

Strip club figure gets 15 months in prison

by Kelly Thornton

Former strip club owner Michael Galardi was sentenced Thursday to 15 months in federal prison for bankrolling a failed scheme to bribe three San Diego city councilmen to relax rules on touching at adult cabarets.

Galardi, a 45-year-old father of two, read a brief statement. "I'd like to start off by saying how sorry, truly sorry, I am for my actions. I want to apologize to the people for the shame and embarrassment I've caused this great city."

Concluding his remarks, Galardi, who is the primary caregiver for his children, then paused briefly to contain his emotion when asking U.S. District Judge Jeffrey T. Miller for leniency. "Your honor, I have two kids, 8 and 10, and for that reason I simply ask you to be as compassionate as possible for the sake of my kids."

Miller noted Galardi's quick guilty plea, his substantial cooperation with the government and his "generally reliable testimony." But Miller said the crime had caused significant harm to the public's view of its elected officials.

"This offense was not only an assault on the integrity of government but unfortunately fuels the froth of those who look at government and see nothing good. ... That is the saddest part of all of this," he said.

Thursday's hearing culminated four years of searches, indictments, trials and sentencings in San Diego and Las Vegas, where Galardi was at the center of a dual-city effort to woo politicians with money, gifts and campaign contributions in exchange for favorable treatment for his adult businesses.

The hearing was somewhat anticlimactic because Galardi - the last of the San Diego defendants to be sentenced - was not expected to get more than the 2 1/2 years he recently received in the parallel Las Vegas

corruption case. The sentences are to run concurrently.

According to terms of his 2003 plea deals in both jurisdictions, Galardi pleaded guilty in San Diego to a count of conspiracy to commit honest-services wire fraud and to a count of racketeering in Las Vegas.

The Las Vegas judge ordered him to forfeit almost \$4.5 million and all interest in his Las Vegas strip clubs. Miller ordered him to pay a \$30,000 fine, and barred him from owning or operating strip clubs in California for three years after his release.

Galardi is to report to prison by June 22.

Galardi's testimony in both cases resulted in convictions of two San Diego city councilmen, three Las Vegas politicians and his lobbyist-turned-bagman, Lance Malone, an ex-Las Vegas police officer and politician.

Galardi testified that he paid hundreds of thousands of dollars in bribes and campaign contributions - including \$34,500 to the San Diego councilmen - using Malone as the conduit.

In San Diego, Galardi and Malone hoped for the repeal of a law banning touching between strippers and patrons.

Compared to other defendants who opted for a trial rather than pleading guilty, Galardi did not get big breaks from judges in either city. For example, in San Diego, former Councilman Ralph Inzunza was given 21 months - three months more than Galardi. And in Las Vegas, ex-politician Mary Kincaid-Chauncey received a 30-month sentence, the same as Galardi.

After his sentencing, Galardi told reporters he had talked to his children about his prison term, and said he was anxious to serve the time and move on with his life. He named and thanked each of the San Diego prosecutors and FBI agents who handled his case, saying they treated him with respect.

"For me it's been four years of pure hell," Galardi said. "I'm just glad it's behind me. I just want to get (prison time) over with."

When asked about his plans, Galardi said he would like to leave the adult entertainment business. His father owns more than 40 clubs across the nation, he said, which he expects to inherit and eventually sell for about \$500 million. "I don't think I'd have to work again," Galardi said.

He said he was willing to cooperate with the government immediately after the case became public but before indictments were issued "because I knew I did it." Galardi said he gave in to a culture of corruption in Las Vegas, and brought it to San Diego.

"I grew up in Vegas and that is just part of how you do business," Galardi said. "I think people feel the same way everywhere about politicians - people think they're all corrupt, and I agree with them."

In the San Diego case, neutral U.S. Probation officers had recommended a harsher sentence of 30 to 37 months based on their conclusion that Galardi took a leadership role in the conspiracy.

Prosecutors, however, had argued that Malone - not Galardi - was the ringleader. They calculated Galardi's potential sentence under federal guidelines to be 18 to 24 months, but asked the judge to impose just one year because of his quick guilty plea and his extraordinary level of cooperation.

Miller agreed with the government, ruling Thursday that although Galardi provided the money for the bribes, he did not plan and direct the scheme, and therefore did not deserve the harsher sentence.

Prosecutor Robert Ciaffa said Thursday that the government was satisfied with the sentence. "We believe it balances the severity of the offense with Galardi's cooperation in this case."

Galardi was indicted in San Diego in August 2003 on fraud, extortion and conspiracy charges, along with Malone and then-Councilmen Inzunza, Michael Zucchet and Charles Lewis. A jury convicted Malone, Inzunza and Zucchet in July 2005, but Miller overturned Zucchet's conviction. Prosecutors are appealing that ruling. Lewis died before the trial began.

Inzunza is free on bond, pending appeal of his conviction. Malone was sentenced to three years in the San Diego case and six years in the Las Vegas case.

Attorneys for Zucchet and Inzunza attended the sentencing Thursday but declined to comment.