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STATEMENT BEFORE THE subcommittee on consumer affairs, foreign commerce
and tourism of the senate committee on commerce, science and transportation

Re: boxing regulation and federal rules



May 22, 2002



Good Afternoon, Mr. Chairman and Senators. My name is Lou DiBella and I am the president of DiBella Entertainment. My company creates sports and entertainment programming and represents and counsels professional boxers with respect to matchmaking, television distribution of their bouts and marketing. It is the mission of DiBella Entertainment to create a business model that shifts the balance of power from promoters to fighters and to establish a legacy of matchmaking excellence. Prior to opening my company in the spring of 2000, I spent over a decade as a senior executive at HBO Sports, the world's preeminent telecaster of professional prizefights. There, I was primarily responsible for purchasing the boxing matches to be televised on HBO and for recruiting and signing a bevy of boxing stars to multifight HBO contracts.

Boxing is a great sport, imbued with compelling drama and the ability to capture the imagination of tens of millions of people worldwide. The overwhelming

majority of fighters are fine athletes and decent young men who are, generally, socio-economically deprived and under-educated. They are deserving of our attention and protection. Unfortunately, the prevailing system of state regulation of the sport is woefully inadequate to protect them. The system of governance in boxing by private, for profit, world sanctioning organizations is subject to manipulation and inappropriate influence and often results in inequities in the ranking of fighters, the determination of mandatory challengers for titles and the judging of prizefights. State and federal regulation of the sport has not been successful in curbing these inequities. State commissions are generally underfunded and dominated by political patronage appointees with virtually no knowledge of the sport, who are incapable of understanding the business, let alone policing it. To compound the problem, state commissions are asked to enforce and administrate antiquated state laws, rules and regulations that fail to address the realities of the boxing industry today. These laws were initially written prior to the proliferation of big money televised boxing, casino sites, and significant sponsorship dollars. Unfortunately, they were also written before the advent of nuclear imaging and modern neurological testing; the majority of states do not adequately safeguard against head injury and permanent neurological damage. In short, these laws and the definitions within them no longer work.

When state boxing laws were enacted, managers were actually the people directing the careers of fighters. A manager negotiated with a promoter to determine the purse that the promoter would pay to the fighter for the fighter's participation in a particular prizefight. From this purse, the fighter paid his manager, trainer, cornermen and certain other expenses. The promoter's primary source of event revenue was from the ticket sales; the promoter speculated on ticket and secondary revenue and was the money behind a boxing event. As the person negotiating for the fighter with the promoter, the source of money, the manager had

a fiduciary duty to the fighter. The promoter was simply bound by contract. All state boxing laws that I have seen reflect this paradigm.

This paradigm no longer works with respect to big time boxing, which generates television dollars and site guarantees. The promoter, not the manager, is now the entity negotiating with the money; the money is now primarily television dollars and secondarily site revenue. This is troubling, since the promoter has no legal duty to maximize a fighter's money and the promoter's share of revenues is not limited by law. The manager, who is now relegated to middleman, may legally take as much as a third of the fighter's money before expenses. Effectively, the definitions of manager and promoter, found in virtually every state boxing law, are now redundant and unworkable. Does a fighter need both? Considering that blatant conflicts of interest between managers and promoters are rampant and totally unpoliced, state laws actually provide a framework for the financial exploitation of fighters. While the Ali Act was a positive step, there are two major problems with it: it accepts the present form of antiquated state regulation and no one is enforcing it. A new national boxing law must be written and a national boxing commission established.

Prizefights are notorious for questionable judging. Every boxing fan can name major fights memorable for seemingly inexplicable scoring and/or the wrong result. Polls taken in the wake of the controversial first fight between Lennox Lewis and Evander Holyfield found that the majority of Americans believed that this fight was "fixed." The plethora of past investigations, federal, state and local, which have focused on the inequitable scoring of fights, have consistently failed to find a smoking gun or evidence of criminal behavior. There was none to find. No envelopes of cash need be illegally passed to buy decisions. This isn't necessary

since the operations of the world sanctioning bodies, and existing federal and state laws, allow manipulation and the exercise of clearly improper economic interest with respect to the judging of fights.

Sanctioning bodies require judges to be licensed by the sanctioning body itself, pay annual fees and attend organized meetings, conventions and seminars. The sanctioning body is involved with state commissions in determining who will judge a title fight, often doling out plum assignments and sought after trips to desirable locations. Unfortunately, sanctioning bodies are characterized by institutional biases. The sanctioning fees that are paid are based on a percentage of the fighters' purses; the more popular and highly paid the fighter, the more money the sanctioning body makes. This provides a big incentive to favor big name, television-friendly fighters. Judges get the message by watching certain promoters and boxers being honored regularly at organizational meetings and conventions. They also learn whether or not they are in favor with their sanctioning organization by the quality of the assignments they are given. To compound this problem, the class of air travel and hotel accommodations provided to the judge and the per diems paid to him are arranged and paid for by the promoter without any required standardization. The promoter can choose to entertain judges any way he sees fit. Isn't the promoter, in effect, lobbying for his fighter? Would anyone tolerate Abe Pollin or Peter Angelos entertaining referees or umpires during the basketball or baseball playoffs? No federal or state laws prohibit these behaviors and the system is easily corruptible without the necessity of criminal behavior.

On back-to-back weeks last month, the Mayweather/Castillo and Tapia/Medina title fights resulted in controversial decisions and clearly questionable scoring. In my opinion, it is not surprising that the perceived stars won. Until there

is a new national boxing law, which takes sanctioning bodies and promoters out of the system of selecting and reimbursing judges, biased decisions will continue to abound and discredit the sport.

On June 8, 2002, the circus is coming to Memphis. The scheduled Lewis/Tyson heavyweight title fight is more reality television than it is sport. The world is waiting to see what Mike Tyson will do next, but in this reality show it is unlikely, in the long run, that there will be a “Survivor.” Tyson’s life in recent years has been a Greek tragedy in the making. It has been a litany of abhorrent behavior and personal disintegration. There has been criminal activity, incarceration, serial physical and verbal abuse of women, shocking instances of unsportsmanlike conduct in the ring and the recent meltdown and biting of his opponent at a press conference. By Tyson’s own admission, he is medicated, self-loathing and in despair. Still, he is the biggest generator of dollars in boxing, and scores of individuals and corporations have lined up to make and/or recoup money from him. Tyson is correct in stating that no one cares about him and that even he is being exploited.

When the Nevada State Athletic Commission correctly denied Tyson his boxing license, commissioners addressed Tyson’s unwillingness to face his personal demons and his inability to control his behavior. They sought not only to protect boxing from Mike Tyson, but also to protect Mike Tyson from himself. It only took a matter of hours from the Nevada decision for other state athletic commissions to throw reciprocity out the window and to align with greedy local politicians to provide Mr. Tyson with a venue. Can you imagine the commissioner of a major sport allowing an athlete with Mr. Tyson’s recent history to compete? Tennessee, and the other states that attempted to lure Lewis/Tyson, should be ashamed. When you invite the boxing circus to town, you shouldn’t be surprised when wild animals

and clowns appear.

The June 8th event in Memphis is a monument to the marketability of bad sportsmanship and self destruction, the power of the dollar in boxing regulation and the general status of boxing as the ‘Dodge City’ of sports. Even Mike Tyson has been victimized by the callousness of Tennessee and the other states that courted the event. No matter what happens on June 8th, the scheduled occurrence of Lewis/Tyson provides a compelling argument for the establishment of a national boxing commission, empowered to enforce a new, coherent federal boxing law with the assistance of the states.

Thank you for allowing me to present my views today.