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2019 ECONOMIC INTEREST STATEMENT REVIEW

The Office of the Kane County Auditor has completed a limited scope review of the 2019 Economic Interest Statement (EIS) collected and maintained by the Kane County Clerk.

AUDIT OBJECTIVE

To ensure that all persons identified by their respective units of government, limited to those units of government classified as “county departments,” as being subject to the Illinois Governmental Ethics Act, 5 ILCS 420 / 4A to file an Economic Interest Statement, have complied with the filling requirements.

BACKGROUND

Under the Illinois Governmental Ethics Act, 5 ILCS 420/4A, the Economic Interest Statement is completed annually.

Who is involved?

There are four parties involved in the process:

- 1) County Clerk
- 2) Unit of government
- 3) Filer
- 4) State Board of Elections

The County Clerk is overall responsible for the process. He is required to maintain a list of required filers obtained from the units of government, send out the Economic Interest Statement forms, track responses, post responses, collect fees and penalties from any late filers, communicate the results to the State Board of Elections, and consult with the State Attorney on appropriate action over late filers and or non-filers.

The unit of government is responsible for notifying and providing a written list to the County Clerk of required filers. Below is a list of required filers, applicable to Kane County:

- 1) *Persons who are elected to office in a unit of local government and candidates for nomination or election to that office (5 ILCS 420/4A-101(g))*
- 2) *Persons appointed to the governing board of a unit of local government and persons appointed to a board or commission of a unit of local government who have authority to authorize the expenditures of public funds, unless their function is in an advisory capacity. (5 ILCS 420/4A-101(h))*
- 3) *Persons employed by a unit of local government and are compensated for services as employees and not as independent contractors (5 ILCS 420/4A-101(i))*
 - a. *(1) the head of the department or who exercise similar authority within the unit of local government*
 - b. *(2) have direct supervisory authority or can enter / negotiate a contract greater than \$1,000*
 - c. *(3) have authority to approve licenses and permits*
 - d. *(4) can adjudicate, arbitrate, decide any judicial or administrative proceedings*
 - e. *(5) have authority to issue or promulgate rules and regulations within areas under the authority of unit of government*
 - f. *(6) have supervisory responsibility for 20 or more employees of the unit of local government*
- 4) *Persons employed by the school district in positions that require that person to hold an administrative or chief school business official endorsement (5 ILCS 420/4A-101(k))*

The filer is responsible for accurately completing the form by the respective due date.

The State Board of Elections receives a list from the County Clerk of those who have filed statements.

What is the timeline?

The process kicks off at the start of the new fiscal year with the Kane County Clerk sending out reminders to the units of government to complete their list of filers. The process then ends with the County Clerk submitting the results to the State Board of Election by June 1 and posting the results.

Below is a more in-depth timeline of events:

TIME OF YEAR	PROCESS
December 1	Process begins
February 1	Units of government due date to notify the County Clerk on who is required to file
On or before April 1	County Clerk's due date to send out the EIS form
May 1	Filers due date to complete the EIS form
May 2	Required filers, who do not complete the EIS form by May 1, may be subject to a \$15 late fee.
May 2 – 8 (7 days after due date)	County Clerk's period of time to notify individuals who did not file on time
May 16	Required filers, who do not complete the EIS form by May 15, may be subject to a \$100 per day penalty and the \$15 late fee.
After May 31	Required filers, who do not complete the EIS form by May 31, may be found guilty of a Class A misdemeanor.
June 1 (30 days after due date)	County Clerk's due date to send results to the State Board of Elections

How does the form look?

The Economic Interest Statement form asks each filer to respond to eight questions, providing additional detail for any questions that are not answered “none” or “not applicable”. The questions per the 2019 Economic Interest Statement are listed below:

Question 1: List the name and instrument of ownership in any entity doing business with a unit of local 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 \$5,000.00 fair market value or from which dividends in excess of \$1,200.00 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 deposit in a financial institution, nor any debt instrument shall be listed.

Question 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 \$1,200.00 was derived during the preceding calendar year.

Question 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 \$5,000.00 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.)

Question 4: List the identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000.00 or more was realized during the preceding calendar year.

Question 5: List the name of any entity and the nature of the governmental action requested by any entity which 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 \$5,000.00 fair market value at the time of filing or if income or dividends in excess of \$1,200.00 were received by the person filing from the entity during the preceding calendar year.

Question 6: List the name of any entity doing business with a unit of local government in relation to which the person is required to file from which income in excess of \$1,200.00 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.

Question 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.

Question 8: List the names of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500.00, was received during the preceding calendar year.

Where does the filer complete the form?

Most forms are completed electronically through the Kane County Clerk's Statement of Economic Interests Online website.

See (<https://kaneis.countyofkane.org/SEIOnline/PublicSearch/LoginMaster.aspx>), but paper copies also still accepted. The website is used to meet the requirements for the Illinois Governmental Ethics Act, 5 ILCS 420/4A-108 – *Internet-based systems of filling*. The website is accessible to the public and posts the contents of the statements filed for inspection.

AUDIT PROCEDURES

Performed the following procedures:

1. Reviewed the Illinois Governmental Ethics Act 5 ILCS 420 / 4A – Disclosure of Economic Interests
2. Obtained an understanding of the process
3. Identified the units of government under review
4. Reviewed the reports for units of government under review:
 - a. All Filers
 - b. Multi Filers
 - c. Late Filers
 - d. Non-Filers
 - e. Questions Answered

RESULTS

In 2019, there were 40 units of government under review categorized as Kane County – County Departments.

338 people participated in completing the Economic Interest Statement form. 28 people were identified as “multi-filers,” filers who were listed under multiple units of government, resulting in 379 forms being submitted in total.

There were 5 late filers. 5 filed after the May 1st deadline, but within the allowed extension, while 0 filed after the May 31st deadline. One non-filer was not required to file due to their retirement. As such, all filers 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.

Below is a summary of responses to the questions per the Economic Interest Statement form:

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	10
2-Professional organization with income greater than \$1,200	28
3-Professional service fees received greater than \$5,000	13
4-Capital gains realized greater than \$5,000	14
5-Filing fees paid by entity with ownership interest greater than \$5000	7
6-Entity doing business with the County with non-professional service income greater than \$1,200	4
7-Employment with another unit of government	19
8-Received a gift or honorarium valued in excess of \$500 from an entity	2

Note: All Economic Interest Statement forms 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.

CONCLUSION

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


The Auditor's Office would like to thank all those who assisted us in our review. Your cooperation and generous assistance is greatly appreciated.

Respectively submitted,

OFFICE OF THE KANE COUNTY AUDITOR



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