National Association of Attorneys General Boxing Task Force

MAY, 2000

I. Origin of the National Association of Attorneys General Boxing Task Force

On January 1, 1997, the Professional Boxing Safety Act, 15 U.S.C. Section 6301, et seq., became law. The Act establishes minimum health, safety, and ethical guidelines for the boxing industry. In July 1997, the Senate sponsors of the Act, John McCain (AZ) and Richard Bryan (NV), wrote to Robert Pitofsky, Chairman of the Federal Trade Commission ("FTC"), to request that the Commission review "business practices that occur in the professional boxing industry." The FTC concluded that the state Attorneys General could play an important role in investigating and perhaps curbing potential abuse in this industry, since boxing is regulated on the state level by individual athletic commissions. National Association of Attorneys General (NAAG) agreed to form a task force comprised of the major "boxing states."¹ The New York State Attorney General volunteered to head the Task Force. In March 1998, the NAAG Boxing Task Force was formally established with the New York Attorney General as Chair and the Illinois Attorney General as Vice-Chair. Eighteen states participated in the work of the Task Force: Arizona, Connecticut, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Mississippi,

Missouri, Nevada, New Jersey, New York, Oklahoma, Oregon, Pennsylvania and Puerto Rico. The Task Force was charged with examining the boxing industry, identifying the existing problems and proposing recommendations to reform the industry.

II. The Sweet Science Gone Sour

A. Problems

"You know, I woke up one morning, you know, and I realized in my life that I do not want to leave this earth like Joe Louis that died penniless, owed the government a lot of money, because there is a lot of fighters that have tax problems, Joe Louis, and numerous others and so like Bobby Chacon that walks around with a map in his pocket, two time world champion, suffering and numerous other fighters."

Testimony of Alex "The Bronx Bomber" Ramos, at the NAAG Boxing Task Force Hearing, January 21, 1999.

In general, while boxing has generated enormous wealth for some, few boxers are among them. Over the decades, too many professional boxers have been left destitute, penniless, and punch drunk. Anti-competitive and fraudulent business practices appear to be the norm, and professional boxers are subjected to exploitation daily.

Contrary to what the lay public may believe, great boxers who command attention and influence are few and far between. The absence of real money-making ability leaves the average boxer with little choice but to latch on to a promoter. A promoter who has provided money and support for many years, and who consistently lines up bouts, will have great influence and control.

Promoters are well-aware of their power, and some take full advantage. Some promoters use option contracts that tie the boxer to them for a number of years. At times, the boxer must accept the promoter's relatives as managers and trainers and give them a third or more of every fight purse. It has been said that some promoters make boxers sign blank contracts, and the terms are filled in later. Even a boxer who is not controlled by a promoter may quickly become indentured. Some promoters who control champions force challengers to sign up with them as a precondition to obtaining a title fight. If the challenger refuses, he is blackballed. Lastly, there are also allegations that promoters file inaccurate versions of contracts with state athletic commissions.

Of similar concern are the sanctioning organizations that designate the champion and rank challengers. Often, rankings are not based on objective talent or win/loss records. Rather, boxers who belong to certain promoters may be highly ranked regardless of skill and ability. A fighter could be the best in his weight class, but if he is not associated with the "right" promoter, or if he does not "play ball," he may not be ranked.

This creates a fraud that can have deadly consequences. What is advertised as a major championship battle turns out to be nothing more than a mismatch between a tough, experienced boxer and an inferior one. One case in point is the November 13, 1982 bout between Ray "Boom-Boom" Mancini and Duk Koo Kim of South Korea. Mancini knocked out Kim, and the latter never regained consciousness and died. Amazingly, Kim had been rated as a top contender by the WBA, despite the fact that he was not even among Korea's top 40 fighters. A more recent example was the Jauary 9, 1999 fight between Roy Jones Jr., a world champion in three weight divisions, and Richard Frazier, a 39 year old, full-time New York City police officer, in which Frazier suffered a technical knock-out in the second round.

Finally, boxing possesses no governing body or league structure; collective organization of boxers is nonexistent; and rules and regulations, and their enforcement, vary from state to state.

B. Task Force Activities

To gain a thorough understanding of the industry, the Task Force met with as many boxing representatives as possible and formed alliances with their respective state athletic commissions who, throughout this process, have offered invaluable guidance and advice. The Task Force met with numerous boxers, former boxers, managers, judges, ring physicians, referees, trainers, gym owners, corner men, promoters, sanctioning organizations, financial advisors, and health care experts. Members began their mission by meeting with Senator McCain and then the FTC.

Members of the Task Force traveled to: Harrisburg, PA, to meet with Greg Sirb, Executive Director of the Pennsylvania Athletic Commission, and President of the Association of Boxing Commissions ("ABC"); Albuquerque, NM to attend the national meeting of the ABC; Kansas City, MO to attend a two day meeting on "The Nuts and Bolts of the Boxing Industry"; Miami, FL to attend a Medical Workshop; Washington, D.C. to attend the Senate Committee Hearings on the Muhammad Ali Boxing Reform Act; New York City to attend the New York State Athletic Commission's Seminar on "Boxing Medicine,"; Trenton, NJ to attend the New Jersey State Athletic Control Board's hearing on Mike Tyson's application for licensure; Brooklyn, NY to meet with Bruce Silverglade, manager of Gleason's Gym; St. Paul, MN to meet with former and current club level boxers, and Paul Johnson, Chair of the Boxing Organizing Committee, Federation of Professional Athletes, AFL/CIO; Tulsa and Oklahoma City, OK to meet with current and former boxers; Las Vegas, NV to meet with the Nevada Athletic Commission and Bob Arum of Top Rank; Providence, RI to meet with Walter Stone, Esq., General Counsel of the International Boxing Federation; Washington, D.C., to meet with Jeffrey Fried, Esq. General Counsel for America Presents; and Deerfield, FL, to meet with Don King.

The Task Force also met with representatives of MetLife to explore the creation of structured annuities, and with representatives of Prudential Securities to discuss the possible creation of a charitable trust.

The Task Force immediately began working to ensure that the athletes involved in the sport of boxing are protected and the public interest in boxing reform and fair competition are served. The Task Force was divided into several subcommittees which met weekly via telephone conference from June 1998 through March 1999. The Task Force collected each state's boxing rules and regulations, reviewed them and extracted and combined the best parts of each to create a universal set for each state to consider for adoption. The Task Force subcommittees were : 1) Research and Investigations; 2) Rules and Procedures for Appointing Referees, Judges and Ring Physicians; 3) Promoter/Manager Applications and Licensing Procedures; 4) Rules and Regulations Governing Boxing Bouts: 5) Boxer Pensions and Health Insurance; 6) Contracts; 7) Medical Standards; and 8) Boxers' Bill of Rights.

On January 19 - 21, 1999, the Task Force held hearings to elicit testimony from individuals representing a full cross-section of the industry. Testimony was elicited from boxing promoters on their role in the industry and on the issue of long term and exclusive contractual options. Representatives from several sanctioning organizations testified about the methods utilized to rank fighters.

Various experts on boxers' injuries discussed the necessity for medical clearance and the use of proper equipment and ringside safety precautions. Industry members and business leaders discussed a pension plan and charitable trust for professional boxers. The hearing testimony was used to supplement the then proposed recommendations of the subcommittees.

Prior to finalizing the recommendations, the Task Force chair, Attorney General Spitzer, appointed a Boxing Advisory Committee (BAC) to offer views to the Task Force. The BAC is comprised of various experts in the boxing industry.² Members of BAC met with the Task Force subcommittees and helped fine tune the Task Force's recommendations. This report is a compilation of the Task Force's findings and recommendations.

C. Findings

The Task Force found unanimity on the proposition that the involvement of State Attorneys General would likely assist in legitimizing efforts to restructure the regulation of boxing. The Task Force acknowledged and accepted as a basic premise the necessity of creating uniformity among the states as an essential building block for any new regulatory structure. The need to strengthen and increase enforcement of health and safety regulations for boxers and to develop a system for communicating and enforcing suspensions between various jurisdictions were quickly identified as priorities. Issues relating to the content of boxing contracts and concerns about the roles of sanctioning bodies in influencing the selection of officials and in the system of ranking boxers were quickly identified as significant concerns of the Task Force.

The Task Force distributed a survey questionnaire at the ABC's national meeting. The results of the survey showed that those involved in the boxing industry were most interested in eliminating boxing mismatches; reforming boxer contracts and ratings; creating universal boxing rules and medical guidelines and having them enforced in uniform fashion from state to state. The Task Force also found support for consensus scoring and an independent boxing poll. Other problems identified during the Task Force's study include:

- Professional boxing is the only major sport in the United States that does not have a strong, centralized association or league to establish and to enforce uniform rules and practices.
- There is no widely established union of boxers, no collective body of promoters or managers, and no consistent level of state regulation among state athletic commissions.
- Promoters use option contracts that tie the boxer to them for a number of years. Further, there are circumstances where the boxer must accept the promoter's relatives as managers and trainers and give them a third or more of every purse. Some promoters make boxers sign blank contracts and the terms are filled in later.
- Sanctioning organization rankings may not be based on objective talent and win/loss records. Rather, boxers who belong to a certain promoter are

ranked high, regardless of skill and ability. A fighter could be the best in his weight class, but if he is not associated with the right promoter, or if he does not "play ball", he may not be ranked.

- Most boxers are not represented by counsel before they sign promotional contracts.
- Managers are sometimes on the payroll, either directly or as consultants, of promoters.
- Research into the medical aspect of professional boxing has been almost nonexistent. It is not known why some boxers are more susceptible to brain injury. It is not known whether it is due to better skills or a genetic predisposition, or if there is some unknown brain protective factor that exists.

III. Existing and Pending Legislation

A. The Professional Boxing Safety Act

The Professional Boxing Safety Act of 1996 is the latest in a long line of Congressional attempts to legislate boxing reform.³ The Act, which Senators McCain and Bryan describe as "modest but practical," establishes health, safety, and ethical guidelines for the boxing industry. The objective of the Act is to protect the health and welfare of professional boxers and to ensure that boxing events held in the United States are properly supervised.

Under the Act, every professional boxing contest must take place with the approval and supervision of a state boxing commission;⁴ every professional boxer must be physically examined before a bout and copies of the exam must be provided to the local boxing commission; an ambulance or medical personnel and a physician must be present throughout the bout; and every boxer is to be provided with health insurance for injuries sustained during the bout. Identification cards are to be issued to every boxer and must be presented prior to each bout, and the results of all bouts must be reported to a central registry within 48 hours after the bout is concluded. While modest accomplishments have been made for the sport of boxing under the Act, a great deal of work still remains.

B. The Muhammad Ali Boxing Reform Act

The proposed Muhammad Ali Boxing Reform Act seeks to enhance the Professional Boxing Safety Act of 1996. Its purpose is to prevent coercive and exploitive abuses of boxers; to increase disclosure within the boxing industry; and to require objective and consistent criteria for the ranking of boxers by sanctioning organizations. The legislation creates no new federal bureaucracy and imposes no new regulatory mandates on state boxing commissions. The bill limits contracts between boxers and promoters to one year if the contract is executed by the boxer in anticipation of obtaining a particular bout. These measures would stop the promoters' coercive practice of requiring long contracts for fighters to obtain a particular bout and aid in eliminating monopolistic control of weight divisions. The bill also requires contracts to specify a minimum number of bouts to avoid the purposeful sidelining of fighters and ensures that the manager is an independent advocate of the boxer, instead of serving the financial interests of the promoters.

The bill would ensure that sanctioning organizations establish objective criteria for the rating of professional boxers; in addition, they would have to publicly disclose their bylaws, ratings criteria, and rosters of officials who vote on the ratings. If a sanctioning organization changed a boxer's rating, it would have to inform the boxer in writing of the reasons for the change, as well as provide an appeals process. Sanctioning organizations would be required to disclose to state boxing commissions all charges and fees imposed on boxers, as well as all payments and revenues. The objective of the Task Force, like that of Senators McCain and Bryan, is to protect boxers from exploitation and help state officials and concerned industry members make professional boxing a more honest, legitimate and competitive sport. The Task Force supports this proposed legislation and submitted a letter to Congress, signed by 18 state Attorneys General, to formalize this support.

IV. Recommendations

The following is a synopsis of the recommendations of the Task Force. The full text of the recommendations is included in the appendix of this report.

A. Rules For the Appointment of Referees, Judges And Ring Physicians

Every state commission must exercise exclusive control over the appointment of all referees and judges. To maintain quality, the ABC should develop a standardized testing program to be administered to judges and referees and provide categories of classifications; e.g., club boxing level through world championship level. Prior to receiving a license, judges and referees must pass an examination developed and administered by the ABC. While a judge or referee who is a member of a sanctioning organization may be allowed to participate in a bout sanctioned by that organization, the use of such a judge or referee should be in the sole discretion of the state athletic commission.

To be licensed as a referee, an individual should have officiated previously in amateur competition or in other states or jurisdictions. The commission may consider any other training including attendance at seminars conducted by the commission. All referees should be required to receive general medical training and be required to attend a minimum of two medical training seminars each year. These medical training seminars must be conducted or approved by any state boxing commission or any recognized boxing organization.

To be licensed as a judge, an applicant must be conversant with the rules and regulations of the commission governing bouts and have officiated previously in amateur competition or in other ABC states or jurisdictions. The commission may

consider any other training including attendance at seminars conducted by the commission.

Membership or status as an "officer" in a sanctioning organization should not be used as a criterion for the appointment of a judge or referee by the commission. Officers and directors of sanctioning organizations should be precluded from refereeing or judging a bout sanctioned by their organization. Once the examination and training goal is achieved, membership in sanctioning organizations should be discouraged.

To be licensed as a ringside physician, a physician must possess a medical license from the state, be in good standing in that state, and have experience as a licensed physician for a minimum of two years. In addition, ringside physicians should be required to receive training in ringside medicine.

B. Promoter/Manager Application and Licensing Procedure

Promoters and managers must, at all times, be required to conduct their activities in a professional and responsible manner. To that end, all such individuals should be licensed and regulated, regardless of designation or self-imposed title. The fact that the person holds himself or herself out as an "advisor" or a "booking agent" should be of no consequence. Likewise, if a licensed professional, such as an attorney or certified public accountant, advises a boxer as a manager or promoter and receives compensation for such advice, the licensed professional should also be licensed and regulated by the appropriate boxing commission. Broadcast companies that are responsible for the payment of a purse and get involved with making matches or promoting bouts, should be subject to similar licensing requirements.

The Task Force also recommends guidelines for promotional agreements between a promoter and a professional boxer.

C. Rules and Regulations Governing Boxing Bouts

Professional boxing needs nationwide uniformity. Therefore, the Task Force recommends that state commissions adopt uniform rules and regulations to provide a foundation for the integrity all have come to expect and demand of other professional sports.

Every state athletic commission should make diligent efforts to ensure the competitiveness of a proposed match prior to its approval. To that end, commissions must seek reliable statistical information establishing the relative abilities of both participants. Such information should include professional boxing records (and amateur experience if appropriate); current medical conditions; a record of performance in recent fights; and a comparison of the participants' age and experience.

The Task Force also recommends that promoters should be required to file with the commission, at least seven (7) days prior to any scheduled event, bout contracts that include a designated weight for each participant. Weigh-ins for all bouts should be conducted in two parts. The initial weigh-in should take place seven (7) days prior to the scheduled bout. Ideally, the second weigh-in -- the prebout weigh-in -- should take place no less than twenty-four (24) hours prior to the scheduled start of the bout, and in no case should the pre-bout weigh-in take place less than eight (8) hours before the scheduled start of the bout. Each participant should be limited as to the amount of weight that can be lost between the initial weigh-in and the pre-bout weigh-in. The Task Force also recommends uniform standards pertaining to the boxing ring, boxing equipment, and bout rules.

D. Pensions/Charitable Trusts

Boxing offers no financial protection for professional boxers. The Task Force recommends, as a long-term solution, that Congress consider legislation amending current statutes to permit a mandatory qualified boxer pension plan sufficiently flexible to accommodate the dynamic nature of the sport. The Task Force endorses the comprehensive study completed in December 1997 by Thomas D. Levy, of the Segal Company, which provides important guidelines for such a plan.

More immediately, however, a charitable organization, such as a national Retired Boxer Charitable Trust, that provides assistance to needy boxers in the United States is essential. The Task Force applauds the efforts of The President of the Association of Boxing Commissioners, Greg Sirb, to create a Retired Boxer Charitable Trust. To facilitate such efforts, the Task Force recommends that federal legislation require financial commitments from boxing promoters, broadcasters, and sanctioning organizations as contributors to a charitable trust. The Task Force also recommends the creation of a single page boxer registry to be administered by the State Boxing Commissions. Such a registry, to be used with a charitable trust, would contain financial, medical, and boxing record information of all professional boxers. State athletic commissions would be responsible for contacting retired boxers as well.

E. Contracts

In support of the Muhammad Ali Boxing Reform Act's strong curbs on blatant contractual exploitation of professional boxers, the Task Force drafted a sample model bout contract and a model boxer/manager contract. These samples are included in the appendix of this report.

Focusing on full disclosure, each model contract specifies the rights and responsibilities of all parties, such as contest requirements, compensation (including a full accounting and disclosure of all deductions from a purse), licensure, and remedies for lack of good faith, collusion, or breach of contract (including arbitration provisions). A few provisions will require statutory or regulatory authorization in some States and have been identified accordingly.

F. Medical Standards

To protect the health and safety of boxers, a medical risk-assessment classification should be implemented by all Commissions. Upon meeting any element of a high-risk classification, a state athletic commission would be required to impose a temporary suspension until a fighter received an MRI, a neurological examination conducted by a neurologist, any follow-up recommended by that neurologist, and an EKG.

For the medical benefit of professional boxers, the Task Force also recommends that Federal legislation require a professional boxer's medical data to be stored in a central databank and released to a relevant commission and ring physician (upon authorization by the fighter). The fighter should, of course, be permitted to obtain that data, and be able to rely on legislation requiring that released medical data be kept strictly confidential.

Such a databank might contain a fighter's baseline MRI, neurological examination, eye examination, EKG, and medical history. The results of any medical examination required of a fighter should be submitted to the databank.

G. Professional Boxers' Bill Of Rights

In an effort to empower professional boxers and create a foundation for full disclosure and boxer education, the Task Force issued a "Professional Boxers' Bill of Rights" prior to submitting its recommendations.

H. Other Systems of Scoring

The decision in the March 13, 1999 championship fight between Lennox Lewis and Evander Holyfield has highlighted a need for a new system of scoring to maximize fair and accurate results. The Task Force evaluated one such system called consensus scoring.⁵ Consensus scoring is a method of tabulating the scorecards of the judges in a fight that improves the scoring process. It is independent of the system being used by each individual judge, working with the 10-point Must System, scoring by rounds, or any other system.

Under consensus scoring, after each round, the judges' scores for that round are pooled, and a single consensus score is formed on a round-by-round basis. In each round, the scores of the judges most favorable to both fighters are discarded, and the score of the middle judge defines the consensus score for that round. The theory is simple. Currently, a close fight might be awarded to the "wrong" fighter if two of the judges "miscalled" one round. By forming a consensus scorecard, the miscalled round would not matter, except in the unlikely event that the judges miscalled the same round.

Consensus scoring adopts the median score of the three judges for each round. Of course, if two judges agree on how a round is to be scored, they define the consensus.⁶

If the miscall of a round is caused by chance, it is unlikely that another judge will make the same mistake in the same round. If the miscall was caused by a judge's view of some key action being blocked, consensus scoring should correct the call for the round, because the other two judges, whose views were presumably unobstructed, would overrule the judge whose vision was obstructed. Consensus scoring will not correct the decision if a fight is "fixed". But even when the judges are subjected to what is called "command influence" in the military, when it is clear to a judge that his future prospects will be enhanced if he calls the fight in a particular way, consensus scoring will create problems for those who seek to influence the outcome of a fight. There will have to be either wholesale miscalling of rounds or an active collaboration on which rounds to miscall.

Consensus scoring is not a substitute for setting standards, training and evaluating judges, or for assuring that judges are nominated and selected by people who do not have a financial stake in the outcome of the fight. It may, however, increase the likelihood that the "better" boxer will win the bout.

While the Task Force is not specifically recommending consensus scoring or any other system of scoring, it does recommend that state commissions evaluate and consider such alternative systems.

I. Independent Boxing Poll

The Task Force fully supports the United States Congress in its legislative efforts to make sanctioning organizations more accountable and to make professional boxing a more honest, legitimate, and competitive sport. The Task Force recommends that a new system of ranking professional boxers be developed by a private organization of boxing writers, broadcasters, and historians, accountable to a private Board of Internal Affairs.

Such a "writers' poll" is necessary because sanctioning organizations, the bodies which currently rank professional boxers, have failed to establish objective and consistent criteria. In short, many of their rankings are highly suspect, resulting in mismatches, and an unhealthy control over bouts, championships, and fighters' careers.

A Board of Internal Affairs, comprised of approximately five to seven individuals, would be established prior to the creation of a Poll. The Board would be primarily responsible for ensuring that the Chair is fulfilling the duties of maintaining the integrity and accuracy of the Poll Members and their ranking. Individuals who are affiliated with the current sanctioning organizations, or who would present a conflict of interest, would not be permitted membership.

The Chair would assemble members of the Poll. The Chair and Board of Internal Affairs would carefully select and monitor members to ensure that there is no bias, geographical or otherwise. The Chair would be primarily responsible for compiling the rankings, and disseminating the results.

Poll membership would be open to approximately thirty to forty boxing writers, broadcasters, and historians. Members would be selected within the United States and abroad. The Poll must maintain a sufficient number of members to minimize bias, and must represent a proportional cross-section of the international boxing community.

The Board would establish criteria for dismissal of a Chair and Poll Members who failed to maintain integrity and accuracy.

With an established, trustworthy, and accountable independent Poll intact, sanctioning organizations would face enormous pressure from boxing writers, television networks, and the public to conform their rankings accordingly.

J. Additional Recommendations

The following recommendations, made during the 3 day hearing, were discussed and agreed upon by BAC and the Task Force:

- Contracts with telecasters should provide escape clauses so that a particular mandatory bout can take place. (This recommendation is coupled with the recommendation for a requirement for fair and honest rankings).
- A definition of "Professional Boxer" should be developed as follows: A professional boxer is a person who gets compensation for engaging in boxing contests.
- State commissions should be properly staffed and funded so that they can fulfill their obligation to investigate and take appropriate action whenever a specific wrongdoing is alleged.
- State inspectors should inspect gyms, if adequate funding and staffing are available.
- For safety reasons there should be a maximum set for the number of people in the ring before and after the bout.
- Study should be given to requiring managers to have a level of proficiency before obtaining a license.

V. Conclusion

The Task Force stands committed to reforming the Boxing Industry. It urges the state athletic commissions to consider the Task Force recommendations, and is confident that integrity can be restored to the sport of boxing by curbing anti-competitive and fraudulent business practices, and protecting the health and safety of professional boxers.

We must answer the question posed by Alex Ramos, former world champion: "We fought for the world, now our world, will you fight for us?"

¹ In many states, the attorney general's office provides counsel and advice to the State Athletic Commissions. Indeed it was with the encouragement and support of several state commissions that NAAG under took this mission.

² The following persons comprise the BAC: Teddy Atlas; Lou DiBella; Dino Duva; Patrick English; Steve Farhood; Shelly Finkel; Jeffrey Fried; Dan Goossen; Barry Jordan, M.D., Mills

Lane; Tom Levy; Wallace Matthews; Jack Newfield; Melville Southard; Gregory Sirb; Marc Ratner; Joseph Spinelli; and Jose Torres.

³ The boxing industry in the United States first came under the scrutiny of the United States Congress during a four year investigation led by Senator Estes Kefauver in the early 1960's. That effort, together with subsequent Congressional investigative efforts, have failed to result in any legislative reform on the federal level until the passage of the Professional Boxers' Safety Act of 1996. See generally, "Federal Boxing Legislation," 19 Seton Hall Legislative Journal 33 (1994).

⁴ If a state does not have a boxing commission, a boxing commission from another state must be brought in to supervise the event.

⁵ The proposal for consensus scoring was developed and submitted to the Task Force by Dr. Ralph S. Levine (Co-Director, The Pew Forum on Standards-Based Reform [Stanford University], D.Ed. [Harvard University], M.A.T. [Mathematics, Harvard University]).

The New Jersey State Athletic Control Board has also developed a new system of scoring, 10 Point Majority Scoring System. The proposal for this new system can be found at 31 N.J. Reg. 1896(a).

⁶ If at least two judges score the round as "even", or all three judges differ, the consensus for that round would be a draw (awarding ten points to each fighter).