

Hip-Hop Rap Has A Reason To Get Gangsta

Written by Robert ID1269

Tuesday, 26 April 2005 14:51 -

Universal Music Group is being sued by two independent music promoters for \$100 million, claiming the record company forced them to submit false invoices so Universal could recoup promotional costs from artists such as hip-hop rap artist Nelly.

Universal Music Group is comprised of the following record labels: Geffen Records, Interscope Geffen A&M, Island Def Jam Music Group, Lost Highway Records, MCA Nashville, Mercury Nashville, Motown Records, Universal Classics, Universal Records, Universal Music Enterprises, Universal Music Latino, Universal South, Verve Music Group.

The artist roster of Universal Music Group include some of the heavy hitters in rap, hip-hop and R&B. Ashanti, Erykah Badu, Black Eyed Peas, Mary J. Blige, Mariah Carey, D-12, Dr. Dre, Eminem, Eve, 50 Cent, G-Unit, India.Arie, Ja Rule, Jay-Z, Ludacris, Snoop Dogg, and Nelly are all part of the artist roster of UMG.

The suit raises "pay-for-play" issues similar to those being probed by New York Attorney General Eliot Spitzer in a wide-ranging investigation into whether record companies have broken U.S. law by paying radio stations to play their songs.

The two promoters, National Music Marketing Inc. of Los Angeles and Majestic Promotions Inc. of Atlanta, Georgia, claim they were forced to doctor invoices that then allowed Universal to bill promotional costs to artists whom the promoters never represented.

"What (Universal) was doing was defrauding their artists -- some of their biggest artists," plaintiffs' lawyer David J. Cohen said on Monday.

"I'm sure (rap artist) Nelly is not going to be too happy that they were taking money out of his promotion budget to pay for promotions for other artists -- money that he had to pay back from his royalties," Cohen said.

The lawsuit said that when National and Majestic refused to submit fraudulent invoices,

Hip-Hop Rap Has A Reason To Get Gangsta

Written by Robert ID1269

Tuesday, 26 April 2005 14:51 -

Universal fired them and told radio stations not to do business with the promoters.

"They bullied these promoters into submitting false bills," Cohen said. The suit accuses UMG of racketeering, fraud, trade libel and breach of contract.

A spokesman for UMG could not immediately be reached for comment.

Federal law prohibits radio stations from taking bribes to play specific songs unless the transaction is made public. But for decades, record labels have used independent promoters as middlemen to get more air time for their artists.

Each time a song is played, the record labels pay promoters who, in turn, pass along the money indirectly via thousands of dollars they shell out for advance copies of radio station play lists, according to the lawsuit.

In New York, Spitzer has served subpoenas on major record companies including Universal Music Group, Sony BMG Entertainment, the EMI Group and the Warner Music Group.

Cohen said the Attorney General's office has contacted his clients. He said Universal drove National Music Marketing, one of the nation's largest promoters, out of business last year. Majestic was "hanging on by a thread" after being defamed by Universal executives, he added.

Universal Music Group is a unit of French communications company Vivendi Universal . Sony BMG is part of Sony Corp. The EMI Group Plc is a publicly owned entity and Warner Music Group is privately held.