

The Fall of Bobby Lowder, and the Fallout at Auburn

By Dan Wismar

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Dan Wismar

If you're sick of hearing about Cam Newton, bear with me. Because Cam Newton is a part of this story, but in many ways he is incidental to it. The story is Auburn University, specifically its athletic department, and the shadowy but undisputed influence on it by Robert "Bobby" Lowder for the last 25 years.

Cam Newton's star is ascending, the Heisman nearly assured, and his future unlimited. A year from now he'll be wealthy, and college will have served its purpose for this special athlete. Bobby Lowder is 67, and in decline. His personal, business and financial life is in shambles. He is being investigated, sued and will probably be prosecuted.

It looks now like the unraveling of Lowder's business and personal affairs won't be able to drag down Cam Newton. The Auburn University athletic department on the other hand, might not survive the fall of Bobby Lowder. They are inseparable.

Let me say up front I'm not a secret "Bammer" or anything, really. I just waded into this story and this is what came out. Everyone knows I'm a Buckeye fan, which requires that I hate all SEC teams equally. If I were an Auburn fan though, I'd be furious at what Bobby Lowder has wrought on my beloved program. All I've tried to do below is assemble events into a coherent narrative for the reader, and to be as faithful to the truth as I can be.

A quick note to the "everybody does it" crowd: No they don't. Not every college program pays 200 grand cash for players. And for those others that do...this article isn't about them. It's about Auburn.

There are potentially troublesome athletic boosters insinuating themselves into nearly every major college football and basketball program in the country, but you could say Bobby Lowder redefines the position. As a member of the Auburn Board of Trustees for 27 years, and the sitting chairman of the university Finance Committee, Lowder has essentially run Auburn athletics as his private preserve for decades.

Auburn football coaches, athletic directors...even university presidents, serve at his pleasure. A 1964 graduate of the school, Lowder and his parents have donated as much as \$20 million to Auburn over the years, and several campus buildings bear their name. As a self-made CEO of a major regional bank with

over \$25 billion in assets, Lowder's passion for his work was exceeded only by his passion for Auburn football. He has often been called the most powerful man in the State of Alabama.

Lowder has been the subject of profiles by ESPN.com and by Fortune/CNN-Money that are both worth the time to plow through for more background. The man apparently has his defenders, but they can meet in a phone booth. From the Fortune article:



Bobby Lowder

...Lowder has made plenty of enemies over the years. His name might not be familiar outside Alabama, but he is easily one of the most feared, loathed, and some say misunderstood men to wield power in this state since George Wallace—the governor who first appointed him to the board in 1983.

Lowder has been accused of making backroom deals with governors and treating the Auburn football program like a private fiefdom. (Because of his influence over Auburn's athletic program, three years ago ESPN named him the most powerful booster in college sports.)

At various times Lowder has been at war with Auburn's faculty, its student newspaper, its alumni association, and some of his fellow trustees—developing a reputation along the way as a tyrant with a vindictive nature. It has been alleged that Lowder made a death threat to one board member he clashed with.

Former Alabama Governor Fob James tried to have Lowder removed from the Auburn Board of Trustees in the late '90's, but Lowder sued the Governor to stop him, and used his influence on the Board to prevent them from naming a successor. Lowder supported James' political opponent in the subsequent election, and when his man, Don Siegelman, was elected Governor in 1998, the new Alabama chief executive promptly extended Lowder's appointment to the Auburn Board for an additional 12 years, set now to expire in 2011. Siegelman was convicted in 2006 on bribery and mail

fraud charges, and served two years in federal prison.

The Rich Tradition of Auburn Cheating

One sports web site titled an article on Lowder, "What if a Booster Ran an SEC School's Budget?"

Exactly. What could go wrong? At this point, the question is: What *has* gone wrong? Few would argue today that Lowder's influence on Auburn athletics, while fanatically well-intended, has been a malign and destructive one more than it has served the university's interests.

Lowder has by many accounts presided over a longstanding system of buying and paying Auburn football players through a network of surrogates including assistant coaches and other boosters. This is hardly just a matter of unsupported rumor, or of bad faith accusations by Auburn's rivals (though there is plenty of the latter going on). The school has a track record of NCAA violations of this sort ever since Pat Dye was forced out as Athletic Director in 1991, and a year later as head coach, based on NCAA findings that Auburn was paying players.

And that doesn't even count 1957, when Auburn went undefeated, but was not allowed to play in a bowl game owing to...you guessed it...previous recruiting violations. Since Bobby Lowder was 13 at the time, I guess we can't hang that one on him.

Dye's reign at Auburn was undone by Eric Ramsey, an Auburn player who secretly recorded his coaches talking to him about the cash payments and "loans" he was getting through the program, a scandal that resulted in a "60 Minutes" episode, and got Bobby Lowder busy looking for a new A.D. and a new coach.

The NCAA was particularly peeved with Auburn at the time, as they had already been on probation an unprecedented six times, and the two-year probation they earned for the Eric Ramsey case had to be delayed at its outset so the most recent two-year probation for previous violations involving basketball and tennis could expire. Take a number, football.

The Terry Bowden Years

Terry Bowden, at the time the coach at Samford University in Birmingham, took over the Auburn program after Dye. Lowder's daughter Katherine, who happened to work in Bowden's office at Samford, stuck her head into his office one day, and said "Dye is leaving and my dad wants you to be coach at Auburn." That's the way it works when you're the Super-Booster, and you own the Board of Trustees and the A.D. (Lowder once reportedly said of David Housel,

one of his many athletic directors, "He's not a good A.D., but he's my A.D.")

According to an interview Bowden gave in 2001 to Paul Davis, the editor of *The Tuskegee News*, he tried his best to end the payments to players when he arrived at Auburn, but was undermined and eventually forced out by Lowder for not going along to get along with the program's pay-to-play scheme. Bowden negotiated a \$1.8 million buyout package, and as a condition of his deal, agreed to a confidentiality clause that prohibits him from discussing Lowder, the Board, the Athletic Dept. or player recruiting. Convenient, but Bowden at least unburdened himself to Davis about the corruption at Auburn before clamping up. Near the end of his days at Auburn, Bowden says he was "checking my house for bugs".

The Bowden interview linked above can be found in numerous places on the web in basically this same form. I attempted to verify with Davis the accuracy of the transcript, but have not as yet received a reply. So, as with anything sourced this way, take it for what it's worth. If it helps give it credibility, know that *USA Today* reported on Davis' account of the interview in a 2003 article. Here's part of what Bowden told Davis in 2001 about the way it worked at Auburn when he was head coach there (1993 to mid-season 1998):

We paid then \$12,000-\$15,000 to sign. We sign about four every year that we pay. (Former assistant coach Rodney) Garner paid most of the players. He was paid when he was a player at Auburn. (Stacey) Danley is the assistant compliance guy, and he was paid when he was a player. I broke the rules. I said pay it off, and it will never happen again.

(Asst. coach Wayne) Hall said "OK, but you will change your mind." Katherine came to Auburn as my assistant, but she worked for Colonial. We were real close. I told Lowder "We have cash all over." Lowder said "I told Wayne not to collect more than we had to have to pay the players." Wayne had a safe in his house where he kept the money. Within two weeks of me being hired they told me about paying Jelks.

Nothing was done without Lowder knowing. I will go under oath and say that Lowder looked me in the eyes and said, "I didn't want Wayne to collect more money than we needed to pay the players." I was hiding a dirty secret. We were paying (star running back and current Washington Redskin) Steve Davis and his cousin the fullback.

It took about two years to get it all cleaned up. Most the guys we were paying weren't any good and weren't helping us win games. Steve Davis was the exception.

Here is how it works, fifty to 60 men give \$5,000 per year. Wayne would collect it. These are all good men. They didn't ask questions. The coach tells them that everybody cheats so we have to. My first two years we went 11-0 and 9-0-1.

Jetgate

From Dye to Bowden and then to Tommy Tuberville, Lowder always had his eye on his next coach. In 2003, after Tuberville had lost three straight SEC games down the stretch, Lowder dispatched his interim President, his AD Housel, and a couple of Board members in the Colonial BancCorp corporate jet to Louisville to meet secretly with then-Louisville coach Bobby Petrino, and offer him the Auburn job. The plane was identified, and word of the meeting leaked. The Iron Bowl with Alabama had yet to be played, and Lowder had undermined his coach in an incident that came to be called "Jetgate".

Petrino wisely turned Auburn down, but Tuberville was justifiably angry, and Lowder was justifiably criticized for his ham-handedness. Tuberville was able to negotiate a disclosure clause going forward, requiring him to be told if contact was made with another coach, a clause Lowder may have later violated by contacting Houston Nutt.

Academic Misconduct Embarrasses Auburn

The increasingly brazen and unseemly influence of one particular Auburn trustee was brought to light yet again in 1999, when Lowder set about settling personal scores by defunding Auburn academic departments using his power as Finance Committee chair. He eliminated the respected Auburn PhD program in Economics, as one example, and reorganized the journalism department that he claimed had generated negative stories about him. His micromanagement of university affairs eventually drew the attention of the Southern Association of Colleges and Schools (SACS), the accreditation body for SEC schools.

The ensuing SACS investigation resulted in a one-year probation for Auburn, and cited Lowder's influence in the Pat Dye payola scandal, the Bowden firing, and the stacking of the Auburn Board with Lowder cronies, board members of Colonial BancCorp, Lowder's bank, and recipients of loans from Colonial, to an extent that the "independence" of the board was in

question. Not only had Lowder's nearly unlimited power at Auburn brought disgrace to their athletics programs, but it had brought the entire university to the brink of losing their academic accreditation.

William Muse, the President of Auburn University at the time of the SACS accreditation investigation was summarily fired by the Lowder-controlled Board not long after that episode. Years later, Muse spoke with Paul Davis, the aforementioned Alabama newspaperman, who reported that Muse, Bowden, and even Davis lived in fear of what Bobby Lowder could do to them...

I spent many hours with Dr. Muse, a good man. We talked early on by phone, from my office to his. He then became concerned that his phone was tapped and asked that I call him at home. Then he became fearful about using his home phone. Those were tough days. Jim Martin, also a former president, had me meet with him face-to-face off campus. Former Coach Terry Bowden had his home checked for electronic bugs. I finally decided to do the same.

Threats I received were so scary that I called the FBI and met with agents in my office. During those days, my newspaper building burned to the ground under mysterious circumstances. The stakes were high at Auburn and for Mr. Lowder.

One day over lunch in a downtown restaurant, I also asked Dr. Muse why he just didn't go public, tell the whole, sordid story, get fired and get it over with. I knew he was going to be fired sooner rather than later. I think he did, too. "It's just useless to have a public brawl. He (Lowder) has too much power. Who wins? Who loses? Would it help Auburn?," he asked me--or maybe himself.

In a 2009 article, Davis characterized Lowder's effect on the university like this:

John Dean once told President Nixon: "There's a cancer growing on the presidency.

Ditto for Auburn. Nixon's cancer was Watergate. Auburn's cancer is Lowder.

MSU Said No. Did Auburn Say Yes?

Which brings us back around to Cam Newton, Auburn University quarterback and Heisman front-runner. In case you don't pay attention to the sports news, or if you're a sports fan who just crawled out from under a rock yesterday, let me review very briefly what we know for sure about the Cam Newton scandal:

- Three former Mississippi State players have said that Cecil Newton attempted to arrange a six-figure payment for his son to attend Mississippi State. After repeated denials, Cecil Newton has since admitted that he asked Mississippi State representatives for money (reportedly \$180,000) in return for Cam's commitment to play for MSU.
- ESPN reported the following on November 11:

After Newton committed to Auburn, another source said an emotional Cam Newton phoned another recruiter to express regret about his change of commitment from Mississippi State, stating that his father Cecil had chosen Auburn for him because "the money was too much."

While not proof of any wrongdoing by Auburn, you would think that would be enough to get the NCAA looking under a few more rocks in Auburn, Alabama. And of course, they are.

The latest on Newton as of this writing is the agreement between the NCAA and Auburn University to declare Newton ineligible for one brief moment...a nod to public evidence of his father shopping him to MSU for a six-figure sum...and then immediately reinstate him to eligibility just in time for the SEC Championship Game. This, we are told by the conference president, "make[s] it clear this behavior will not be tolerated in the SEC."

No doubt this is a scary signal to greedy, opportunistic fathers throughout SEC country. Says Gene Wojciechowski of ESPN, "This isn't a slap on the wrist; it's a wet kiss on the ring finger" for Newton's father Cecil.

Who's Kidding Whom?

Indeed this joint NCAA-Auburn action has the appearance of a tactic meant only to buy time...to at least for the moment disperse the cloud of controversy hanging over the unbeaten Tigers, this Saturday's SEC Championship Game, and potentially the BCS National Championship Game.

But the controversy is going nowhere. Because people aren't stupid. I have yet to meet the person who believes that Cam Newton's father didn't get Auburn to say yes to a six-figure payment after Mississippi State said no to his demand, and reported it to authorities. Whether we know it or not, I think most of us subscribe to the Occam's Razor principle...that when considering two or more competing theories, we select the one that requires us to make the fewest new assumptions. In other words, generally the simplest explanation or theory is the most likely to be true.

The presumption of innocence is one thing, but the suspension of disbelief is something else entirely. Cam Newton surely is entitled to the former. But given Auburn's sleazy history, plus what we now know about the elder Newton, to *believe* in his innocence is to make an irrational leap of faith. It is borderline delusional.

We take into account our (okay, *my*) existing assumptions...a) It is well-documented that Auburn has had a longstanding system in place to pay for the acquisition of football talent and to continue paying players during their time at the university (as Dye's termination and Bowden's interview attest). b) Cecil Newton insisted on being paid a large amount of money to get his son to play for any university. c) Cam Newton told MSU recruiters he wanted to play for MSU, but his dad told him he selected Auburn for his son because "the money was too much".

The question begging to be asked these days is not whether the Newtons received a big chunk of cash to commit to Auburn. I've got to believe none but the most blinded of Auburn partisans doubt that they paid big money to land Newton. The question is whether the NCAA (or the SEC) has any interest in opening this Pandora's Box of college football corruption by investigating fully, disclosing everything they discover, and punishing the offenders appropriately.

I have grave doubts that they will do any such thing.

Bit Players With Lousy Timing

The system for paying players has been in place at Auburn for years, as we have demonstrated, and it appears that any coach or athletic director who opposed the system has been removed by Lowder Inc. Whether Cam Newton and his father have become part of this system as willing participants or, to give everyone the benefit of the doubt, as unwitting pawns, is not really the issue.

In either case, the Newtons would appear to be bit players in a much broader and deeper system of athletic corruption run by Lowder, and since 1993 it seems, winked at by the NCAA. Bobby Lowder is the proverbial elephant loitering in the living room, while the media are obsessed with Cam Newton's initials carved in the baseboard.

Newton and his father are alleged to have done some shady things, but in the end, having incredibly bad timing may turn out to be the most damaging of their offenses. That's because Newton's time at Auburn just happens to coincide with the utter collapse of Bobby Lowder's world. It's not a pretty picture, and it

could very well bring Auburn University athletics crashing down along with it.

And the more I learn about the goings on at Auburn, the more I'm convinced that it probably should.

Crashing and Burning – The Beginning of the End

As if the above story-telling doesn't do enough to paint Bobby Lowder as the guy in the black hat in the piece, consider also that he was a major player in the mortgage lending crisis that brought the entire U.S. economy to the brink of collapse two years ago.

Lowder's bank, Colonial BancGroup, was seized by federal regulators in August of 2009, just weeks after Lowder resigned as CEO of the company. The bank's failure was the *sixth largest in U.S. history*, and by far the largest of 2009, which as we know was a bad year for banks.

Colonial, with its \$26 billion in assets and 350 branches, was in turn sold to North Carolina-based BB&T, but the problems for Lowder were just getting underway. In just the value of his own stock holdings in Colonial, Lowder has lost over \$160 million personally, and he is being sued from all sides, and investigated by the FBI for TARP fraud, as Brian O'Keefe reports in the Fortune article:

As much as Lowder has already lost, he could still lose much more. A slew of class-action suits have been filed by both Colonial shareholders and former employees that charge Colonial with reckless and dishonest conduct and name Lowder as a primary defendant.

[...]

Perhaps most worrying for Lowder is an investigation by the FBI and the Office of the Special Inspector General for the Troubled Asset Relief Program into Colonial's so-called warehouse-lending business.

Colonial applied for \$550 million in TARP funds last fall but was never cleared to receive a bailout. On Aug. 3, just 11 days before regulators shut down Colonial, agents raided the bank's offices in downtown Orlando, where the warehouse lending was managed, and spent hours carting away boxes of documents.

As the man who signed Colonial's financial statements, Lowder could face civil or even criminal charges if evidence of fraud is found in the bank's TARP application.

The so-called "warehouse lending" operation would be the same kind of unscrupulous packaging and securitizing of shaky mortgage loans that contributed greatly to the ongoing banking crisis in the country. Colonial's collapse has already cost the FDIC some \$2.8 billion, and it could be on the hook for an additional \$15 billion.

If the Justice Department is investigating Colonial with the intention of prosecuting one of the "big fish" at the heart of the lending scandals, I think most of us could agree that Bobby Lowder is a fish worth landing. At the very least, the government is trying to recover (from the hide of Bobby Lowder, preferably) some or all of the money that he has cost the FDIC.

Paul Davis was one of many people celebrating the apparent end of Bobby Lowder's reign last summer:

It is over. Bobby Lowder's Colonial Bank is dead along with his powerful control over Auburn University. That's terrible news for the thousands of Colonial Bank employees but wonderful news for Auburn University.

Davis again...

He stacked Auburn's board with his closest cronies and those who owed him the most money. He spoke little at public meetings. He knew the outcome well before the public meetings started. He always meet first in secret. He always knew the outcome of every vote. He always chaired the athletics committee. He always hired the coaches and fired the coaches. He alone, ran Auburn—almost into the ground. He alone hired and fired the presidents, the good ones and mediocre ones.

Davis' celebration may have been premature. Because much to the ongoing embarrassment of the university, the disgraced Bobby Lowder still has a spot on the Board of Trustees until next year, and as far as I can determine, still chairs the powerful finance committee, at least in name.

Trust me...we'll eventually bring this back to Cam Newton and Auburn football...promise.

McGregor, Geddie, Vote-Buying and Political Corruption

Bobby Lowder's eventual fate might well be dependent upon the resolution of the legal problems facing many of his associates who are, variously, under indictment, under arrest, or under investigation for a variety of criminal offenses apparently unrelated to Lowder's bank collapse. (I'll try to keep this brief...read more at the links.)



Milton McGregor

Principal among them is Milton McGregor, *(pictured, next page)* an Auburn alumnus and owner of Victoryland, a dog track/casino/hotel operation in Alabama. He is a longtime Auburn University booster, major donor, and a large investor/shareholder in Colonial BankGroup, hence the clear connections to Lowder.

Just two months ago, McGregor was arrested by the FBI in connection with a vote-buying scheme in the Alabama state legislature, a scheme intended to positively influence pro-gambling legislation.

The same day, lobbyist Robert Geddie was also arrested in connection with the same investigation. Geddie's lobbying firm, Fine-Geddie, was apparently the conduit through which McGregor channeled cash to at least four state senators, who are also now under indictment (pdf). The money was reportedly distributed by Fine-Geddie through a number of political action committees (PACs) further distancing it from its sources and making it difficult to track.

The FBI's investigation of McGregor has been going on at least since early 2009, and they have made use of wiretaps of McGregor in their evidence-gathering. In addition, some of the state legislators wore wires as part of the probe.

And this is where the links to Auburn University come back into play.

The ever-present Paul Davis has connected the Fine-Geddie lobbying firm to another of its clients, Auburn University's Tigers Unlimited Foundation, a group with a tax status that allows its donors to remain anonymous, and which is set up to benefit Auburn's athletic programs. Tigers Unlimited is a client of Fine-Geddie, and according to Davis, has paid the lobbying firm almost a million dollars. To what end, one wonders?

Opportunity

So, we've established that a wealthy, prominent Auburn booster has used a lobbying firm to channel largely untraceable sums of money through as many as a dozen different PAC's to illegally influence legislation by bribing politicians. (OK..."allegedly", at this point in the process). So we know where their ethics are.

That same lobbying firm also is in possession of as much as a million dollars from a client foundation whose express goal is to advance the cause of Auburn athletics. We can assume that the same (or different) PAC's might be utilized to channel cash to that foundation's intended recipients, be they Auburn football players or, say...Jordan-Hare stadium peanut vendors. And they have already shown us that applicable laws and regulations concern them not one bit.

Which brings us back to the bad timing of the Newton family, and to some unsubstantiated but entirely plausible speculation about what kinds of things might be on those Milton McGregor wiretap tapes.

TMZ is reporting (11/17/10) that the FBI probe is looking into a possible connection between McGregor and the Cam Newton case. The author of a detailed and highly informative message board post on the Newton-Auburn affair has speculated that "sources" (again, take it at face value) have indicated that McGregor has long been thought to be the money man involved in Auburn's pay-to-play system of player remuneration, and that the FBI may have stumbled onto evidence of the Auburn football corruption in the course of their wiretap surveillance of McGregor in the unrelated vote-buying scheme. Got that?

The timing of the probable start of wiretapping of McGregor (mid-2009-early 2010) would match up with the approximate time in the courtship of Newton that could have seen Auburn boosters like McGregor talking on tape about the Cecil and Cam Newton situation. Stay tuned.

So that's the state of play as far as my digging into the matter has been able to establish. Thanks for getting this far. What remains to be seen is how much appetite exists within the NCAA for rooting out what has gone on at Auburn, and what continues to go on at Auburn and elsewhere, and for disciplining the offenders.

One hopes the FBI and NCAA are working cooperatively, since the Feds have the subpoena power that the private NCAA bureaucrats lack. For the sake of the credibility of the game of college football that we all

love, let's hope the full truth comes out this time.

Maybe there's a chance for an "Eric Ramsey of 2011" to emerge from the current or recent group of Auburn players, to tell the truth, and...who knows...maybe start a landslide of truth-telling by young men of integrity. Am I dreamin'?

The authorities can't afford to let this opportunity pass. The fall of Bobby Lowder affords the ideal moment to clean up the Auburn athletic department once and for all.

Correction: 12/5/10: The date of the "Jetgate" incident was not 2008, as indicated in the text, but rather 2003. Thanks to a reader for the heads up. The original text has been edited to reflect the accurate date.

Related: (all articles listed below are also linked in the above text)

TigerDroppings post – This message board post at an LSU-affiliated site doesn't make any claims to being authoritative, but does do a good job of assembling timelines, links to media sources, and mini-bio's of the major players in the ongoing story of Cam Newton and Auburn football. It's a good jumping off point for anyone interested in learning more about the issue.

ESPN.com – "A Tiger of a Trustee" (2006)

CNN/Money – "The man behind 2009's biggest bank bust" (October, 2009)

New York Times – "A Hard-to-Forget Voice from Auburn's Past" – Bill Rhoden - (Nov. 24, 2010)

Bobby Lowder – Wikipedia

Eric Ramsey – "60 Minutes" Segment (YouTube)

Dan Wismar is a Cleveland Heights native, and a lifelong northeast Ohio resident. Like a million other Ohio boomers, he idolized Rocky Colavito, Jim Brown and Paul Warfield as a kid, and like so many of us, he credits and thanks his Dad for his "fanhood". And though he's old enough to remember 75-cent bleacher seats and Ross Fichtner, he's still young enough to stay optimistic about this town and its teams. Dan has covered OSU sports for The Cleveland Fan since the Spring of '08, the attachment to the Buckeyes being as ingrained in him as the unhealthy Indians and Browns loyalties. In whatever he writes on the local sports scene, he'll always try to bring to the reader the perspective of the home team fan in the stands....because, let's face it...that beats pretending he's not a homer.