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February 18, 2015

Hon. Chris Lauzen, Chairman

Hon. John Cunningham, Kane County Clerk

Members of the Kane County Board

Ladies and Gentlemen,

The Office of the Kane County Auditor has completed a limited scope review of the Economic Interest Statements (EIS) collected and maintained by the Kane County Clerk for the filing period ended May 1, 2014. The objectives of the review were to ensure that all persons identified by their respective “units of government” – i.e. office, department, board, commission, etc. – as being subject to the Illinois Governmental Ethics Act, 5 ILCS 420 / 4A-101 to file an EIS had complied with filing requirements. The scope of the review was limited to those “units of government” classified as “county departments” by the Kane County Clerk. The review procedure was limited to verification that all required EIS were filed on a timely basis, that the forms were available for inspection and copying on the website, and a compilation of any responses to the questions.

**Summary of Findings:**

- All persons identified by their respective units of government as being required to file an Economic Interest Statement under the Illinois Governmental Ethics Act, as described above, filed those statements with the Kane County Clerk; and,
- The filing system implemented by the Kane County Clerk complies with the requirements of the Illinois Governmental Ethics Act, 5 ILCS 420/4A-108 which also provide that the contents of the forms filed on the internet are available for inspection and copy on a publicly accessible web site.
- Other than for elected officials and those individuals working directly under the control of that office, the Kane County Clerk does not establish a roster of persons required to file an EIS. Rather, it is the responsibility of each “unit of government” to create such a list.

- As an example, these persons are required to file an EIS:
  - (1) All elected officials,
  - (2) All members of Boards or Commissions, unless they function only in an advisory capacity, and
  - (3) All government employees who function as a department head. Additionally any employees that (a) have responsibility over contracts, (b) have authority to approve licenses or contracts, (c) are involved with arbitration, (d) have authority to promulgate rules or regulations, (e) have supervisory responsibility for 20 or more employees, or (f) hold a position that requires a school administrative certificate are also required to file an EIS.

The EIS identifies the individual the applicable “unit of government”. Some individuals file an EIS for multiple units of government. For example, all Kane County Board members are also Forest Preserve Commissioners and their EIS will list both entities.

The EIS also asks each individual to respond to eight (8) questions, providing additional detail for any question that is not answered “none” or “not applicable”. The questions included on the EIS for the filing period subject to the May 1, 2014 deadline were summarized as follows;

1. List the name and instrument of ownership in any entity doing business with a unit of government in relation to which the person is required to file. In which the ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends in excess of \$1,200 were received during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description.) No time or demand in a financial institution, nor any debt instrument shall be listed.
2. List the name, address and type of practice of any professional organization in which the person making the statement was an officer, director, associate, partner or proprietor or served in any advisory capacity, from which income in excess of \$1,200 was derived during the preceding year.
3. List the nature of professional services rendered (other than to the unit or units of local government in relation to which the person is required to file) and the nature of the entity to which they were rendered if fees exceeding \$5,000 were received during the preceding calendar year from the entity for professional services rendered by the person making the statement. (Professional services” means services rendered in the practice of law, accounting, engineering, medicine, architecture, dentistry, or clinical psychology.)
4. List the identity (including the address or legal description of real estate) of any capital asset from which a gain of \$5,000 or more was realized during the preceding calendar year.

5. List the name of any entity and the nature of the governmental action requested by any entity that has applied to a unit of local government in relation to which the person must file for any license, franchise or permit for annexation, zoning or rezoning of real estate during the preceding calendar year if the ownership interest of the person filing is in excess of \$5,000 fair market value at the time of filing or if income or dividends in excess of \$1,200 were received by the person filing from the entity during the preceding calendar year.
6. List the name of any doing business with a unit of local government in relation to which the person is required to file from which income in excess of \$1,200 was derived during the preceding calendar year other than for professional services and the title or description of any position held in that entity. No time or demand deposit in a financial institution nor any debt instrument need be listed.
7. List the name of any unit of government which employed the person making the statement during the preceding calendar year other than the unit or units of government in relation to which the person is required to file.
8. List the name of any entity from which a gift or gifts, or honorarium, valued singly or in the aggregate in excessive \$500, was received during the preceding calendar year.

### **Review Recap:**

A comprehensive review was performed to verify that all persons required to file an Economic Interest Statement have done so on a timely manner. Additionally, the forms were examined to verify that they were in compliance with the amendments to the Illinois Governmental Ethics Act, that they were available for inspection and copying on the website.

- 41 “units of government” categorized as “county departments” included in the review.
- 329 separate positions were identified as being subject to the filing of an EIS.
- 285 unique individual persons filed an EIS, with 44 of them being subject to filing under more than one “unit of government.”
- 51 were filed after May 1<sup>st</sup> deadline, but within an allowed extension.
- 3 were filed after the May 1<sup>st</sup> deadline because their appointments were not effective until after that time.

A compilation of the response to the questions (as previously described) is summarized as follows. Please note that all EIS statements were examined, but in the case of individuals filing under multiple units of government only a single response was included in this summary to avoid duplication.

Question Summary	Number of Responses
1-Ownership interest greater than \$5,000 and dividends greater than \$1,200 from an entity doing business with the County	6
2-Professional organization with income greater than \$1,200	23
3-Professional service fees received greater than \$5,000	8
4-Capital gains realized greater than \$5,000	10
5-Filing fees paid by entity with ownership interest greater than \$5000	0
6-Entity doing business with the County with non-professional service Income greater than \$1,200	3
7-Employment with another unit of government	13
8-Received a gift or honorarium valued in excess of \$500 from an entity	0

**Review Findings:**

The Economic Interest Statements collected and maintained by the Kane County Clerk comply with the Illinois Governmental Ethics Act. The Kane County Clerk office collections of the statements are a highly transparent resource for the general public to examine.

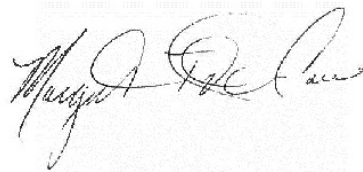
Please feel free to contact the Auditor's office with any questions.

Sincerely,

OFFICE OF THE KANE COUNTY AUDITOR



Terry Hunt – Kane County Auditor



Margaret Todd-Cave – Staff Auditor