

Illinois Pulls License Held By Rosemont Casino Group

State Regulators' Move Could Be A Fatal Blow To Emerald's Chances

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State regulators said Tuesday they were yanking a long-dormant gambling license held by a consortium of powerful investors trying to build a new casino in Rosemont, a move that ratchets up pressure on the group to give up the effort.

In letters hand-delivered to officials of Emerald Casino Inc., the Illinois Gaming Board laid out its case against the investors. It alleged the group was unfit to run a casino because some shareholders had ties to organized crime while others had lied to board investigators about backroom ownership deals.

The letters also revealed that the Emerald group,

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apparently confident it would get a green light from the board, had already spent \$25 million laying a foundation and erecting steel girders before running afoul of state regulators. Previously, Emerald officials had said they had spent less than half that amount.

In January, a year after that money was spent, the board voted 4-1 to deny permission to the company to operate a gambling boat in Rosemont. Tuesday's letters amplified the reasoning behind that decision while also signaling the panel's intent to make it hard for the investor group to win permission for the casino through an appeals process.

Under a different name the Emerald group operated the Silver Eagle casino in East Dubuque, which closed in 1997. But the Emerald retained the license and sought to move it to Rosemont with the aid of a tailor-made 1999 state law for which officials of the casino lobbied intensely.

Without that license Emerald would lose any edge that it held under the law over competing companies also seeking permission to open the state's 10th casino.

Mob-tainted shareholders wound up as proposed owners of the Emerald, the board said in its complaint, because Emerald officials, led by former Waste Management executive Donald F. Flynn, failed to investigate the background of other investors. According to the complaint, Flynn told the board he knew nothing about some proposed owners because "if they were willing to come up with the money, I didn't really care."

The letters identify for the first time the investors that board investigators contend have mob ties: Nick Boscarino, a former Teamsters official and former business partner of Rosemont Mayor Donald E. Stephens, and Joseph Salamone, the owner of Fair Share Foods, an Oak Park grocery on Roosevelt Road.

In a three-sentence written statement, Emerald President Kevin Larson said the company declined to comment other than to say it plans to appeal the decision and "disagrees with the preliminary findings."

The casino had once seemed a sure bet and attracted a bevy of politically connected shareholders, who bought in at a rate of roughly \$1.5 million for each 1 percent stake. They include the wife of Timothy Degnan, a top adviser to Chicago Mayor Richard Daley; Susan A. Leonis, a consultant for Rosemont and a friend of Stephens, Daley and Daley's wife, Maggie; and John M. Sisto, nephew of

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casino champion Ralph Capparelli, a Democratic state representative from Chicago.

The roster of shareholders also includes Boscarino, who once owned a trade-show forklift rental company with Stephens. Among other directors of that company, called American Trade Show Services, was William Daddano Jr., who is listed in the Chicago Crime Commission's mob organization chart. The board's letter cited Boscarino's business relationship with Daddano as evidence of mob association. Boscarino could not be reached Tuesday.

Boscarino was one of several casino investors who became casino owners with the help of Stephens. In a sworn deposition last year, Stephens said he introduced Boscarino's wife to Joe McQuaid, an Emerald senior vice president and board member, when they attended a 1999 political fundraiser Stephens held at his home on Lake Delavan, Wis., after the casino law passed.

Salamone was identified as the brother and business partner of Vito Salamone, who the Gaming Board said has organized-crime ties. Vito Salamone originally had been listed as a casino shareholder, but his name was replaced by Joseph's without explanation, the complaint said.

When reached Tuesday at his grocery store, Joseph Salamone denied any connection or association with organized-crime figures.

"That's not fair," he said. "That's absolutely, and I mean absolutely, not true. What it is, is guilt by association. If you live in a certain community, you're tainted."

Vito Salamone could not be reached for comment.

The letters also cited Emerald for hiring D&P Construction, a Northwest Side firm with known mob connections, to do work at the casino site. D&P is owned by the wife of Peter M. DiFronzo, who in 1998 was forced out of the Teamsters Local 731 amid charges that he was chief lieutenant for his brother, Chicago mob boss John "No Nose" DiFronzo.

Since 1999 D&P and another DiFronzo-controlled firm,

JKS Ventures, have given more than \$16,000 to political funds connected to Stephens. Stephens has maintained he is unaware of any problems with the company.

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