



## Office of the Kane County Auditor

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## 2020 ECONOMIC INTEREST STATEMENT REVIEW

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The Office of the Kane County Auditor has completed a limited scope review of the 2020 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 filing 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-101.5(a))*
- 2) *Persons appointed to the governing board of a unit of local government, or of a special district, and persons appointed to a zoning board, or zoning board of appeals, or to a regional, county, or municipal plan commission, or to a board of review of any county, 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-101.5(b))*

- 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-101.5(c))*
  - a. *the head of the department or who exercise similar authority within the unit of local government (1)*
  - b. *have direct supervisory authority or direct responsibility for the formulation, negotiation, issuance, or execution of contracts entered into by the local government in the amount of \$1,000 or greater (2)*
  - c. *have authority to approve licenses and permits (3)*
  - d. *can adjudicate, arbitrate, decide any judicial or administrative proceedings (4)*
  - e. *have authority to issue or adopt rules and regulations within areas under the authority of unit of government (5)*
  - f. *have supervisory responsibility for 20 or more employees of the unit of local government (6)*
- 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-101.5(d))*

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 and posting the results.

The timeline, in 2020, was impacted due to the COVID-19 pandemic and delayed the original dates by 2 months. State Statute 5 ILCS 420/ Illinois Governmental Ethics Act was updated June 12, 2020 (P.A. 101-640) and suspended the filing due date to August 1, 2020. All respective deadlines were adjusted accordingly.

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
July 6 <sup>th</sup>	County Clerk recent EIS form with revised due dates
August 1 <sup>st</sup> (original date May 1)	Filers due date to complete the EIS form (extension on due date granted by Executive Order)
August 2 <sup>nd</sup> (original date May 2)	Required filers, who do not complete the EIS form by August 2nd, may be subject to a \$15 late fee.
Aug 2nd – Aug 8th (7 days after due date) (original date May 2 – May 8)	County Clerk's period of time to notify individuals who did not file on time
August 16 <sup>th</sup> (original date May 16)	Required filers, who do not complete the EIS form by Aug 15th, may be subject to a \$100 per day penalty and the \$15 late fee.
After August 31 <sup>st</sup> (original date May 31)	Required filers, who do not complete the EIS form by Aug 31st, may be found guilty of a Class A misdemeanor.
August 31 <sup>st</sup> (30 days after due date) (original date June 1)	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 2020 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 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 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 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) to each entity from which income exceeding \$5,000 was received for professional services rendered during the preceding calendar year by the person making the statement.

*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 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 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://kaneeis.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 2020, there were 41 units of government under review categorized as Kane County – County Departments.

344 people participated in completing the Economic Interest Statement form. 27 people were identified as “multi-filers,” filers who were listed under multiple units of government, resulting in 386 forms being submitted in total.

There were seven (7) late filers as of the County Clerks filing deadline of August 1<sup>st</sup>. All seven (7) late filers were subject to a late fee, however one person who filed after the August 1<sup>st</sup> deadline had the late fee waived. This year, one person qualified as a non-filer since this person did not serve on a board in 2020 and was not required to file. 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:

<b>Question Summary</b>	<b>Number of Responses</b>
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	30
3-Professional service fees received greater than \$5,000	22
4-Capital gains realized greater than \$5,000	22
5-Filing fees paid by entity with ownership interest greater than \$5,000	4
6-Entity doing business with the County with non-professional service income greater than \$1,200	7
7-Employment with another unit of government	21
8-Received a gift or honorarium valued in excess of \$500 from an entity	0


*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, except for using the August 1<sup>st</sup> filer deadline changed in the Statute.

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

OFFICE OF THE KANE COUNTY AUDITOR



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