

# BGA

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Ethics & Accountability

## Video Gambling Jackpot For Pals And Pals

By: Casey Toner [🐦@ctoner]



INVESTIGATION

**WHY IT MATTERS: The growth of video gambling in Illinois and the riches that go with it has opened new vistas for clout. Some politicians and their friends have cashed in.**

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Cook County Commissioner Peter Silvestri, who for years moonlighted as village president of Elmwood Park, took on a different side job in 2013 as a sales agent for a video gambling firm that, months later, began installing poker and slot machines in the west suburb.

A Republican, Silvestri made thousands of dollars in commissions off the arrangement and was later aided in a second deal when his successor in Elmwood Park blocked a rival company from opening a gambling parlor in the suburb and let Silvestri's firm install machines in the same spot.

Silvestri is hardly alone among political figures who have cashed in on Illinois' rapidly growing video gambling industry.

In Lake County, former Democratic state Sen. Michael Bond, whose vote in 2009 helped legalize video gambling in Illinois, is an owner and manager of a firm that he says now owns more than 900 slot and video poker machines in the state, with a large concentration of them in his former legislative district.

In Bridgeview, Mayor Steven Landek, who doubles as a Democratic state senator, used his powers as head of the southwest suburb to grant two liquor licenses to a video gambling chain partially owned by a partner of Landek in a separate business.

Anita Bedell, executive director of the anti-gambling group Illinois Church Action on Alcohol & Addiction Problems, said she was not surprised to learn some politicians had ties to the gambling industry.

"They have a lot of clout, they have a lot of connections, and it's a way for them to get a lot of money," Bedell said.

Since 2013, the year Silvestri left his Elmwood Park post, he has been a sales agent for Gold Rush Amusements, which leases gambling machines to bars, restaurants and stand-alone video parlors, state records show. Sales agents act as middlemen who arrange the deal that bring video poker and slot machines to certain bars or parlors.

Gold Rush is owned by Rick Heidner, whom Silvestri described in an interview with the Better Government Association as a childhood friend.

Cook County officials are required to file annual economic interest statements to disclose their business ties, but Silvestri did not explicitly detail his work for Gold Rush. The BGA uncovered the connection in a review of Illinois Gaming Board records.

Silvestri said Gold Rush was a client of his legal practice. He did list the law firm on his filing.

“I don’t think you are required to list each client unless the client is doing business with the county, but they are not,” he said.

Silvestri declined to detail his financial arrangement with Gold Rush but acknowledged he was paid at least thousands of dollars. It’s common in the video gambling industry for sales agents to earn \$10,000 or more for placing machines in a gambling establishment. Silvestri said he’s worked on 10 to 15 arrangements for Gold Rush, including the two locations in Elmwood Park.



*Peter Silvestri*



As a county commissioner, Silvestri is paid \$85,000 annually.

The ties between Heidner, Silvestri and Angelo “Skip” Saviano, the current Elmwood Park village president, are well documented.

State campaign finance records show Heidner and his companies have contributed more than \$16,000 since 2001 to support the political careers of Silvestri and Saviano, who served as a Republican state representative prior to assuming his village post. What’s more, gushing endorsements of Heidner from both politicians are prominently displayed on the Gold Rush website.

A signed letter from Silvestri, written as village president and on Elmwood Park letterhead, declares that “I would be pleased to have Mr. Heidner as an economic and business force in either the village or county district and hope that will one day materialize.”

Silvestri said most of the machine-placement contracts he arranged as a sales agent for Gold Rush were with Laredo Hospitality, a gambling parlor chain that operates more than 50 locations statewide under the names Stella’s Place and Shelby’s.

In December, Stella's opened a parlor stocked with Gold Rush machines in an Elmwood Park strip mall near the corner of North and Harlem avenues. Silvestri said he was the sales agent for Gold Rush on the deal.

A Stella's competitor, Blackhawk Restaurant Group, had earlier sought to open in the same location but was blocked by Saviano, who -- like most village presidents and mayors -- doubles as his suburb's liquor commissioner.

State law requires a video gambling parlor to obtain a liquor license, and Saviano said in an interview with the BGA that he refused to grant one to Blackhawk for that location.

Saviano said Blackhawk already ran a different parlor in town and he didn't want to appear to be "in bed" with the firm by allowing them to open a second.

Both Silvestri and Heidner rejected any notion that Saviano acted against Blackhawk to favor them. "This is not the way we play," said Heidner.

Michael Thiessen, a partial owner and principal for Blackhawk, chalked up the loss to Saviano.

"The unfortunate thing is that the liquor commissioners can make whatever decision they want," he said.

That principle, however, may have worked to Thiessen's advantage in Bridgeview, where Landek used his powers as mayor and liquor commissioner to grant two liquor licenses to Blackhawk.

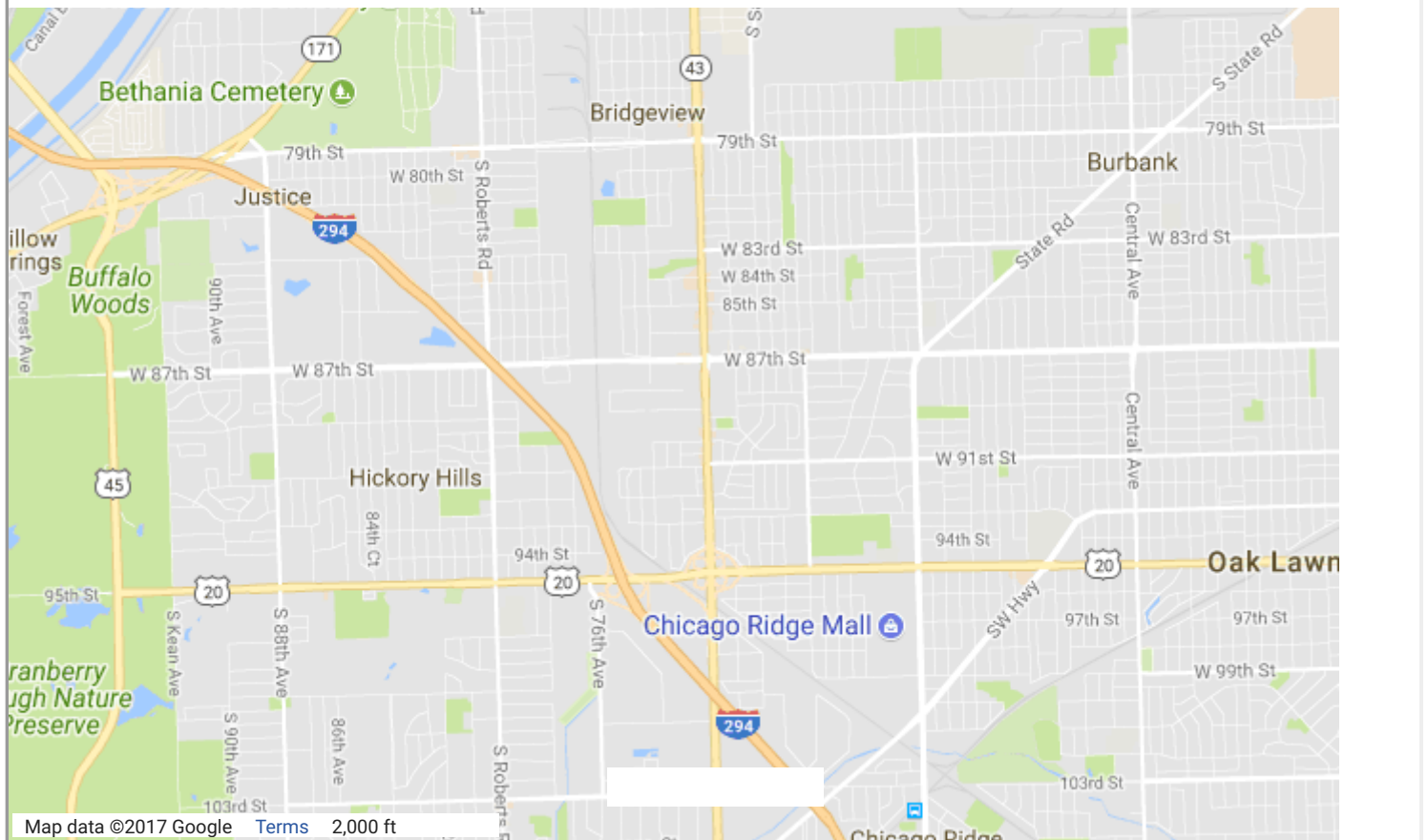
Landek and Thiessen are among the owners of the Southwest Community News Group, the parent company of a small chain of suburban newspapers, including the Desplaines Valley News.

Under Landek, Bridgeview has also paid \$539,000 over seven years to Thiessen's stadium consulting business to help run Toyota Park, the publicly owned soccer stadium home to the Chicago Fire.

Blackhawk operates a chain of 67 gambling parlors, most of which are located in strip malls under the names of Penny's, Betty's, Emma's and Jena's. The Blackhawk sites have generated more than \$33 million after taxes, Gaming Board records show.

Blackhawk opened its first Bridgeview location in August 2014 and a second spot two years later at 7230 W. 87th Street.

## Blackhawk Restaurant Group Bridgeview Contracts ☆



Dotty's Cafe, a Blackhawk competitor, had scouted the 87th Street site in 2013. The company inquired with the village about obtaining a liquor license but it got no response, according to James Lang, Dotty's director of government relations.

"All of the sudden it literally went black," Lang said. "No return emails, no return phone calls."

Landek declined to comment when asked about Lang's claim. But village spokesman Ray Hanania, who also writes opinion columns that appear in a newspaper part-owned by Landek and Thiessen, said Dotty's "dropped the ball" by never submitting an application for a liquor license.

That's an assertion Lang denies.

Thiessen said he did not ask Landek for any favors.

"If I would have known we wanted that store, we would get there first — not second," he said.



To the north in Lake County, Bond's aunt founded Tap Room Gaming in 2011, a year after he lost re-election for his state Senate seat. Before leaving office, he had voted with a majority in the Illinois General Assembly for the law legalizing video gambling.

In an interview, Bond said he encouraged his aunt to found the company and he took over as chief executive officer in 2013 when Tap Room began placing machines around the state.

According to a BGA analysis of Gaming Board records, Tap Room has grown to become one of Illinois' top ten video gambling machine owners. It now has more than 900 slot and video poker machines in bars, restaurants, truck stops and gambling parlors across the state, including a large concentration in Bond's former Lake County district.

After state and local gambling taxes, the Libertyville-based firm's machines generated about \$30 million in 2016, Bond said. Half of the proceeds went to Tap Room, while the other half was split with owners of the establishments where the machines were located, he said.

In Wadsworth, just south of the Wisconsin state line, Tap Room's machines are in seven of 11 gambling locations, gaming board records show.

Wadsworth Village President Glenn Ryback said his community liberally awards liquor licenses in an attempt to maximize local gambling revenue because it can't rely on other taxes to pay for village services.

"It's welcome," Ryback said, adding that the village uses the money to repave roads. "It's helped with some of the things around town."

Before leaving the legislature, Bond helped secure a \$200,000 state grant to the village to help it build a street salt container, according to public records.

Ryback and Bond insisted Tap Room was given no special consideration due to Bond's actions as senator.



*Michael Bond*

“There isn’t a connection,” Bond said, adding that his firm bought two sites from another firm. “If you look at my success in Wadsworth, it is no different than my success in any of the other municipalities we operate in both inside my senate district and out.”

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This story was written and reported by the Better Government Association’s Casey Toner, who can be reached at (312) 386-9201 or [ctoner@bettergov.org](mailto:ctoner@bettergov.org).

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