

July 4, 2011 Monday

STATE SENATOR: GIVING SCHOLARSHIP TO REPUTED MOBSTER'S SON AN 'ERROR';

Sandoval says he took steps to revoke $8,200-year award

By Dave McKinney

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SPRINGFIELD-State Sen. Martin Sandoval (D-Cicero) awarded a taxpayer-funded college scholarship for $8,200 to Michael A. Giorango, who's the son of three-time felon and reputed mobster Michael C. "Jaws" Giorango.

And then Sandoval did something that state officials say was even more unusual: He tried to revoke the scholarship that he'd awarded to the younger Giorango to attend Illinois State University.

But it wasn't because the father had been convicted of helping run a mob bookmaking operation, failing to file his taxes and participating in a nationwide prostitution ring, according to Sandoval.

"I never met him, I don't know who he was, and I don't care to meet him," Sandoval says of Michael A. Giorango and the string of events that led to his getting - and ultimately giving up - one of the college scholarships that the senator gets to hand out under Illinois' legislative scholarship program.

Nor, Sandoval says, does he know the elder Giorango, who served a four-year prison sentence during the early 1990s for the mob bookmaking conviction. According to federal prosecutors, the south suburban ring that Giorango helped run once threatened bombings and other violence to make sure people paid them what money they owed.

While in prison, Giorango also was convicted of failing to file a tax return, which landed him an 18-month prison sentence. Then, in 2004, a federal jury in Miami convicted him and sentenced him to six months in confinement and 30 months of probation for participating in a high-priced, nationwide prostitution ring. As part of that case, prosecutors presented evidence that, in 2002, Giorango arranged with the ring's madam to provide $350-an-hour hookers for his friends while they stayed at a Miami Beach hotel he bought with some of the millions of dollars in loans he got from Chicago's since-failed Broadway Bank.

Republican U.S. Sen. Mark Kirk, then a congressman, pounced on those Giorango loans from the bank that was run by the family of now-former state Treasurer Alexi Giannoulias as he defeated the Democrat in last year's race for the U.S. Senate seat formerly held by Barack Obama. The Giorango association had first surfaced during Giannoulias' maiden statewide run - in 2006 for state treasurer.

Sandoval says he was unaware of the family tie between the elder Giorango and his son, that he wasn't personally involved in giving the son the scholarship and that it was a mix-up on the part of a now-former staffer that led to the younger Giorango getting the scholarship.

"I don't know who he is or who he's related to because I didn't give him the scholarship," says Sandoval.

The home on South Avers on Chicago's Southwest Side that Michael A. Giorango listed in his scholarship application as his "permanent address" is a house owned by a paid Sandoval campaign aide, Rudolph Acosta Sr.

Acosta - a longtime precinct captain in the home precinct of Ald. Ed Burke (14th) - received $8,300 from Sandoval's campaign for "services rendered" after the July 2009 scholarship award to Giorango. Part of that total was a $500 reimbursement to Acosta for piñatas he bought for a Sandoval golf outing last October, according to state campaign records.

Sandoval says Acosta didn't recommend Giorango to him for a legislative scholarship and that he doesn't know why Giorango would have listed Acosta's house in the Archer Heights neighborhood as his permanent residence.

"That's something you'd have to ask Rudy Acosta," the state senator says. "I have no idea what Rudy Acosta does. He's one of many precinct captains."

Acosta, the Giorangos and the Giorangos' lawyers didn't respond to calls seeking comment.

According to driver's license and voter registration records, the younger Giarango lives in Orland Park and not at the Acosta-owned property, which is in Sandoval's Senate district.

Sandoval's website says anyone seeking a legislative scholarship from him must live within his district.

Sandoval says Giorango didn't submit an essay or transcript, as required, with his application for a legislative scholarship. Sandoval says a member of his legislative staff errantly used a rubber stamp to affix his signature to documents needed by the Illinois State Board of Education to set Giorango's scholarship in motion - an "administrative error," he calls it. That unidentified staffer no longer works for him, Sandoval says, saying he "moved on."

"Whether the kid's name was Chris Kennedy or Richard Daley, it didn't meet the minimum requirements of my website," the senator says. "It didn't have a 500-word essay. It didn't have his transcript, and it didn't have my signature."

After a review by his office last year that found Giorango's scholarship application had been "processed in error," the senator wrote to the Illinois State Board of Education seeking to revoke the scholarship, records show.

The agency initially balked at that request because it doesn't have the power to take away legislative scholarships once they've been granted. The legislative scholarships become "the student's property," according to Matt Vanover, a spokesman for the state board.

"We've never had a case where a member of the General Assembly has tried to revoke a scholarship," though students have, on occasion, renounced their legislative scholarships, usually citing sickness or a death in their family, Vanover says.

That's what Michael A. Giorango ended up doing on Feb. 25, 2010, two-thirds of the way into his school year at ISU. In a letter submitted to the State Board of Education by Sandoval, Giorango acknowledged that his scholarship had "been issued to me in error."

"I withdraw any claim to it for the fall and spring semesters of 2009-2010 and assume the corresponding tuition," Giorango wrote.

Sandoval says the matter was handled properly.

"In this case, I'm doing what the public wants me to do," he says. "They want me to do a review, have internal controls to make sure these things are solid. I did the right thing."