

# \$1M settlement but no charges for Mickelson

BY JOSEPH AX  
REUTERS

NEW YORK — Late in July 2012, Phil Mickelson, one of the world’s most famous golfers, received a phone call from a well-known professional sports gambler, William “Billy” Walters.

## PRO GOLF

At the time, U.S. authorities say, Mickelson owed Walters a gambling debt, and Walters had a hot stock tip: buy shares in the food company Dean Foods Co.

Four days later, Mickelson owed \$2.4 million worth of Dean Foods shares, according to the U.S. Securities and Exchange Commission. A few weeks after that, he reaped a \$931,000 profit when the company announced a spinoff that sent its share price soaring. Mickelson then paid off his debt to Walters.

On Thursday, U.S. authorities said Mickelson agreed to turn over more than \$1 million in profits and interest as part of an insider trading case brought against Walters and the former CEO of Dean Foods, Thomas Davis.

“Simply put, Mickelson made money that wasn’t his to make,” Andrew Ceresney, the SEC’s enforcement chief, said at a news conference in New York.

Mickelson, 45, was named as a “relief defendant” in the SEC’s civil lawsuit, a term for someone who is not accused of wrongdoing but has received ill-gotten gains as a result of others’ illegal acts.

His lawyers said Mickelson was “an innocent bystander” who “feels vindicated” that he was not charged. One of the lawyers also said Mickelson takes responsibility for “the decisions and associations that led him to becoming part of this investigation.”

It is unclear whether Mickelson

benefited from an appellate court ruling in 2014 that limited the ability of authorities to bring insider trading charges against individuals who get inside information second- or third-hand, rather than directly from a corporate insider.

Gregory Morvillo, a New York lawyer who handles insider trading cases, said it was possible the ruling had a “chilling effect” on the SEC’s authority to bring charges against Mickelson.

It remains to be seen whether the allegations will have an impact on Mickelson’s reputation. His lawyer said the golfer appreciated that his corporate sponsors had decided to continue their agreements with him.

Several sponsors, including golf club maker Callaway, did not respond to requests for comment.

But the accounting firm KPMG said, “While we are disappointed by what the SEC announced today, we appreciate that Phil’s statement makes clear he respects and shares the values of KPMG. We accept his statement of personal responsibility and commitment and have nothing further to add.”

Amgen, which uses Mickelson to market its blockbuster arthritis drug Enbrel, said in a statement, “While we can’t comment on the SEC matter involving Phil Mickelson, we have worked with Phil for many years and he has been a passionate advocate for patients with psoriatic arthritis.”

Mickelson, who is ranked 17th on the PGA Tour this year, was known for years as “the best player never to win a major” tournament. But he shed that label with a 2004 victory at the Masters. He has since won two other Masters titles and two other major tournaments.

Nicknamed “Lefty” and “Phil the Thrill,” Mickelson is one of golf’s big-



MICHAEL MADRID | USA TODAY | FILE

Phil Mickelson hits out of a bunker on the 7th hole during the first round of The Masters at Augusta National Golf Club on April 7. Mickelson said on Thursday, he has agreed to return gains he made in 2012 from trading in Dean Foods Co. stock and said he felt “vindicated” that U.S. authorities have not charged him with violating securities laws.

gest draws and relishes interacting with fans along the course. While capable of driving up television ratings, Mickelson is also admired for being a committed family man and a generous donor to charities.

The Professional Golfers Association website said Mickelson had career earnings of more than \$79 million on the tour, second only to Tiger Woods’ \$110 million. In 2015, Forbes magazine estimated Mickelson earned more than \$40 million a year from appearances and sponsor-

ship deals, which also include Barclays PLC, Exxon Mobil Corp and Rolex.

The SEC said Mickelson had placed bets with Walters both before and after July 2012, when the gambler called Mickelson with his Dean Foods tip.

Walters and Davis, the former Dean Foods CEO, engaged in a years-long scheme to trade in the food company’s stock ahead of major corporate announcements, according to federal authorities. Davis already has pleaded guilty.

The \$2.4 million position that Mickelson took in Dean Foods using three brokerage accounts dwarfed his other investment holdings in those accounts, which together amounted to less than \$250,000, the SEC said.

The Dean Foods case was brought by Preet Bharara, the U.S. attorney in Manhattan, who amassed a nearly perfect record in dozens of insider trading cases before the 2014 appellate court ruling limited the scope of insider trading laws.

# Native Americans approve of Redskins SS Reyes working out in Arizona

THE SPORTS XCHANGE

A poll conducted by the Washington Post found that 90 percent of Native Americans aren’t offended by the nickname of the Washington Redskins.

The Post said it polled 504 Native Americans from around the country. It also found that 78 percent of the people polled don’t consider the name to be an important issue.

The Redskins have been under fire in recent seasons to change the name as many people find the nickname to be a term that is derogatory to Native Americans.

Owner Dan Snyder has refused to change the name and he expressed appreciation for the Washington Post’s poll results.

“The Washington Redskins team, our fans and community have always believed our name represents honor, respect and pride,” Snyder said in a statement. “Today’s Washington Post polling shows Native Americans agree. We are gratified by this overwhelming support from the Native American community, and the team will proudly carry the Redskins name.”

A group called Change the Mascot reiterated its

stance after seeing the results.

“The results of this poll confirm a reality that is encouraging but hardly surprising: Native Americans are resilient and have not allowed the NFL’s decades-long denigration of us to define our own self-image,” National Congress of American Indians executive director Jackie Pata and Oneida Nation representative Ray Halbritter said in the statement. “However, that proud resilience does not give the NFL a license to continue marketing, promoting, and profiting off of a dictio-

nary-defined racial slur — one that tells people outside of our community to view us as mascots.

“Social science research and firsthand experience has told us that this kind of denigration has both visible and unseen consequences for Native Americans in this country. This is especially the case for children, who were not polled and who are in a particularly vulnerable position to be bullied by the NFL. It is the 21st century — it is long overdue for Native Americans to be treated not as mascots or targets of slurs, but instead as equals.”

THE SPORTS XCHANGE

Shortstop Jose Reyes was back on the field Thursday, taking grounders in the infield and swings in the batting cage at the Colorado Rockies’ spring training complex in Scottsdale, Arizona.

The 32-year-old All-Star has missed spring training and the first two months of the season while sitting out a 59-day suspension after his arrest on a domestic violence charge last October involving an altercation with his wife in Hawaii.

Reyes is eligible to return June 1 under Major League Baseball’s new domestic violence policy. He appeared happy to be back in his element and remorseful for his actions.

“I put myself in this situation and I’m sorry about it,” Reyes said. “I need to put this in the past and continue with my life and my career. Human beings make mistakes. Like I said, I’m sorry to put Rockies fans in this kind of situation.”

The charges against Reyes were dropped after his wife refused to cooperate before a April 4 trial. But he will lose approximately \$7 million of his \$22 million salary this season.

“It’s good to be on the field and put that stuff behind me,” Reyes said. “I’m sorry. I made a mistake and will stand here like a man. I just have to try to be a better man, a better husband.”

Reyes was the second player, along with New York Yankees closer Aroldis Chapman, to be suspended under MLB’s new domestic violence policy.

When Reyes is eligible to return, he might have a hard time getting back on the field. Rookie Trevor Story took his place and

started his career with a bang, batting .277 with 11 homers and 28 RBIs through the Rockies’ first 38 games.

The Rockies could make the 32-year-old Reyes a back-up infielder or try to trade him. But there’s also the matter of his salary — \$41 million guaranteed in the next two seasons — that could complicate the situation.

Reyes has lost some range in the field, but he hit .274 with seven homers and 53 RBIs last year for the Toronto Blue Jays and the Rockies.

In anticipation of returning, Reyes has worked out on his own since November, but he knows he’ll need to get back in the swing of things.

“When you get on the field, it’s a different ballgame,” he said. “There’s a lot of stuff that doesn’t feel right when you get on the baseball field, but my body feels great.”

## Braves’ Aybar sedated

Atlanta Braves shortstop Erick Aybar had to be sedated after getting a chicken bone stuck in his throat on Thursday.

Aybar was eating lunch when the bone lodged in his throat. He was taken to a doctor to have the bone removed.

The Braves took Aybar out of the starting lineup for Thursday night’s game against the Pittsburgh Pirates. Daniel Castro replaced him.

Aybar is hitting just .174 with no home runs and five RBIs in 38 games this year.

## Pirates’ Marte returns

The Pittsburgh Pirates reinstated outfielder Starling Marte from the paternity list.

Marte returns to the club after his wife, Noelia, gave birth to daughter Tiana on Monday.

# No quick fix to sport’s troubles, Johnson says

BY GENE CHERRY  
REUTERS

Track and field could have its greatest show ever at the Rio Olympics but that would do little to resolve the many problems facing the scandal-plagued sport, world 400 meters record holder Michael Johnson told Reuters.

The 48-year-old retired American sprinter, one of athletics’ all-time top performers, said he did not know where the sport was headed and that the main focus should be on restoring athletics’ credibility.

“Nothing that happens in Rio with athletics is going to snap back the credibility in the sport,” Johnson, the only man to win the 200 and 400 meter gold medals at the same Olympics, said in a telephone interview.

“That is going to take some time and there has to be a consistent and ongoing effort to reestablish credibility.

“I never expected this and never would have imagined that things would have been revealed to be this bad.”

Widespread doping problems, allegations of bribery to top athletics officials and a drop in both spectators and sponsorships are among key issues currently plaguing the sport.

Johnson spoke while launching a new charity to assist young men and women in developing athletic and leadership skills that can be used in their troubled communities globally.

Reaching out to youth is just one area where athletics must put an emphasis on, Johnson said.

Last year an independent commission for the World Anti-Doping Agency revealed widespread, state-sponsored doping in Russia. The commission released a second report in January that accused the International Association of Athletics Federation of having “embedded corruption” at the very top of the organisation under former president Lamine Diack.

“Before all of this scandal broke ... athletics was already in trouble and had been on a downward spiral for many years in terms of

popularity, in terms of sponsorship, in terms of professionalism of the sport and the doping issues as well,” said the straight-talking Texan.

“It’s been a big problem for many years that young kids growing up, that not only are they not inspired to participate in athletics because maybe you can’t trust what you are seeing ... but they may think you have to be doping to be in that sport.”

According to Johnson, track and field must become truly professional. A \$20,000 grant because someone is in the top 10 in the world in their event is not the answer, said Johnson.

The sport’s biggest star, Jamaican sprinter Usain Bolt, for example, ranked only 73rd on Forbes magazine’s list of the highest-paid athletes for 2015.

“(Athletics) has got lots of problems that need to be addressed, but I think the mistake would be for leaders of the sport to focus on those things because those are easier to talk about and easier to deal with than the

scandals and the credibility issues,” Johnson said.

“You have to continue to let fans and potential new fans know that we understand the problem that we have with this sport from a credibility standpoint and we are not ignoring it. We are dealing with it.”

Long an advocate of tougher sanctions for dopers, including missing an Olympics, Johnson said educating athletes on the ill effects of doping is important. He also feels governing bodies must work uniformly in handling doping cases.

“The local federation is saying one thing and then the global federation is saying something else, the IOC [International Olympic Committee] is saying something else,” he said.

“You have got to have a consistent process that is an expedited process that does not stretch out over 18 months.”

And above all, there must be transparency in the sport.

“For a long time we thought certain things, only to find that we were being lied to,” Johnson said.

Bradley, retiring only two of the six batters he faced.

Alcides Escobar doubled in eighth to finish Price’s night. Junichi Tazawa replaced Price and allowed a run-producing single to Lorenzo Cain for the final Kansas City run.

After retiring the first two batters in the second, Volquez served up a home run to Bradley. Bradley drove a changeup out to center for his seventh home run.

Betts hit Volquez’s first pitch of the third inning out to left field, making it 2-0. The Red Sox have homered in 19 straight games, equaling a club record set in 1996.

# Red Sox

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Price, who is 3-0 with a 2.01 ERA against the Royals in seven regular-season games, limited the Royals to two runs and five hits over 7 1/3 innings, while striking out four and walking one. He has given up three runs on 11 hits while striking out 17 in 14 innings in beating the Royals and Astros in his past two starts.

“He was very good,” Red Sox manager John Farrell said. “He was really commanding all of his pitches.”

Edinson Volquez (4-4) ab-

sorbed the loss, permitting four runs on seven hits, while walking four and striking out five, in six innings.

The Red Sox hiked their lead to 4-1 with two runs with two out in the sixth. Travis Shaw drew a two-out walk and stopped at third on Josh Rutledge’s double to left. After pitching coach Dave Eiland visited Volquez, he intentionally walked Bradley. Volquez, however, fell behind in the count 2-0 to Christian Vazquez, the Red Sox No. 8 hitter. Vazquez then rolled a single up the middle, scoring Shaw and Rutledge.

“First of all I make a mis-

take walking the guy after two outs,” Volquez said. “I got myself in trouble after that. Rutledge hit a double and then intentional walk. It’s a tough situation for any pitcher, bases loaded, two out. It was my opportunity to get out of the inning.”

Craig Kimbrel worked the ninth to pick up his 11th save in 12 opportunities.

Alec Mills, who the Royals brought up from Double-A Northwest Arkansas as the 26th man, made his big league debut and gave up the other run. Mills threw only nine strikes in 21 pitches. He walked two, hit a batter and gave up a single to