Sauget ties to club may hinder license

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SAUGET — A federal investigation into alleged prostitution links to PT's Enterprises could pose problems for riverboat gambling license applicant Vincent Sauget, who was named by the government as a 10-percent owner of one of PT's topless nightclubs.

Another potential sticking point for Sauget's application is that only 200 people live in the village that bears his name.

Sauget is one of two applicants who filed last week for a local gambling license. Sauget wants to operate a floating casino based in the village, while Iowa businessman Bernard Goldstein is leading a group that wants to operate from East St. Louis.

An Alton group already has secured permission to proceed with its plans for riverboat gambling in that area.

The village of Sauget is by far the smallest municipality in the state seeking a gambling operation. The legislation that created casino gambling on some Illinois rivers states that license preferences should go to applicants who can provide economic benefits to the largest numbers of people.

Investigators for the Illinois Gaming Board — as they have

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already with nearly a dozen other license applicants — are expected to take a close look at any federal or state investigations connected to Sauget and at his business holdings and partners.

The board also will scrutinize how Sauget's proposed gambling operation would economically benefit people beyond the village's borders.

One potential trouble spot is Sauget's alleged connection to PT's Enterprises, a Denver-based company that operates three topless nightclubs in the metro-east and allegedly has ties to a fourth.

The Belleville News-Democrat reported in July that Internal Revenue Service documents indicate Vincent Sauget invested $100,000 to own 10 percent of a new PT's club in Indianapolis. The documents do not list Vincent Sauget as having any financial ties to PT's nightclubs in Centreville, Sauget or Brooklyn.

IRS investigators have said the PT's clubs were connected to several nearby massage parlors, and PT's customers were referred to those parlors for purposes of prostitution.

The investigators were seeking to show that PT's employees have hosted illegal gambling parties.

Efforts to determine where the federal investigation stands were unsuccessful.

Vincent Sauget owns three popular nightclubs in the village — Oz, The Wiz and Pop's Saloon.

His brother, Rich Sauget, also has been identified as an owner of the clubs. Oz and Pops have been the target of numerous lawsuits over the past seven years by individuals who claim they were beaten by the clubs' security personnel.

Repeated attempts to reach Vincent or Richard Sauget were unsuccessful.

Paul Sauget, the brothers' uncle, is mayor of the village of Sauget, which approves all liquor licenses for the nightclubs. The tiny village consists mostly of large industries and borders the south end of East St. Louis.

The Illinois Gaming Board in the past has turned down casino gambling applications simply on the appearance of an impropriety, as it did with East St. Louis applicant Joe Terrell.

Terrell previously was part of Goldstein's group seeking a gaming license in East St. Louis. Terrell, who was investigated by the FBI in a Louisana government bribery case but not indicted, is no longer connected to the East St. Louis application.

Like all applicants, Vincent Sauget must provide information on all of his investments and business partners. That information is confidential to the Gaming Board.

Vincent Sauget's attorney, Robert Ogren of Springfield, would not comment on financial details provided in Sauget's application. But he said Sauget provided full disclosure of his business holdings and co-investors.

"We are not releasing any of that information at this time," Ogren said.

The only known investor in Sauget's application is St. Louis businessman George Middleton, who Ogren said is the principal owner of Arch-View Casino Cruises Corp. — a company created by Sauget to apply for a gaming license.

The Gaming Board also requires that land for a docking location be identified in the application.

Ogren said Arch-View has access to riverfront land in the village near PT's nightclub. He said he did not know whether the land is owned by Vincent Sauget, another company or the village. He said the Village Board approved Sauget's docking location and gambling plans last month.

Sauget Police Chief Pat Delaney said he was told the land is about a quarter-mile south of PT's.

With only about 200 people benefiting from tax revenue that could reach millions of dollars a year from a 1,000-passenger gambling boat, Sauget will have to demonstrate that his proposal will benefit thousands of people in nearby communities, said Joe McQuaid of the Gaming Board's investigations division.

"It (tax revenue) could double the village's budget," McQuaid said. "There are questions that will specifically be requested: 'What will be the economic benefit to the area?' ... I would think you would have to benefit the entire area. That's where the board will be coming from."

Ogren said Sauget will provide information on how his gambling development, which would include a three-story floating dock with a restaurant, would help nearby economically depressed cities such as Centreville and Alorton.

"As far as what's in the application, we recognize the need for jobs in the area," Ogren said. "Centreville is one of the depressed areas.... Alorton is one of the poor areas. I can assure you that we will satisfy the local communities' concern about this."

Ogren declined to comment on whether Sauget's operation also would benefit economically depressed East St. Louis.

Any hiring proposal for the area's jobless would not come in the form of a written agreement with the local communities, Ogren said. Sauget has estimated that his gambling business could employ 400 people.

The state's original gaming legislation said applicants must be sponsored by a local government and restricted licenses to communities with a population more than 2,000. But Sauget sought to get around the law by having the village de-annex riverfront land and have St. Clair County assume ownership of the land in exchange for receiving gambling tax proceeds.

Sauget, though, did not apply for a gaming license last year — the first year licenses became available. And the legislature later changed the gaming law to allow towns with fewer than 2,000 residents to apply for a license this year.

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