. "I'm starving here, and he's ripping me off."

The Post has learned that DeGuardia, who has promoted more boxing cards in New York over the past several years than any other licensed promoter, demanded and received a kickback from Kushner from the \$1.2 million allocated by Time Warner for the Jones-Del Valle fight.

It is a violation of athletic commission rules in New York State — as well as anywhere else in the U.S. — for one person to serve as both a manager and promoter to the same boxer.

And yet DeGuardia has allegedly done it numerous times since 1992, including the night of the Jones fight, when he served both as Del Valle's manager and his shadow promoter, hidden behind the banner of Cedric Kushner Productions, known as CKP.

"If there was a secret deal between Kushner and DeGuardia that the boxer did not know about, that would be a concern to us," said NYSAC counsel Lawrence Mandelker.

"Managers are fiduciaries, and when a fiduciary makes a side deal, that creates a conflict of interest."

As a manager, DeGuardia is required by regulation to turn over no less than 66 percent of the net purse to his fighter.

DeGuardia did not share any of the \$132,500 he received from Kushner, who had deducted a standard promoter's 30 percent share, or \$350,000, from the \$1.2 million paid by Time Warner for Jones' opponent.

That would have garnered Del Valle, an ex-con who has gone the distance with two world champions, more than \$87,000.

Further deductions, for sanctioning fees, training expenses and money advanced to Del Valle, re-

duced the fighter's share of the purse from \$850,000 to \$798,000, the only legitimate amount from which DeGuardia should have collected a piece.

And even that is open to question, because on the night Jones fought Del Valle, sources say, there was no boxer-manager contract on file with NYSAC between Del Valle and DeGuardia.

Instead, boxing sources say there was an outside agreement between the two men, a common practice in boxing for promoters who wish to collect a second paycheck as a fighter's de facto manager.

As of June 21, new NYSAC regulations will require all contracts between boxers, promoters and managers to be filed with the commission before a fighter will be allowed to box in New York.

DeGuardia denies he has received any money from CKP other than the \$238,000 he got as his one-third share of Del Valle's net purse as his manager.

Kushner could not be reached for comment.

But *The Post* has examined financial records pertaining to the Jones fight that show on July 24, 1998, six days after the fight, CKP sent a wire transfer to Star Boxing in the amount of \$132,500.

Nowhere in the financial reports of the fight furnished to Del Valle does any other payment from DeGuardia show up other than the \$474,333.34 paid him as his two-thirds share of the net purse of \$798,000, minus money previously advanced and salaries of ring seconds.

"Lou Del Valle got everything he was entitled to get," DeGuardia told *The Post* yesterday. "I did nothing wrong, and I'll stand by that."

Asked to acknowledge receipt of the under-the-table payment from CKP, DeGuardia said, "I'm not admitting or denying anything. I'd have to go back and check my records. Promoter, manager, it's all terminology. I'm getting *schmeared* in the paper every day but I'll stand by what I said. Lou got everything he was entitled to, and more."

Earlier in the day, a man who identified himself as Alan Ross, calling himself a lawyer for DeGuardia, phoned *The Post* with a suggestion.

"You should slit your wrists for what you wrote,"

Ross said, in a phone conversation tape-recorded by a *Post* reporter. "Or else, someone will do it for you. Would you like me to do it for you? I'll come and do it."

DeGuardia denied knowing anyone named Alan Ross.

The Post reported Sunday that NYSAC is investigating DeGuardia's use of heavyweight José Maldonado on a May 16 card at Yonkers Raceway after Maldonado had tested positive for hepatitis C. Testing positive for hepatitis C is grounds for indefinite medical suspension in New York state.

But what DeGuardia apparently did in the Jones fight is an even more flagrant rules violation.

In 1986, a similar violation cost Don King his promoter's license in New York, and his son Carl lost his manager's license, after it was revealed that Carl King managed both fighters in the disastrous Boncrusher Smith-Tim Witherspoon heavyweight title bout at the Garden.

Don King has since regained his right to promote in New York, but Carl King has never been re-licensed as a manager.

By acting as both Del Valle's promoter and manager, DeGuardia apparently violated NYSAC statute 207.19.

"Joey's been working close to the edge for a long time," said a NYSAC source. "He's burning bridges everywhere."

Light-heavyweight Elvir Muriqi is suing DeGuardia to dissolve their contract.

Last Friday, DeGuardia and his matchmaker Jim Borzell gave lawyer Scott Gelfand sworn affidavits involving stories The Post was reporting.

The affidavits, hand-delivered to the newspaper, included a purse statement from CKP purporting to account for every dollar of Del Valle's net purse for the Jones fight.

It omitted any mention of Kushner's \$350,000 share of the gross, including the \$132,500 CKP paid to Star Boxing.

"Mr. Del Valle has, unquestionably, been paid in full for the Jones fight," Gelfand wrote in an accompanying letter.

Del Valle said he confronted DeGuardia last month about the payment.

"How can you accuse me of this after all we've been through?" Del Valle said DeGuardia responded.

"We started out together," Del Valle said. "And then he goes and does this to me."

The professional boxing careers of Lou Del Valle and Joey DeGuardia began on the same day, Jan. 12, 1992. That night, Del Valle made his debut, outpointing Worthy Hendricks in Atlantic City. Earlier that day, DeGuardia, a lawyer and former Bronx assistant district attorney, became a licensed New York State manager.

DeGuardia managed Del Valle, who was so down-and-out he lived in the basement of a boxing gym DeGuardia owned on Morris Park Ave.

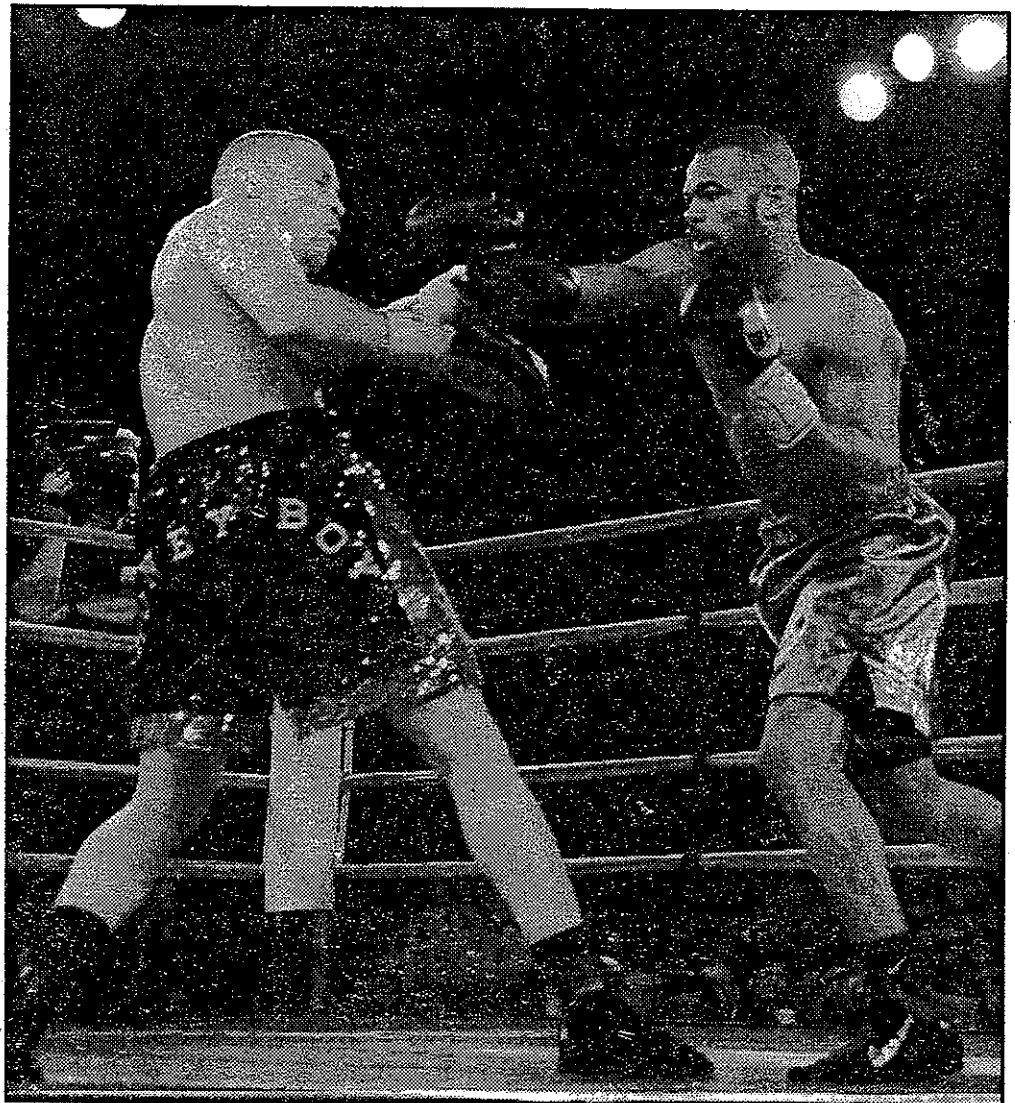
DeGuardia gave Del Valle \$100 a week to live on, money that he would keep track of and collect back in a lump sum from Del Valle's first decent purse, the \$150,000 he was paid to fight world champion Virgil Hill in 1996.

But by then, DeGuardia's parsimony was well known to Del Valle. Although it is customary for managers not to "cut" the meager purses of young fighters, DeGuardia had even taken \$100 of Del Valle's \$300 paycheck for the Hendricks fight.

"Joey's bad, he's really evil," said Del Valle, now back to living in squalor not far from DeGuardia's Morris Park offices. "Somebody's got to stop him."

"I know Joey did it, for a fact. I'm starving here, and he's ripping me off . . . Joey's really evil. Somebody's got to stop him."

BOXER LOU DEL VALLE



FIGHT NIGHT: Lou Del Valle (left) battles Roy Jones Jr. in a fight resulting in claims of "double-dipping" by Del Valle's manager.

N.Y. Post: Spencer A. Burnett