

STATEMENT OF ECONOMIC INTEREST REVIEW
MAY 1, 2010 FILING DEADLINE

INTRODUCTION

According to 5 ILCS 420/4A-101 of the Illinois Compiled Statutes, the following persons shall file verified written statements of economic interest with the Kane County Clerk:

1. Elected officials and candidates for nomination or election to that office.
2. Citizens appointed to zoning board of appeals, plan commission, board of review and any other governing boards for the County of Kane.
3. Employees who receive compensation for services rendered and are as follows:
 - a. Department Heads
 - b. Supervisor with direct responsibility for the formulation, negotiation, issuance or execution of contracts in an amount of \$1,000.00 or greater.
 - c. Authorized to approve licenses and permits.
 - d. Authorized to adjudicate, arbitrate or decide any judicial or administrative proceeding. Also, authorized to review this action taken by others.
 - e. Authorized to issue or promulgate rules and regulations.
 - f. Supervisors with responsibility for 20 or more employees.

Persons subject to filing requirements must disclose any economic interest specified in section 4A-102 on a form provided by the County Clerk.

Candidates for elective office receive their statements of economic interest forms with their nomination petitions. The County Clerk will request certification from Elected Officials and Department Heads for the names of employees in their departments who satisfy the criteria in 3 (a-f) above. Likewise, requests will be submitted to Elected Officials and governing boards for certification in accordance with the criteria in 1 and 2 above. The certification deadline is set by state statute. When persons required to file are certified, the County Clerk will submit to them a Statement of Economic Interest form on or before April 1 of each year.

Candidates for elective office must file their statement of economic interest form with their nomination petitions unless this form has been filed with the government unit within a year preceding the deadline. All other persons required to file a statement of economic interest form must do so by May 1 of each year. An exception is when a person takes office or is otherwise required to file a statement of economic interest form within 30 days prior to May 1 of the year. Then, the deadline is extended to May 31 without penalty.

Within seven (7) days after the May 1 filing deadline, the County Clerk will notify each person who has failed to meet this deadline by certified mail. Such person shall file their statement of economic interest form by May 15 along with a \$15.00 late filing fee. Any such person who fails to file by May 15 shall be subject to a penalty of \$100.00 per day from May 16 until their filing date. This penalty shall be assessed in addition to the \$15.00 late filing fee. Failure to file a statement of economic interest form by May 31 shall result in forfeiture according to Section 4A-105 of this Act. Also, within seven (7) days of the May 31 filing deadline provided for exceptions, the County Clerk will notify each person who has failed to meet this deadline by certified mail. Such person shall file their statement of economic interest form by June 15 along with a \$15.00 late filing fee. Any such person who fails to file by June 15 shall be subject to a penalty of \$100.00 per day from June 16 until their filing date. This penalty shall be assessed in addition to the \$15.00 late filing fee. Failure to file a statement of economic interest form by June 30 shall result in forfeiture according to Section 4A-105 of this Act. This section provides for forfeiture of office or position of employment when prior notification has been given by the County Clerk. In the absence of prior notification, there will be a 30-day grace period from the actual notice by the County Clerk of failure to file a statement of economic interest.

From the certified lists, the County Clerk shall compile an alphabetic listing of persons required to file statements of economic interest. Within thirty (30) days after due dates, the County Clerk shall mail to the State Board of Elections a true copy of that listing which identifies those who have filed statements of economic interest. Persons on the listing who have failed to file a statement of economic interest before the filing deadline shall be noted on this listing by the County Clerk and a copy of same is sent to the State’s Attorney office.

SCOPE OF EXAMINATION

Statements of economic interest forms for county employees and appointees were filed in a “County Board” folder. Offices, departments and commissions were separated within the “County Board” folder. When an employee of another governmental unit served on the county board or commission, the statement of economic interest was filed with the other governmental unit. Documents for county employees required to file and members of county commissions were reviewed for the filers compliance with the requirements of 5 ILCS 420/4A.

RECAP OF FILING INFORMATION

| <u>Responses to questions on the form</u> | <u>Number of responses</u> |
|---|----------------------------|
| #1 Ownership > \$5,000 and dividends > \$1,200 from entity doing business with County | 10 |
| #2 Professional organization with income > \$1,200 | 19 |
| #3 Professional service fees received > \$5,000 | 12 |
| #4 Capital gain received > \$5,000 | 4 |
| #5 Filing fees paid by entity with ownership interest > \$5,000 | 2 |

| | |
|---|----|
| #6 Entity doing business with County has non-professional services income > \$1,200 | 9 |
| #7 Employment with another unit of government | 20 |
| #8 Received a gift or honorarium > \$500 from an entity | 3 |

FINDINGS

FILING EXCEPTION

| | |
|---|----|
| Form filed after deadline | 24 |
| No filing date identified by filer on form | 22 |
| Form not signed by filer | 2 |
| Forms missing in designated files | 18 |
| Fines assessed for late filing | 13 |
| Fines collected for late filing | 13 |
| Unable to determine whether assessed or collected | 11 |

For the filers who did not enter the filing date, we recognized the date received by the County Clerk as the official filing date. Of the forms filed after May 1, 2010 filing deadline, we were not able to determine whether fine assessment notices were mailed to delinquent filers. The only notation on a form received was an amount less than the statutory assessment for the term of delinquency. A written notice is required to enforce the statutory penalty for failure to file.

CONCLUSION

For Kane County offices, departments, boards and commissions, statement of economic interest forms are imprinted with the name of the filer and all that apply. It was not considered necessary to identify them in the question pertaining to employment with another unit of government.

Statements of Economic Interest files with the County Clerk are properly categorized. The number of missing forms is due primarily to the original form being filed with another taxing body or commission. We requested verification of their compliance from filers whose forms we were unable to locate and only received nine replies from eighteen requests mailed. With assistance from the County Clerk’s office, we were able to account for four filers who did not respond to our request. The County Clerk’s office does not have a record of filings by the other non – responders.

Questions were not answered on seven forms available for our inspection. We had requested a ruling in a previous audit and the State’s Attorney opined that unanswered questions do not represent an invalid filing of a Statement of Economic Interest.

RECOMMENDATION

When the original form is filed with another taxing body or commission, a photo copy of the form should be placed in the required Kane County government file.

Since we were unable to account for every person identified for a filing requirement, the County Clerk's office should investigate the reason for non-compliance and request that the State's Attorney impose the required statutory sanctions.

In accordance with KCC Sec. 2-192 (c) (2) "within thirty (30) days of receipt of the internal audit report, each county officer, agent or division shall submit a written response to the county auditor, outlining the action that has been taken in response to the recommendations made by the auditor."

Respectively Submitted,

William F. Keck, CPA
County Auditor

John F. X. Harahan
Deputy Auditor

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