Mustapha Farrakhan, son of Nation of Islam leader Louis Farrakhan, is a part-time Harvey police officer, but he hasn’t worked a shift in more than 4 years.

KIM JANSSEN REPORTS | 6-7

Mustapha Farrakhan, left, and (far left) with his father in 2007. | JOHNNY CRAWFORD—AP (RIGHT)
THE WATCHDOGS

THIS WEEK BY DAN MIHALOPOULOS

MORE UNO MONEY WENT TO INSIDER

WEEKS AFTER FERDINAND "FRED" D'ESCOOTO STEPPED DOWN FROM THE BOARD OF THE UNITED NEIGHBORHOOD ORGANIZATION, HIS COMPANY, D'ESCOOTO INC., GOT ITS FIRST CHECK FROM THE INFLUENTIAL CHARTER-SCHOOL OPERATOR TOWARD WHAT NOW TOTALS MORE THAN $18.8 MILLION IN STATE-FUNDED PAYMENTS.

BUT D'ESCOOTO INC.'S TIES TO UNO — PART OF A PATTERN OF INSIDER HIRING NOW UNDER SCRUTINY BY STATE AUTHORITIES — DATE BACK YEARS BEFORE THAT, INTERNAL DOCUMENTS OBTAINED BY THE CHICAGO SUN-TIMES SHOW.

THE PRIVATE, NOT-FOR-PROFIT ORGANIZATION ALREADY HAD BEEN USING D'ESCOOTO'S CHICAGO CONSTRUCTION-MANAGEMENT COMPANY FOR THREE YEARS TO DO REHABILITATION WORK ON ITS LARGE TAXPAYER-FUNDED CHARTER SCHOOLS, THE RECORDS SHOW.

AND IT DID SO EVEN AS D'ESCOOTO WAS A MEMBER OF UNO'S BOARD AND WHILE HIS BROTHER MIGUEL D'ESCOOTO WAS BOTH A TOP EXECUTIVE AT UNO AND A MEMBER OF D'ESCOOTO INC.'S BOARD, STATE AND CITY GOVERNMENT DOCUMENTS SHOW.

UNO AND ITS CHARTER-SCHOOL NETWORK HAVE PAID D'ESCOOTO INC. $570,691 FOR ITS WORK ON THE RENOVATION PROJECTS AND FOR SCOUTING LOCATIONS FOR NEW SCHOOLS, ACCORDING TO UNO RECORDS.

NEARLY $300,000 WAS INVOICED DURING THE TIME MIGUEL D'ESCOOTO SIMULTANEOUSLY WORKED FOR UNO AND SAT ON THE BOARD OF HIS BROTHER'S COMPANY.

IN FEBRUARY, THE SUN-TIMES REPORTED THAT UNO USED MONEY FROM A $98 MILLION STATE SCHOOL-CONSTRUCTION GRANT TO HIRE D'ESCOOTO INC. AND OTHER COMPANIES WITH TIES TO THE ORGANIZATION AND ITS LEDERS. UNO THEN SUSPENDED D'ESCOOTO INC., MIGUEL D'ESCOOTO RESIGNED FROM HIS $200,000-A-YEAR POST AS UNO'S SECOND-IN-COMMAND AND THE STATE'S EXECUTIVE INSPECTOR GENERAL OPENED AN INVESTIGATION INTO THE ORGANIZATION'S HANDLING OF THE STATE GRANT.

UNO SAID IT HAD DONE NOTHING WRONG BUT WAS BRINGING IN A FORMER FEDERAL JUDGE, WAYNE ANDERSEN, TO REVIEW ITS CONTRACTING PRACTICES AND ITS HANDLING OF THE STATE GRANT — FUNDING THAT WAS ENGINEERED BY HOUSE SPEAKER MICHAEL MADIGAN (D-CHICAGO) AND APPROVED BY THE ILLINOIS LEGISLATURE IN 2009. ANDERSEN WOULDN'T COMMENT.

UNO OFFICIALS HAD SAID THAT ANDERSEN'S REVIEW AND RECOMMENDATIONS WOULD BE COMPLETED BY THE END OF MARCH.

THEY DECLINED TO ANSWER QUESTIONS FOR THIS STORY, INSTEAD ISSUING A WRITTEN STATEMENT THAT SAYS: "UNO RECOGNIZES THE NEED TO UPDATE AND IMPROVE ITS INTERNAL PROCUREMENT PROCESS TO MATCH OUR RAPID GROWTH. WE HAVE SAID WE CAN DO BETTER, AND WE WILL ANNOUNCE NEW
university of more than 6,500 students, has 13 schools across the city of Chicago, with a total of more than 6,500 students, most of them Hispanic and from low-income families. Its clout has grown as fast as its charter network. One sign of that growing influence: Rangel co-chaired Rahm Emanuel’s successful campaign to succeed Daley as mayor in 2011.

Before winning the $98 million state grant, which is believed to be the largest in the city, UNO’s charter efforts had focused on rehabilitating old school buildings it leases from the Archdiocese of Chicago.

UNO officials note that the renovations have been financed by borrowing more than $70 million through public bond offerings. But they rely on the tens of millions of dollars a year they get from the Chicago Board of Education—which agreed Feb. 27 to renew UNO’s charter agreements for five years—to repay the borrowed money and cover the costs of running UNO’s schools.

D’Escoto Inc. began work on renovation projects in 2007. Fred d’Escoto remained on the boards of UNO and its charter network until June 2010, when he resigned. He had been secretary of both boards.

Under UNO’s conflict-of-interest policy at the time, its board members were allowed to do business with the organization but had to disclose the relationship to the board and receive approval.

In 2008, a year after he became an UNO executive, Miguel d’Escoto was elected treasurer of the d’Escoto Inc. board, according to company records filed with City Hall. He stepped down from the board of his brother’s company in January 2011 and was replaced as its treasurer by his son, Miguel T. d’Escoto.

The father resigned Feb. 12 as UNO’s senior vice president of operations and chief of staff.

City and state records show another UNO official, Cesar Santoyo, who was vice president of capital and construction projects, also was on the d’Escoto Inc. board at the time the company was doing work for UNO.

Santoyo—who left UNO a year ago—is a Bervyn alderman. He says he doesn’t know whether Rangel knew of his involvement with d’Escoto Inc. He adds that he didn’t oversee d’Escoto Inc.’s contracts with UNO while he was on the company board and quit the board because the company was seeking more business with UNO.

“It was a conscious decision to step down, to avoid a conflict of interest, or the appearance of a conflict of interest,” Santoyo says.