

REPORT TO THE BOARD OF
TRUSTEES OF THE VILLAGE OF
WESTCHESTER REGARDING
INVESTIGATION OF VILLAGE
ASSETS AND EXPENDITURES
RELATED TO THE PROPOSED
VILLAGE HALL RELOCATION

NOVEMBER 2022

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I. EXECUTIVE SUMMARY

Akerman LLP and StoneTurn Group LLP were engaged by the Village of Westchester to conduct an independent investigation regarding various aspects of the Village's finances, including its use of credit cards, contractual arrangements and expenditures related to the proposed relocation of the Village Hall, the Police Department, and the Public Works Department, and other related matters. All of the conduct and transactions we reviewed took place during the tenure of former Village Manager Paul Nosek ("Nosek"), which began on July 15, 2019, and ended upon his resignation on April 25, 2022. We were also asked to make recommendations to the Village regarding its internal controls, policies, and practices. Akerman and StoneTurn had full discretion and independence in the conduct of the investigation.

During the course of the investigation, we found numerous examples of policies and procedures being ignored and, in some instances, what appear to have been deliberate efforts to bypass required controls. For example, we found numerous instances of agreements for services involving more than ten thousand dollars, and in at least two instances, hundreds of thousands of dollars, not being memorialized in a written contract. Similarly, the Purchasing Manual's requirements for obtaining quotes or conducting a competitive bidding process were at times bypassed or simply ignored. Exemptions to the competitive bidding requirement also appear to have been utilized without appropriate oversight.

Regarding the relocation project, we found evidence that Nosek mismanaged the project. We also found evidence that Nosek at times withheld information from the Board, provided inaccurate information to the Board, and repeatedly circumvented existing procurement policies and procedures. The result was that the Board was on some occasions acting based on incomplete or inaccurate information. The Board also appears to have deferred certain decisions to Nosek's judgment without asking relevant or probing questions.

Finally, we find that the Village should undertake a thorough review of its policies and internal controls related to the Purchasing Manual, the Personnel Manual, and its Municipal Code for the purpose of tightening and harmonizing the various provisions dealing with procurement, contracting, due diligence, ethics, and enforcement. We also find that training and education on key policies, together with greater oversight, especially of the Village Manager, is needed to ensure compliance with the Village's policies.

The Appendix contains summaries of invoices and payments for the vendors discussed in the Report, as well as StoneTurn's analysis regarding the payroll discrepancy issue.

II. BACKGROUND, SCOPE, AND CONDUCT OF INVESTIGATION

A. BACKGROUND

The Village retained Akerman, LLP and StoneTurn Group, LLP in June 2022 to conduct this investigation. The initial phase of the investigation focused on certain employees of the Village and allegations of misconduct surrounding the use of a Village-issued credit card for personal use.

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As part of that initial phase, we discovered evidence that the Village's former Director of Public Works had directed the use of the credit card for the personal benefit of Nosek in 2020. Our Initial Report was provided to the Board on July 2, 2022.

This second phase of the investigation focused primarily on the circumstances surrounding various contracts and expenditures incurred by the Village in relation to the proposed relocation of the Village Hall, Police Department, and Public Works Department. At the time Nosek resigned in April 2022, serious questions had been raised regarding several of the transactions related to the relocation and we were asked to conduct an independent investigation into those matters. This Report addresses those transactions and related concerns.¹

B. PROCESS/METHODOLOGY

1. Document and Record Review

Working in conjunction with Shari Schindler, CPA, CFE, CAMS, of StoneTurn, our inquiry included reviewing and analyzing documents, conducting interviews and researching publicly available sources.

Regarding documents, we initially received over 73,000 documents from the Village, including Nosek's Village email account. These documents were collected by Akerman and placed in a secure database. We then applied select key search terms designed to identify those documents most relevant to our investigation. That process resulted in the identification of approximately 14,500 documents. Akerman paralegals then conducted a detailed review and identified approximately 700 key documents, which we have used to help inform this Report.

It must be noted that we did not have access to the personal email accounts of any of the potential witnesses. We saw evidence in certain Village emails that Nosek on occasion used what appears to be a personal email account. We also note that Michael Gatto ("Gatto"), the Owner's Representative hired by the Village in relation to the relocation project exclusively used his personal email to communicate with Nosek and others in relation to the project. Gatto did not have a Village email account. Neither Nosek nor Gatto cooperated with our investigation, so, other than as noted above, we did not have access to any communications related to Village business utilizing their personal email accounts. We also submitted written requests to certain witnesses, e.g., Richard Neubauer and Rick Sidor, for all email communications with Nosek or others related to Village business,² but they declined to provide those emails. Finally, we did not have access to any witness's text messages.

¹ We were also asked to look at a certain payroll discrepancy identified by Village staff after Nosek's resignation, and that matter is also addressed herein. In addition, during the course of our investigation we also discovered evidence bearing on the initial phase of our work. That evidence is addressed in a supplemental report that is being provided to the Board.

² We were careful in our requests to make clear that we only sought communications related to Village business and not any communications of a personal nature.

2. Witness Interviews

We conducted seven witness interviews. These included former Village employees Melissa Fecarotta and Melissa Headley, Peter Ousley of d'Escoto, James Thormeyer of Charles Vincent George Architects, Acting Village Manager Greg Hribal, Village Attorney Matt Welch, and Acting Village President Nick Steker. All of these witnesses fully cooperated and answered all of our questions.

However, our investigation was hampered by the lack of cooperation of certain key witnesses. As noted above, neither Nosek nor Gatto agreed to be interviewed or cooperate in any way. Both did so on the advice of their respective attorneys. Similarly, Rick Sidor of EcoTekk, the used office furniture supplier who received over \$192,000 from the Village, refused to be interviewed and even refused to answer written questions. Finally, Richard Neubauer, also refused to be interviewed. His attorney did agree, however, to respond to written questions and those responses are discussed in this Report.

III. APPLICABLE LAWS, ORDINANCES, POLICIES AND PROCEDURES

Our analysis has been undertaken in the context of the applicable laws, municipal ordinances, and Village policies. These include, primarily, the Westchester Municipal Code and the Village's Purchasing Policies and Procedures Manual (hereinafter "Purchasing Manual") and Personnel Policy Manual (hereinafter "Personnel Manual"). We also considered the contracts provided to Nosek that, although unsigned, set out the duties and responsibilities pursuant to which the Board hired and retained him as Village Manager.³

IV. ANALYSIS AND DISCUSSION

A. INDIVIDUALS INVOLVED

1. Paul Nosek

Nosek was originally hired by the Village to serve as its Village Manager in 2019. More specifically, on June 28, 2019, the Board passed a resolution approving an employment agreement and appointing Nosek Village Manager effective July 15, 2019. The authority, duties and responsibilities of the Village Manager are very broad and are set forth in Chapters 2.16.010 and 2.16.020 of the Municipal Code. With respect to the Village Manager's duties concerning contracts and expenditures, Chapter 2.16.020 provides, in part:

2.16.020 - Powers and duties.

The powers and duties of the village manager shall be: ...

³ We have been advised that Nosek never signed any of the employment agreements approved by the Board during his tenure as Village Manager.

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(8) To see that all terms and conditions imposed in favor of the village or its inhabitants in any contract or public utility franchise are faithfully kept and performed;

(9) To make, in the ordinary course of business, all purchases of materials and supplies necessary for the village as provided for in the annual appropriation ordinance; provided, that on purchases of more than ten thousand dollars, he shall first procure the approval of the village board before making such purchases, and in all cases, he shall comply with the statutory provisions as to solicitation of bids;

(10) To comply with the Village of Westchester Purchasing Policies and Procedures Manual.

Thus, Nosek's appointment to the position of Village Manager, and the employment agreement, by incorporation, required Nosek to comply with these and all of the provisions of the Westchester Municipal Code.

According to information received from Hribal and Steker, prior to Nosek being hired, the West Central Municipal Conference ("WCMC") had vetted applicants for the Village Manager position, but then-Trustee Frank Perry expressed dissatisfaction with that process because the WCMC had on a prior occasion identified a candidate who turned out to be disqualified from serving. Thus, the Board decided on this occasion to conduct its own vetting and selection process. Nosek was hired after an internal process whereby the 8 applicants for the position were assigned scores and a list of the top 3 most qualified applicants was presented to the Board for consideration. Nosek was personally known by three of the Board members. Nosek was hired in part based upon his CPA background and the idea was that Nosek would be able to save the Village money by acting in a Finance Director capacity as well.⁴ In Steker's opinion, not much vetting was done of Nosek.

The 2019 agreement, and Nosek's subsequent employment agreements, provided that Nosek could be terminated for cause for, among other things, "a breach of the Manager's duty of loyalty to the Village; any act of dishonesty, fraud, gross incompetence, misconduct, or gross misrepresentation in connection with the Manager's employment activities; the commission by the Manager of...any other act which may cause harm to the Village's standing and reputation; [or] misappropriation of theft of Village property." The agreement provided for Nosek to be subject to an annual Performance Evaluation, but it does not appear that the Board ever evaluated Nosek's performance.⁵

In late March and early April 2022, based on information he had received and also based on his own online research, Steker began questioning Nosek about certain vendors and payments, eventually focusing on Nosek's relationship with Richard Neubauer and some of the companies Neubauer owned that had been doing business with the Village. After Nosek's initial responses, Steker included Village Attorney Welch in the email correspondence. On April 4, 2022, Steker

⁴ This issue is addressed in the Recommendations section of this Report.

⁵ It appears there was some effort in July 2021 to have various department heads fill out an evaluation form for Nosek. Several of the forms are unsigned, while others are incomplete. Regardless, the process represented by these forms is not the process set forth in the Employment Agreement.

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sent Nosek an email requesting detailed information about Nosek's relationship with Neubauer and about the circumstances surrounding Nosek's use of 3 Neubauer-controlled businesses—Unlimited Graphix, UGX and Mow & Snow—to do business with the Village.

On April 5, 2022, Nosek met in person with Steker and Welch. At that time, Nosek provided them with written responses to Steker's questions. Below are the questions posed by Steker and the responses provided by Nosek. We have reformatted the questions and answers from their original format for ease of reference. We have also inserted some of our observations regarding some of Nosek's responses based on the evidence developed during the course of the investigation. Our comments are bulleted in **bold typeface**.

Nosek's Written Responses to Steker's Questions

Q: Who is Richard Neubauer?

A: He is the owner of Unlimited Graphix which has other divisions such as UGX Property Maintenance, UGI Processing, The Mow and Snow Crew and he also has a separate Company Unlimited Design Inc.

Q: How have three separate companies of his been retained to provide Village services?

A: He was helping the Village with a transition in our water bills as well as a few other printing items. Knowing him and the excellent work he does I asked him if he would want to bid on the demolition project. He has the printing and marketing company that has been operating for approximately 27 years and is a well-established business and he owns a 50,000 square foot commercial property that he rehabbed himself along with countless homes that he has rehabbed and flipped. He also owns approximately 12 rental properties in which he has a property maintenance crew. He bid on the demolition services as evidenced by the board records and was successful in his bid and the board awarded him the contract. He did such a good job on the first building he bid on the second and again won the bid and was awarded the contract.

- **There is no evidence that UGX was part of any bidding process with respect to their not to exceed 2315 Enterprise demolition project.**

Q: Is there a personal or professional relationship with you and him beyond the Village?

A: I have known Rick for over 40 years and we have had a friendship and friendly relationship for a long time. We don't vacation together or spend holidays together but I would consider him a friend.

- **In his written responses to our questions, Neubauer confirmed the friendly nature of his relationship with Nosek, but estimated that he had known Nosek for about 32 years.**

Q: Unlimited Graphix. They were paid \$24,990 to administer the Permit Refund Program. This service exceeds \$20k. Why wasn't this brought to the Board for approval?

A: Original contract was for \$19k, they did one more month of work unauthorized and billed us for it. In speaking with them, they agreed that it was not signed off on and would issue a credit or refund depending on what we wanted.

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- **The evidence is inconsistent with this explanation. The written proposal submitted by Unlimited Graphix provided for a 120-day duration of the Permit Refund Project (July through October 2021) for a price of \$19,995.00. They submitted an invoice for \$4,995.00 for maintenance of the project for the month of September – a period that was within the agreed price. That invoice was paid. We have seen no evidence that Unlimited Graphix offered the Village a refund or a credit for this amount.**

Q: How was Unlimited Graphix chosen?

A: Again, they are a printing and marketing firm that has done marketing campaigns for many clients of the 27 years in business. This was the same sort of project, obtain a list, advertise and direct people to a website, track responses and report back to client.

Q: Is there a contract?

A: Yes, as well as a non-disclosure agreement prepared by our Attorney's.

- **We are not aware of any signed contract for these services.**

Q: Did the Village obtain quotes or proposals from other companies?

A: I had a verbal quote from RSM McGladdery of over \$65,000 but nothing in writing.

- **We have seen no evidence or reference to a verbal quote from RSM.**

Q: Are the Permit services over? Are there more invoices expected?

A: Yes, they are over and no more invoices are expected.

Q: Why were invoices submitted at consecutive Board meetings in amounts just under \$10,000.00 (\$9,997.50 at both meetings in November and not included in the invoices over \$10,000.00 table at the front of the Payment Approval Report)?

A: I typically review each individual invoice and not the cover page of the report. That is prepared by A/P and finance department.

Q: Unlimited Graphix was paid \$10,060.38 for services related to our water bills. How was Unlimited Graphix chosen?

A: They had helped me on a similar project in 2 other municipalities and were able to demonstrate how we could save money by utilizing the postcard format along with CAS certifying and reducing the postage rates.

Q: Is there a contract?

A: It was a commodity that was purchased for a period of time, no contract.

Q: Did the Village obtain quotes or proposals from other companies?

A: We compared them to our current vendor and found there was a savings.

Q: Are the water bill services over? Are there additional invoices expected?

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A: We will not incur until we are out of bills and if we have to re-order there would be additional charges.

Q: *They received \$5,239.79 for services related to the Westchester Fest. Same questions as above.*

A: I believe we purchased some signage, PPE, tickets which we have left over for future fests, soundstage banner which we will re-use for festivals in the future.

Q: *UGX has been paid \$255,725.00 to date related to the Enterprise buildings. In August, you stated UGX was lowest bid of four. Please provide docs related to the proposals.*

➤ **See discussion of UGX below.**

Q: *Has UGX completed its services? Are there outstanding invoices?*

A: They have completed their services.

Q: *The Board approved \$215k for the interior demolition. UGX has been paid \$40k over what Board approved.*

A: This relates to power washing and windows at Enterprise.

➤ **The Board approved \$55,000 for the demolition work at the 2305 Enterprise building and an amount not to exceed \$165,000 for demolition work at the 2315 Enterprise building, for a total of \$220,000. The additional work billed by UGX - window sealing (\$19,650) and power washing (\$17,750), totaled \$37,400.**

Q: *Who decided these were separate projects?*

A: I along with the project manager agreed that it was imperative to fix the windows so that they would stop leaking and damaging the interior window sills.

Q: *Why wasn't it included in the original bid for services?*

A: Because nobody knew the damage was there and thought the construction was going to start and why would a window repair job be included in demo? It has nothing to do with demo.

➤ **When we visited the 2315 Enterprise Drive site, interior damage to many window sills was evident.**

Q: *These costs total almost \$40k, why wasn't it brought to the Board for approval?*

A: Because the 2 separate jobs were outside of the scope of work that they bid on and I approved each one at different times for different reasons not related to the demolition contract. We were going into winter with no construction being done and the windows leaking was a big problem.

➤ **The Purchasing Manual requires prior Board approval for expenditures of this kind.**

Q: *Why are the invoices separate?*

A: Same as above.

Q: *The Mow & Snow Crew. They have been paid \$8,000. They aren't incorporated, but have same business address with Unlimited Graphix and UGX. How was Mow & Snow chosen?*

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A: As a last resort. As stated in the board meetings, Public Works director discussed the lack of participation in his attempt to hire our current landscaper for this project and others were not interested either. It was a week before the snow was to come and I reached out to UGX and asked if their small crew of maintenance personnel could handle the project. They said they would give it a shot and without negotiating a better price, accepted my offer to them. The Village subsidized \$5 per household on this project and the residence paid the rest. The Village modeled its program off of the North Riverside program and apparently it was very successful as residents are clamoring for a lawn maintenance program which we are in the process seeking proposals. They will not be part of the program.

- **Payments to Mow & Snow totaled \$19,085.00. In addition, we found no mention of Mow & Snow in the Board meetings on December 21, 2021 or January 6, 2022.**

Q: Is there a contract?

A: No, just the parameters that we set out when we began the process.

Q: Did the Village obtain quotes from other companies?

A: Again, we attempted to and according to Public Works Director Russell, nobody wanted to bid.

Q: Are their services over? Are there additional invoices expected?

A: Yes they are done and we have one more invoice to pay of \$11,085. We billed out \$15,320 to residents and were charged \$3,765.

A: With all of that being said, Unlimited and Rick Neubauer have been able to save us \$250,000 in demo costs compared to the other bidders, enabled us to recognized at a minimum \$500,000 in revenue by performing the search, enabled us to provide a much appreciated senior service that has never been performed at a cost of \$3,765 approximately and serviced about 90 residents. They've not been doing the printing for all of the Village printed items, as they could not compete with some of the prices, example, the newspaper, the Vehicle stickers and police stickers to name a few. They have not attempted to bid on projects outside of their scope, like the remodeling job at Village Hall. They have not solicited or pressured anyone for any other work. They do not handle our clothing, polo's, t-shirts, etc. which they do a lot of work for corporations on. They do not do banner's because we have a cheaper source. The point I am trying to make, is that they do what they are asked in a timely and efficient manner with a lower cost to the Village, which is the reason I solicit their assistance on certain projects. The fact that over the course of 35 — 40 years, we have a friendship does not weigh into the equation.

- **We are not aware of any evidence supporting Nosek's assertion that Neubauer and Unlimited Graphix saved the Village approximately \$750,000 in unspecified costs.**

During the April 5, 2022, meeting between Nosek, Steker and Welch, Nosek admitted that he performed tax work for Neubauer, but that he didn't charge Neubauer much for those services. Nosek attempted to vouch for Neubauer by stating that Neubauer had remodeled Nosek's bathroom for free.⁶

⁶ The evidence shows that Nosek was remodeling his home in 2020. Nosek did not state when Neubauer remodeled Nosek's bathroom. In his written responses to us, however, Neubauer claimed that he helped Nosek re-tile his

On April 12, 2022, Nosek was placed on paid administrative leave and, on April 25, 2022, Nosek submitted his letter of resignation. During the course of our investigation, we reached out to Nosek with a request to interview him. Nosek's attorney responded and advised that Nosek would not agree to be interviewed.

2. Michael Gatto

Michael Gatto ("Gatto") runs a company called Compagno, LLC. Compagno has been registered in the State of Illinois since 2019. Gatto is Compagno's Manager. We were not able to locate a website for Compagno. As noted above, Gatto's attorney told us that Gatto would not agree to speak with us.

In approximately August 2021, Gatto sent Nosek an email containing three attachments. They included a proposal from a company called Total Interior Service, Inc. for demolition services, a proposal from Clune Construction for Design services, and a proposal from Compagno for Owner's Representative services for the Village Hall relocation project. We do not know how Nosek and Gatto met or whether there was any previous connection between them.

On September 14, 2021, the Board approved a resolution for the Village to hire Compagno for Owner Representative services related to the relocation project at 2305 and 2315 Enterprise Drive. There had been no competitive bidding process, but the resolution cited the exemption for professional services contracts. Compagno's agreement⁷ provided that it would provide "services for the design, development, construction and completion of a village hall, police station, and public works facility." The agreement further described the various construction related services Compagno was to provide, including "Manage Contracting Services through completion of the Project" which was anticipated to be within a 275 day timeline. In exchange, the Village agreed to pay Gatto \$90,000.00 at a rate of \$10,000 per month for nine months.

In the months that followed, the evidence shows that Gatto regularly communicated with Nosek and various vendors about different aspects of the project. He also prepared RFPs for the construction work the Enterprise Drive buildings and solicited bids from several contractors.⁸

In October 2021, Gatto prepared a letter in which he advocated for UGX to be awarded the demolition work at the 2315 Enterprise building because they had done such a good job with the demolition work at the 2305 building. On April 7, 2022, Steker met briefly with Gatto. Gatto admitted to Steker that he had created that letter at Nosek's direction and that he (Gatto) had not even been in the 2305 building. During that same meeting, Gatto told Steker that he had no

bathroom "in the early 2000's (about 15 years ago)." If Neubauer remodeled Nosek's bathroom for free during the time that Neubauer's companies were doing business with the Village, it could constitute a violation of the State's Gift Ban Act, as discussed below.

⁷ The copy of Compagno's proposed agreement provided to us is unsigned and it appears that no signed agreement was ever created.

⁸ According to CVG architect James Thormeyer, Gatto was knowledgeable of the construction industry.

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knowledge of the window glazing or power washing work that UGX had supposedly done at the 2315 Enterprise Drive building.

As detailed below in the section on EcoTekk, Gatto introduced EcoTekk's owner, Rick Sidor, to Nosek. Nosek eventually agreed to purchase \$192,000 of used furniture from EcoTekk under unusual circumstances. Because neither Gatto nor Sidor agreed to be interviewed, we do not know the nature of their relationship.

For the period from September 2021 through February 2022, Compagno was paid \$60,000. In June 2022, after Nosek's resignation and after the Village refused to pay any more to Compagno, Compagno's lawyer filed a lien against the buildings at 2305 and 2315 Enterprise Drive. The lawyer demanded payment of \$20,000. To our knowledge, that matter remains unresolved.

3. Richard Neubauer

As noted above, Neubauer refused to be interviewed but did agree, through counsel to submit responses to our written questions. We received his responses on November 3, 2022. Regarding his relationship with Nosek, Neubauer's attorney advised:

"Mr. Neubauer has known Mr. Nosek for many years. In approximately 1990, when Mr. Neubauer bought his first house, Mr. Nosek briefly attended and partially participated in a painting party to help paint the garage. Mr. Nosek left before the garage was completed and never returned. No compensation was paid or received. In late 1993 or early 1994, Mr. Nosek helped Mr. Neubauer set up and understand software for Unlimited Graphix. No compensation was paid or received. In the early 2000's (approximately 15 years ago), Mr. Neubauer helped Mr. Nosek tile his bathroom. No compensation was paid or received. Mr. Paul Nosek, presumably through Nosek & Associates, has provided accounting services to Mr. Neubauer since approximately 1994. Print, promotional products and business supplies were provided by Unlimited Graphix (which has been in business for 28 years) to Nosek & Associates."

Neubauer's other written responses are addressed below in the sections discussing his various entities and their business dealings with Nosek and the Village.

B. ENTITIES INVOLVED

1. D'Escoto, Inc. – Engineering, Planning And Design

D'Escoto, Inc. is a professional engineering firm located in Chicago that has been registered in the State of Illinois since 1977. According to its website, it specializes in civil engineering, construction management and owner's representation.

During the course of our investigation, we interviewed Peter Ousley, who was the lead consultant dealing with Nosek during d'Escoto's engagement with the Village beginning in 2019. Mr. Ousley was cooperative and forthcoming. He explained that he had first met Nosek prior to his being named Village Manager of Westchester. He advised that Nosek was working for another municipality at that time, but that the project he had worked on did not come to fruition.

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On August 6, 2019, Ousley sent an email to Nosek and former Board Chair Frank Perry thanking them for meeting with him earlier that day and discussing future meeting dates and d'Escoto's interest in assisting the Village. Ousley recalled that the meeting and discussions pertained to both a planned relocation of the Village Hall and uses for the existing Village Hall location.

In late September 2019, Melissa Headley prepared a draft RFP that stated, "The Village of Westchester is seeking proposals from qualified consultants for the relocation of Village Hall. The Village desires to develop floor plans for a new village hall in an existing building." Headley sent the draft to Nosek, who approved it, on September 27, 2019. Between October 1 and October 11, 2019, Headley sent the RFP to 6 firms soliciting proposals. These firms were FGM Architects, Kluber Architects + Engineers, Wold Architects & Engineers, Williams Architects, Wight & Company, and StudioGC. We have not found any evidence that she sent the RFP to d'Escoto. Nevertheless, on October 15, 2019, d'Escoto submitted a proposal to Nosek that did not include pricing.

Five of the firms that Headley contacted submitted proposals. Kluber did not. On November 1, 2021, Headley advised Nosek that she had received the proposals and advised him where he could find them on the system. The proposals were as follows:

StudioGC:	\$10,000
Wight & Co.:	\$15,000
Williams:	\$31,100
FGM:	\$19,400
Wold:	\$17,700

Thus, of the proposals received, StudioGC's was the lowest.

During the time that Headley was soliciting these proposals, Nosek was in direct contact with d'Escoto. On November 1, 2019, Nosek asked Ousley to "send a quote in order to engage your firm to do a needs analysis on the Village's space requirements and a particular building we are looking at." On November 11, 2019, d'Escoto submitted a proposal to Nosek for \$14,985. On November 13, 2019, Nosek responded that the proposal looked good, and on November 25th he sent Ousley an email stating, "I would like to accept your proposal and would like to get started as soon as possible." Ousley asked whether Nosek would be sending him a draft agreement and Nosek responded that, "...regarding an agreement, we could use your proposal." Thus, Nosek entered into the agreement with d'Escoto on November 25, 2019. Because the contract value was in excess of \$10,000, he should have first received Board approval. On December 3, 2019, Nosek attended a kickoff meeting with d'Escoto to discuss the Enterprise Drive buildings.

On December 17, 2019, the Board held a meeting. Nosek arranged for the Board to consider the engagement of a firm to provide "space planning" services to the Village for the proposed Village Hall relocation. The Agenda Memo provided that "Staff received 5 quotes for services and has selected the lowest bidder – D'Escoto." This was not true. Nosek also sent an email to Board Member Steker on December 17, 2019 at 4:58 PM, stating "Here you go. Any questions before the meeting and I can have answered." The email included an attachment consisting of the

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proposals received from d'Escoto, Wight & Co., Williams, FGM, and Wold. It did not include the StudioGC proposal, which in fact had been the lowest bid. Nosek also did not disclose to Trustee Steker or any other Trustee that he had weeks earlier entered into an agreement with d'Escoto and that d'Escoto had already been working on the project. The Resolution passed by the Board on December 17, 2019 included a recital that, "WHEREAS, the Village has obtained written quotes from five (5) potential contractors to provide the Services, of which d'Escoto, Inc. has submitted the lowest price quote, in the amount of \$14,985.00; and ..." The Board had no reason to doubt the accuracy of this recital based on the information provided to it by Nosek. To be clear, we have found no evidence that d'Escoto was ever aware of the other proposals or that it or anyone else was aware of Nosek's misleading conduct.

Our review of the evidence, including d'Escoto's work product and communications between Nosek and other Village employees and d'Escoto's representatives, reveal that the company provided extensive services to the Village, including detailed design development, numerous drawings and revised drawings, multiple meetings with Village officials, and budget development.

On February 25, 2020, d'Escoto submitted to Nosek a preliminary budget estimate for the buildout of the 2315 Enterprise Drive location. The estimate was \$5.5 million. Nosek responded, "That's not even close to what I expected." The next day, Nosek advised d'Escoto that, "Our budget is going to be approximately \$1,500,000 max." Shortly thereafter, on March 2, 2020, d'Escoto submitted its invoice for the agreed amount of \$14,985.00, which was paid the next month.

On March 12, 2020, Nosek asked d'Escoto to completely change its drawings to place the Village Hall offices in the 2305 Enterprise location and Public Works and the Police Department in 2315. He asked that they provide the revised drawings by March 23, 2020, the date of the next Board meeting. D'Escoto complied and provided the revised drawings to Nosek on March 20, 2020.

On March 23, 2020, d'Escoto submitted a proposal to Nosek for additional work on the project. On March 27, 2020, the proposal was submitted to Melissa Headley, who acknowledged receipt of the proposal. Among other things, the proposal included development of an RFP for design-build services covering design development through construction completion for the project." It would also include, "development of the scope of work as well as the procurement and preliminary delivery schedule." The proposed cost for this service was \$15,000. We have no evidence that a written contract was ever signed by Nosek for these services. Nevertheless, it appears Nosek agreed to have d'Escoto perform the design-build RFP-related services.

Between late March and mid-April 2020, d'Escoto continued to work with Nosek on revising floor plans and developing a preliminary budget for the buildout of the 2305 and 2315 Enterprise Drive buildings. On June 26, d'Escoto provided yet another set of revised drawings for the 2315 building. In that same communication, Scott Garland of d'Escoto stated, "Please contact me next week to review and discuss possible dates for GC walk-through," suggesting that d'Escoto was by then working on the design-build RFP phase of the project. On July 15, 2020, Garland emailed Nosek to advise him that d'Escoto was drafting the design-build RFP and wanted to meet with Nosek to discuss final design for the RFP. On August 13, 2020, d'Escoto sent Nosek a 19-page draft of the design-build RFP, together with numerous related renderings and detailed spreadsheet templates to be used in conjunction with the RFP process.

Aside from a couple of email exchanges requesting some changes to the drawings, Nosek did not communicate further with d'Escoto, prompting Garland to inquire on August 27, 2020 whether Nosek's team had been making any progress to the point where General Contractor walk-throughs of the facilities could be scheduled. D'Escoto's next communication with Nosek occurred on October 19, 2020, when it submitted its invoice for the design-build RFP work. We found no further communications between Nosek and d'Escoto until March 30, 2021, a period of over 5 months. At that time, Nosek reached out to d'Escoto stating that he'd been very busy and wanting to know if d'Escoto wanted to play a role moving forward. On April 9, 2021, Nosek met with d'Escoto. After the meeting, d'Escoto re-submitted its invoice for the design-build RFP work and also submitted a proposal for Owner's Representative services. After not hearing back from Nosek, on May 17, 2021, d'Escoto sent an email to Nosek asking for payment of its invoice and inquiring about the status of its proposal for Owner's Representative services. Again, Nosek did not respond. D'Escoto resent its email 10 days later and again Nosek did not respond. Eventually, on June 10, 2021, Nosek responded that any decision regarding the Owner's Representative matter was being put off to the Fall. He also told d'Escoto that its payment was on the way. The payment had been authorized by Nosek on June 3, 2021. D'Escoto sent a couple more emails to Nosek in September 2021 inquiring about the status of the Village Hall project, but Nosek never responded.

Regarding the \$15,000 for the design-build RFP services and the related agreement, the Purchasing Manual required Nosek to undertake a competitive bid process. He did not do so. It also doesn't appear that Nosek ever entered into a signed written agreement either. We again note that there is no evidence that d'Escoto was aware of the Purchasing Manual or that Nosek was possibly violating Village policies. We also note that it would be reasonable for d'Escoto to rely on Nosek, the Village Manager, to ensure that the Village's policies were being complied with.

2. THE NEUBAUER ENTITIES

a. UGX PROPERTY AND BUILDING SOLUTIONS, LLC - Demolition, Window Sealing and Power Washing

UGX Property and Building Solutions, LLC ("UGX") is controlled by Neubauer. It is registered with the State of Illinois and lists an address of 1453 Caton Farm Road in Lockport, Illinois. Neubauer is the registered agent and Manager of the business.

In July 2021, after the closing on the new buildings and after Nosek had essentially stopped communicating with d'Escoto, he began floating the idea of breaking up the construction project for the new Village Hall into separate pieces. For example, in his Village Manager weekly update for the week ending July 16, 2021, Nosek wrote, "We may hire a demo crew on our own and utilize some in house talent to manage that part of the build out." Similarly, the Committee of the Whole Agenda for July 27, 2021 included Item 4.D. that provided, "New Village Hall build out – split into several smaller projects and demo, paint and patch." The minutes of that meeting reflect, "Paul Nosek advised that due to the period for selling and moving to the new building we can break down the project into smaller projects. The board agreed."

(1) Demolition Work at 2305 Enterprise Drive

On August 19, 2021, Nosek received a proposal from UGX for the demolition work at the 2305 Enterprise building. The proposal was for \$69,925.00. Later that day, the UGX representative emailed Nosek that she had sent "the wrong proposal" and that she would be sending an "appropriate" one the next day. On August 23, 2021, UGX sent its revised proposal for demolition at the 2305 building. This proposal was for \$55,000, a reduction of almost \$15,000. A review of the two proposals, reveals they are almost verbatim identical. The only difference is that the August 23, 2021 revised proposal *adds* to the scope of work. Thus, while the August 19th proposal was silent as to disconnecting the fire and security systems, the August 23rd proposal includes the following additional scope of work:

Disconnect/deactivate all fire and security systems along with shut down of sprinkler system. Any fire strobes and pull handles will be disconnected and saved for future use.

We asked Neubauer's attorney to explain the difference in the two proposals. His response was that:

"The initial proposal was based on the assumption that UGX would be responsible for discharging, disconnecting and removing the fire suppression and sprinkler systems. [The UGX representative] was asked to revise the proposal to indicate that the Village of Westchester would be disconnecting and deactivating all fire and security systems and would be shutting down the sprinkler system and to set forth the new quote as a result."

We subsequently pointed out to him that the language in the two proposals actually reflected the opposite of what he had explained, i.e., the second proposal added to the scope of work, it didn't reduce the scope of work. We asked him again to address the discrepancy. We did not hear back from Neubauer's attorney.

Others also submitted bids for the demolition work at 2305 Enterprise Drive. The \$55,000 proposed by UGX was the lowest bid. The next lowest bid (\$62,500) was submitted by a company called Alfa Construction. But for UGX's decision to lower its original bid from \$69,925 to \$55,000, Alfa Construction would have been the lowest bidder. But Alfa's bid was submitted on August 24, 2021 and UGX's revised bid was submitted on August 23, 2021. Therefore, based on the evidence at our disposal, there is no basis to show that Nosek and UGX colluded in the bidding process. On August 24, 2021, the Board approved UGX for the demolition work at 2305 Enterprise. We have found no written contract for the agreement with UGX and Neubauer's attorney confirmed that the only written record of an agreement is UGX's August 23, 2021 written proposal.

(2) Demolition Work at 2315 Enterprise Drive

On October 18, 2021, the Board approved a resolution for UGX to undertake the demolition work at the 2315 Enterprise building. At the meeting, Nosek handed Board members a copy of a letter

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from Gatto touting the work of UGX at the 2305 building and recommending them for the demolition work at the 2315 building. However, the evidence strongly indicates that UGX had started the demolition work at the 2315 Enterprise location weeks before Nosek sought the Board's approval.

For example, in the Village Manager's Weekly Update for the week ending September 17, 2021, Nosek wrote, "Demolition is moving along very quickly with the new **buildings** and we should have some working layouts moving forward next week." (emphasis added). Even more telling, however, is an email exchange that Nosek had with architect James Thormeyer of CVG on September 3 & 4, 2021. On September 3rd, Thormeyer wrote to Nosek seeking to gain access to the 2315 building. Nosek responded on September 4th that, "Yes, I have demo guys in there so that won't be a problem." In addition, Nosek advised Thormeyer that, "You're going to see a lot of new information that's going to be very helpful for layout and design with a lot of the demo being done." Thus, not only was the demolition work already being done in the 2315 building long before Nosek ever sought Board approval, by September 4th "a lot" of the work was already being done. Finally, with respect to when UGX began doing demolition work at the 2315 building, Neubauer's attorney stated that, "UGX was advised orally in approximately mid-September that it could perform some demolition work at 2315 as it was ahead of schedule on the 2305 project and had available manpower that could be reallocated at no additional cost to the Village."⁹

In his letter of October 6, 2021 that was presented to the Board by Nosek on October 18th, Gatto wrote to Nosek praising UGX's work at the 2305 building and stating that it would be "in the best interest of the project to hire them to complete the demolition requirements for the proposed Village Hall, Police Department and Senior Center." The suggestion in the letter that UGX should be awarded the work prospectively is inconsistent with other evidence. First, setting aside the fact that Gatto was the Owners Representative and would have known what work was already being done in the 2315 Enterprise building, Gatto was copied on Nosek's email of September 4, 2021 to Thormeyer regarding all of the demolition work already being done at the 2315 site. In addition, as noted above, on April 7, 2022, Acting Village President Steker met with Gatto. With respect to the October 6th letter, as also noted above, Gatto advised Steker that he hadn't actually even stepped foot in the 2305 building and that he prepared the UGX recommendation letter at Nosek's direction.

On October 8, 2021, UGX submitted a proposal to Nosek to do the demolition work at the 2315 building for an amount not to exceed \$165,000.00. As noted above, on October 18, 2021, based on Nosek's recommendation, and supported by the letter from Gatto, the Board passed a resolution awarding the demolition work at the 2315 building to UGX for an agreed price not to exceed \$165,000. UGX invoiced the Village a total of \$163,325.00 for its demolition work at the 2315 location.

Finally, regarding the demolition work performed by UGX at the 2315 building, CVG architect Thormeyer advised us during his interview that he had inspected the building in 2022 and that the demolition work had been "substantially completed" by UGX. He did note that there were several areas requiring additional demolition work (some walls and portions of ceilings that still needed to come

⁹ With respect to counsel's statement that there would be "no additional cost to the Village," we found no evidence of a discount or a credit of any kind from UGX. Rather, it appears the Village paid the full proposed amounts for both projects.

down, etc.) and that he had prepared drawings indicating where that work needed to be done. Those drawings were provided to Gatto on April 15, 2022, and to Greg Hribal, at his request, on May 9, 2022. Thormeyer also told us that he did not observe any structural or other significant type of damage to the building as a result of the demolition work done by UGX.

(3) Power Washing and Window Sealing "Change Orders"

In his Village Manager's Weekly update for the week ending October 28, 2021, which was only about 10 days after the Board approved UGX for the demo work at the 2315 building, Nosek wrote that, "Demolition is just about complete...Windows and building are getting power washed and re-sealed before the weather gets bad and before we do interior repairs and painting." We have found no written communication from UGX to Nosek seeking to undertake this additional work, which was outside the scope of the demolition work that UGX had been authorized to do. Nosek did not seek other quotes for this work, did not issue an RFP, and did not seek Board approval for this work. But he did approve the invoices submitted by UGX for this work.

Although it appears from Nosek's Weekly Update that the work had been performed much earlier, the invoice totaling \$19,650.00 for the exterior window sealing/glazing was submitted and dated December 6, 2021. The invoice claims that the "entire building and all entryways" were reglazed and that windows and entryways were also treated with silicone where needed. Nosek approved the invoice on December 13, 2021 and handwrote on the invoice:

*Outside scope of contract
Change order per VM & Construction Manager
Windows were leaking all window sills
On inside were getting water damage
Needed to address prior to winter.*

When we visited the site in late October 2022, we did observe substantial damage to many of the interior window sills consistent with water damage. We did not observe, however, obvious signs of the windows having been resealed/glazed either on the exterior or the interior. Publicly available information reveals that the window glazing product listed on the invoice, CRL-U.S. Aluminum NP225 Black EPDM Universal Storefront Gasket, is in fact a product used for the stated purpose. Based on this, we recommend that the Board consider hiring a window service to determine whether the claimed repairs were in fact performed by UGX.

The invoice for chemically treating and power washing the exterior of the building is also dated December 6, 2021. That invoice, in the amount of \$17,750.00, was also approved by Nosek on December 13, 2021. Again, Nosek handwrote on this invoice, "Outside scope of demo contract Change Order per VM & Construction Manager." Both invoices were paid by the Village on December 21, 2021.

Neubauer's attorney confirmed that no written proposals were provided by UGX for either the window repairs or the power washing. He also advised that UGX was instructed to proceed with the work by either Nosek and/or Gatto. UGX has no written record of the authorization to perform these services.

b. UNLIMITED GRAPHIX – Printing and Other Work

Unlimited Graphix is a company controlled by Neubauer. According to Neubauer's attorney, "Unlimited Graphix is in the business of Printing, Promotional Products, Business Supplies, Graphic Design, Website Design & Development." The business was incorporated in 1994. Neubauer is the registered agent and the President of Unlimited Graphix.

The evidence shows that beginning in approximately May 2020¹⁰, Unlimited Graphix began offering its services to the Village. For example, Unlimited Graphix offered services related to the Village's newsletter, "building deposit mailing & data," COVID 19 graphic & social distancing resources, banners, flags, water bill printing, police ticket books, the Permit Refund Project (see discussion below), and warehousing/storage services. However, none of those goods or services were purchased by the Village from Unlimited Graphix in 2020.

(1) Office Supplies, Tickets and Signage

Between May 2021 and late 2021, the Village made purchases from Unlimited Graphix. These purchases included office supplies, preprinted items (e.g., checks, note cards, etc.), a laser printer, festival tickets, banners, signage, hand sanitizer, disposable masks, and, as discussed in greater detail below, 2000 logoed stress reliever baseballs.

Unlimited Graphix also provided water bills to the Village. There is no written contract for these services, and we have found no communication from Nosek to Unlimited Graphix authorizing this purchase. According to Melissa Fecarotta, there should have been a Purchase Order for the water bills, but she doesn't know if one was ever prepared. Invoices submitted by Unlimited Graphix in November 2021 and January 2022 for the water bill printing services totaled \$10,060.38. Payment of these invoices is reflected in the record of bills of March 29, 2022. In his written response to Acting President Steker's questions, Nosek admitted that he did not obtain quotes from other vendors for the water bills. Instead, he said he compared the quote he received from Unlimited Graphix to what the Village had been paying its existing vendor and concluded the Unlimited Graphix price for these services would result in a savings to the Village.

Based on our review of the evidence and our interview of Melissa Fecarotta and others, it appears the Village received all of the items it purchased from Unlimited Graphix during this time period. These purchases resulted in payments by the Village to Unlimited Graphix of approximately \$13,829.00 for the office supplies listed above, and \$10,060.38 for the water bills, bringing the total to \$23,889.38.

It should be noted that counsel for Neubauer provided a letter dated November 2, 2021, wherein Unlimited Graphix thanked Nosek for the opportunity to provide a quote for the Village's "Parking Permit and Tags program." In that letter, the Unlimited Graphix representative advised that they could not match the price that the Village had with its current vendor. In that same letter, the representative also thanked Nosek for his consideration of Unlimited Graphix for printing services

¹⁰ As noted below, Nosek acquired facemasks from Unlimited Graphix in April 2020, but that purchase was made on behalf of the Westchester Residents First Party and not the Village itself.

related to the Village newsletter and an understanding that Nosek had decided to stick with the Village's current vendor. The statements contained in the letter are consistent with statements that Nosek made in his written responses to Acting President Steker's questions. More specifically, Nosek stated in relation to Unlimited Graphix that, "They've not been doing the printing for all of the Village's printed items, as they could not compete with some of the prices, example, the newsletter, the Vehicle stickers and police stickers to name a few."

(2) Logoed Stress Baseballs

In April 2021, the Village was working with its government relations consultant, Chris Nybo LLC, in efforts to secure State of Illinois funding for various projects. These included various infrastructure projects as well as funds to assist with the relocation of the Village Hall and Fire Department. Letters were drafted to be sent to State Representative Emanuel "Chris" Welch by the then-Village President Frank Perry and Public Works Director Scott Russell.

In early June 2021, Nosek reached out to Unlimited Graphix expressing an interest in getting pricing for logoed stress relief baseballs, which are basically sponge rubber balls that look like baseballs that can be imprinted. After receiving the pricing, on June 4, 2021, Nosek agreed to order 2,000 of the baseballs. In his email to Unlimited Graphix, Nosek stated that he would like to order (1) 1,000 white balls for the Village of Westchester with black lettering imprinted with "Have a ball with Village Hall, Village of Westchester, www.westchester-il.org." He also requested 1,000 red balls with black imprint "for Emanuel "Chris" Welch, Speaker of the Illinois House of Representatives, www.emanuelchriswelch.com." On June 7, 2021, Unlimited Graphix provided mock-up proofs of the two logo designs. After additional back and forth regarding wording and appearance of the stress reliever balls, Nosek approved the designs and Unlimited Graphix responded that they would begin production. The baseballs were provided to the Village shortly thereafter and Unlimited submitted its invoice in the amount of \$2,764.90 for the 2000 baseballs. The invoice reflects a cost of \$1,100.00 for the Speaker Welch baseballs, exclusive of artwork and set-up. The full invoice was paid by the Village.

We have no evidence and do not suggest that Speaker Welch, Chris Nybo or anyone else outside of Nosek, Unlimited Graphix, and former Village employee Melissa Fecarotta, who was copied on the emails between Nosek and Unlimited Graphix, were aware that the Village had purchased baseballs imprinted with Speaker Welch's name. We have reviewed Speaker Welch's campaign disclosure filings and find no mention of any kind of contribution from the Village, which would be entirely consistent with the fact that he and his office had no knowledge of the baseballs. Nor do we have any evidence and do not suggest that Nosek's decision to purchase the baseballs was in any way intended to influence or buy favor with Speaker Welch. The facts cited above are set forth only to provide a full context of these events.

However, Nosek's decision to expend Village funds on what could be considered political campaign material may constitute a violation of the Village's Municipal Code. More specifically, under the Municipal Code, political activity means "any activity in support of or in connection with any campaign for elective office or any political organization." *See* Westchester Municipal Code, Chapter 2.96.020. "Prohibited political activity" means, among other things, "distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign

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material on behalf of any candidate for elective office." *See* Westchester Municipal Code, Chapter 2.96.020 (11). Our understanding is that the stress/squeeze balls were distributed at a Village parade during Westchester Fest in August 2021.

c. UNLIMITED GRAPHIX – Westchester Residents First Party, Facemasks

Our review of the evidence reveals that in April 2020, Nosek, using his personal email, ordered 1,000 facemasks from Unlimited Graphix. Per Nosek's instructions to Unlimited Graphix on April 29, 2020, the facemasks were to be billed to the Westchester Residents First Party, and not the Village of Westchester. An invoice dated April 30, 2020, was addressed to Nosek at the Village Hall address, but reflects that the facemasks were "SOLD TO: Westchester Residents First." The invoiced amount was \$890.00 for 1,000 facemasks. We do not know whether Nosek ever forwarded the invoice to the Westchester Residents First Party or whether he made any effort to have the Party pay the invoice, but it appears that the invoice was never paid. In subsequent communications between Nosek and Unlimited Graphix, he advised Unlimited Graphix that he had given the invoice to "the party" (7/14/2020 email) and later advised them that, "This is not a Village of Westchester bill" (11/18/2020 email). We have found no record to indicate that the Village ever paid this invoice. As recently as this month, Unlimited Graphix had a bill collector contact the Village seeking payment. Based on the evidence, the Village should not pay this bill.

Finally, we found on the Westchester Residents First Party Facebook page items indicating that the Party held a facemask giveaway event on May 3, 2020 at the Joe's Place parking lot and that 800 masks were given away on that date, which appears to corroborate the other evidence that the facemasks acquired from Unlimited Graphix were intended for the Party's use.

d. UNLIMITED GRAPHIX/UGI PROCESSING - The Permit Refund Project

In addition to the services discussed above, Unlimited Graphix performed services for what came to be known as the Permit Refund Project ("the Project"). The Project also involved a company called UGI Processing. According to Neubauer's counsel, this entity was "created and developed specifically for the Village of Westchester's Permit Refund Project, ... [and] was understood to be a division of Unlimited Graphix, Inc." Thus, it has no known business other than its work on the Project.

Our review of this aspect of Unlimited Graphix's/UGI Processing's services and the relevant documentary evidence reveal that Nosek violated the Purchasing Manual's mandate requiring competitive bidding. Moreover, he personally authorized a payment to Unlimited Graphix with knowledge that the payment was inappropriate and not justified under the terms of his agreement (on behalf of the Village) with the vendor. Furthermore, a reasonable inference could be drawn from the evidence that the first two payments to Unlimited Graphix (each for \$9,997.50) may have been structured to avoid notice to the Board.¹¹ All of the circumstances surrounding the

¹¹ Our understanding is that invoices for \$10,000 or more are highlighted for the Board by Village staff to ensure the Board is aware of the invoice before deciding whether to approve payment at its meeting. Acting President Steker asked Nosek about this very issue when they spoke on April 5, 2022.

Project and the invoicing for the Project raise questions as to Nosek's intent and/or the possible complicity of Unlimited Graphix with respect to how the payments were invoiced.

By way of background, Melissa Headley, who previously worked as the Village's Director of Community Development, explained that the Village had a program whereby commercial construction projects were required to pay a deposit at the outset of the project. Those permit deposits were to be refunded after the project received final inspection and approval. However, the refunds had not been paid for many years and had accumulated to a significant dollar amount. Documentary evidence suggests the number of refunds due may have been as many as 2,500. Although the refunds were a part of her Department's responsibilities, the refunds, which had largely accumulated before her time with the Village, were never considered a priority and that, due to other more pressing issues, had never been processed.

(1) The Initial Proposal in 2020

Beginning as early as May 19, 2020, Nosek communicated with Unlimited Graphix regarding the refundable permit deposits. At that time, he sent a spreadsheet to Unlimited Graphix employee Debbie Kemmer. By July 2020, both Nosek and Kemmer were referring to these refunds as the "Permit Refund Project." After some further communication in August 2020¹², in September 2020, Kemmer submitted a detailed proposal for the Project. Kemmer's proposal included the following provisions:

- Postcard mailing to permit holders as noted in city records (current est. 2500)
- 30 Day notification campaign in newspaper that city will process
- UG review and processing of each applicant submission
- Final reporting back to the city of those applicants meeting all criteria for refund
- Printing of postcards
- Postcard imprinting and mail prep
- Postcard delivery to post office
- Rental of PO Box for mailed submissions
- Development and maintenance of custom Village of Westchester Online portal for e-form submission
- Custom Permit Refund Program private url
- Report processing of findings, provided back in e-file format
- Estimated total processing time will be 60 days from point of initial mailing
- Weekly meeting and reporting to track progress

¹² In her August 3, 2020 email to Nosek (WEST 005630), Kemmer alludes to waiting for the Village Attorney to communicate with Nosek regarding the program. Later, in May 2021, Nosek advised Kemmer that "I checked with our attorney and he was good with the notice you came up with." (UGI 009). We have found no documentary evidence that Nosek ever consulted the Village Attorney regarding any of the details of the proposed notice. We also checked with Mr. Welch to determine if he or anyone at his firm had reviewed or given approval for the notice. He advised us that he had made all appropriate inquiries at his firm and that there was no evidence that Nosek had ever consulted them about the details of the notice. Thus, it appears that, other than preparing a non-disclosure agreement that prohibited Unlimited Graphix from disclosing the personal information of the possible applicants for refunds, the Village Attorney had no other participation in reviewing or approving the proposed notice and that Nosek misrepresented this information to Kemmer.

Refund Approval Criteria:

FULL NAME, ADDRESS AND CONTACT INFO
COPY OF ORIGINAL PERMIT RECEIPT
PROOF OF ID FOR ORIGINAL APPLICANT

60 Day Monthly Program Fee: \$19,995.00
50% due at program contract commencement
Balance due at end of 60 day program
Additional program time, if needed: \$7,990 chargeable in 30 day increments

Due to postal regulations – by law we cannot include the amount of postage in this monthly program fee. Postage will be additional and final total to be determined after final count of permit holder information. Est. 2,500 candidates - \$.27/Each or \$675.00 total.

Thus, the proposal was that the Project would have a duration of 60 days for a cost of \$19,995.00. If additional time was needed to complete the Project, the cost would be \$7,990 chargeable in 30 day increments. Despite a proposed cost of \$19,995.00 to the Village for this service, there is no evidence that Nosek ever issued an RFP or solicited any bids from other vendors for the Project as he was required to do under the Purchasing Manual.

After apparently not hearing back from Nosek, Kemmer resent the proposal on December 2, 2020. On December 7, 2020, Nosek asked Melissa Headley to resend him the list of permit fee depositors. There is no evidence of further communications between Nosek and Kemmer about the Project until May 2021.

(2) The Second Proposal in 2021

On May 6, 2021, Nosek emailed Kemmer stating, "Let's go ahead with the deposit program as you have laid it out. If you need to revisit it, let me know, otherwise let's start to move forward." Kemmer responded in the affirmative. After some discussions between Kemmer and Nosek regarding additional details (newspaper where notice would be placed, wording of notice, etc.), on July 1, 2021 Kemmer sent a proposed agreement to Nosek on UGI Processing letterhead. Nosek signed the agreement and dated it 7/1/21. Again, up to this point Nosek had not (1) issued an RFP for the services; (2) obtained quotes from any other vendors; or (3) notified or sought approval from the Board to enter into the agreement. The terms of agreement signed by Nosek included the following:

- Develop Custom Webpage/Private URL for Village of Westchester e-form applicant submission
- Dedicated PO Box for the Village of Westchester Permit Refund Applicant's
- Notification campaign in newspaper that UG will process in publication of the Village's direction

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- UG review and processing of each applicant submission
- Final reporting back to the city of those applicants meeting all criteria for refund
- Pick up and delivery to post office
- Report processing of findings, provided back in e-file format
- Estimated total processing time will be 120 days from point of initial mailing
- Weekly meeting and reporting to track progress

Refund Approval Criteria:

FULL NAME, ADDRESS AND CONTACT INFO

COPY OF ORIGINAL PERMIT RECEIPT

PROOF OF PAYMENT

PROOF OF ID FOR ORIGINAL APPLICANT

120 Day Monthly Program Fee: \$19,995.00

First payment **due** at program contract commencement - \$9,997.50

Additional program time, if needed after 120 days: \$4,995.00 chargeable in 30-day increments

There are several key distinctions between the 2020 proposal and the 2021 agreement. First, the Project run time was increased from 60 days to 120 days, yet the fee of \$19,995.00 remained the same. Thus, the Project was scheduled to run from July 1, 2021 to October 31, 2021. Second, rather than attempting to actually contact the potential refund recipients via US Mail, as was proposed in 2020, the 2021 agreement provided only for notice to be provided via a newspaper and internet posting. It is unclear from the documentary evidence as to why the decision was made to abandon the effort to directly notify the potential refund recipients. Finally, the cost for extending the program beyond the 120 days was to be \$4,995.00, as opposed to the original proposal of \$7,990.00 to extend beyond 60 days.

After Nosek signed the agreement, the Project moved forward. A notice was placed in the Chicago Tribune in the Classified Section under the heading "Disclaimer of Debt." It is unclear why this heading was utilized for the notice. The notice ran in the Tribune (print and digital editions) for only 3 days – 7/9/21, 7/10/21 and 7/11/21. The Tribune charged \$880.85 to run the notice for those 3 days. The notice was also posted to a website called publicnoticeillinois.com, where it ran from 7/9/21 through 7/15/21.¹³ Posting notices on this website is free of charge for governmental entities. The notice published in the Chicago Tribune, which consisted only of a small 1" x 2" ad in the Classified Section, read as follows:

DISCLAIMER OF DEBTS

LEGAL NOTICE

¹³ The website publicnoticeillinois.com requires the user to enter certain search terms in order to find a specific notice. Common sense dictates that a potential permit refund recipient actively seeking to get information about their refund would be far more likely to reach out directly to the Village for information than they would to use this website and have to search for it.

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Notice of commercial building permit refunds through the Village of Westchester, Westchester, Illinois. The Village of Westchester may authorize a building permit refund to the requestor with the supporting documentation as detailed at vwpermit@ugiprocessing.com. If you believe you may be entitled to a refund and if request is received complete with necessary documentation requirements, the request will be forwarded to the Village of Westchester for processing. Approved refunds will be processed and issued within 6-8 weeks by check. Any requests that do not provide the proper information requirements will be rejected without notice. If you believe you are entitled to a refund, please submit your on-line application complete with all proof of documentation to [ugiprocessing.com](mailto:vwpermit@ugiprocessing.com). Please direct any questions to vwpermit@ugiprocessing.com.
7/9/21-7/11/21 6991617

Thus, at best, the notice was in the public domain for a total of 6 days in mid-July 2021. If the purpose of the Project was to get refunds to individuals and businesses, the Project was a failure - **no applications for refunds were ever submitted and no deposits were refunded**. This fact was confirmed by Kemmer to Nosek in an email on November 2, 2021. It was also confirmed more recently by the attorney for Neubauer.¹⁴

(3) Billing and Payments for the Project

UGI Processing submitted its first invoice for \$9,997.50 directly to Nosek on August 2, 2021. See WEST 019515. The invoice includes a description that it was for "PROJECT BUILDING/SET UP." Nosek personally approved the invoice for payment on November 2, 2021, the same day he learned from Kemmer that the Project had not resulted in any refunds. The Village paid the invoice on November 9, 2021.

UGI Processing's second invoice was dated August 31, 2021, well in advance of the October 31, 2021, 120 day ending period for the Project. This invoice included a description of "PROJECT MAINTENANCE – AUGUST." However, the signed July 1, 2021 agreement makes no mention of any "maintenance" costs. Rather, it clearly provided that the total cost for the 120 day Project was \$19,995.00. Why UGI Processing included this description is unknown. This invoice was also for \$9,997.50 and was again sent directly to Nosek. He again personally approved the invoice for payment on the same day as the first invoice – November 2, 2021. The Village paid the second invoice on November 23, 2021.

Finally, and despite the fact that it had already invoiced the total cost of the Project, on September 30, 2021, UGI Processing submitted a third invoice to Nosek in the amount of \$4,995.00. The description on this invoice states, "PROJECT MAINTENANCE – SEPTEMBER." The 120 day period of the Project would not have lapsed until October 31, 2021. The amount of \$4,995.00 was contemplated in the agreement, but only for a 30-day extension of the Project beyond the October 31, 2021 ending date – not for purported maintenance costs during the 120 day period. We can discern no legitimate reason why UGI Processing would have submitted this invoice for "Project

¹⁴ Counsel for Neubauer also produced a document prepared in October 2021 that is a summary of the work allegedly performed by UGI Processing for the Project. That summary provides, in relevant part, "As of today, October 21, 2021, there has been no applicant activity through either the dedicated web page or the USPS PO Box."

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Maintenance – September." As the signatory on the agreement, Nosek would have known that Unlimited Graphix was not entitled to this payment. Nevertheless, Nosek personally approved this invoice for payment on December 29, 2021, and the Village sent payment to Unlimited Graphix on January 6, 2022.

In his written response to Acting President Steker's question regarding this payment, Nosek stated, "Original contract was for \$19k, they did one more month of work unauthorized and billed us for it. In speaking with them, they agreed that it was not signed off on and would issue a credit or refund depending on what we wanted." Nosek's statement is not accurate. The invoiced maintenance for the month of September was not an additional month of work that hadn't been authorized. The month of September 2021 was within the 120-day period agreed to. We also found no evidence of a credit or refund from Unlimited Graphix/UGI for the \$4,995.00 payment they received from the Village.

Nosek appears to have engaged in misconduct with respect to the Permit Refund Project. He violated various provisions of the Purchasing Manual, and he authorized a payment of \$4,995.00 in December 2021, despite knowing that Unlimited Graphix was not entitled to be paid that amount. Unlimited Graphix also violated the agreement by submitting an invoice containing false and misleading information, that is, that it was entitled to be paid \$4,995.00 for project maintenance for the month of September 2021. He also provided inaccurate information when confronted about the payment. Finally, given the totality of the circumstances –the complete failure of the Project, the fact that Nosek violated the Purchasing Manual, effectively hiding the Project and its costs from the Board, his misrepresentation to Acting President Steker, Nosek's personal and professional relationship with Neubauer, and the evidence regarding Nosek's and Unlimited Graphix's conduct regarding the third invoice, a fair inference can be drawn that the 2 payments of \$9,997.50 were intentionally structured so as to avoid providing notice to the Board.

e. MOW & SNOW – SNOW REMOVAL SERVICES

Mow & Snow is another Richard Neubauer-owned entity. Our review of the evidence regarding this entity reveals the following.

Mow & Snow is not a registered company with the Illinois Secretary of State. According to Neubauer's attorney, the company is in the business of "lawn and snow maintenance." Mow & Snow performed snow removal services for qualifying elderly and disabled residents of the Village between about January 2, 2022 to February 25, 2022. The Village paid Mow & Snow's two invoices totaling \$19,085.00 for these services. Although we did not undertake an individual-by-individual survey to ensure that all of the residents listed on the work lists provided to Mow & Snow in fact received snow removal services, the evidence we did review, which included emails from Village residents and communications between Village employees and Neubauer, appears to confirm that the snow removal services were performed.

The first mention of this service is contained in an email from former Village employee Melissa Fecarotta to Nosek on December 21, 2021. In her email, Ms. Fecarotta attached a sign-up document titled "2022 Snow Removal Program For Seniors" and included the message, "So you can show the board." Although Nosek shared the sign-up document with Neubauer, we have found

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no evidence that Nosek ever presented it, or any other information about the program, to the Board. A review of the 12/21/2021 and 1/6/2022 Board meetings does not evidence Nosek discussing this program with the Board. We also found no contract for these services and counsel for Mr. Neubauer confirmed that there is no contract. Counsel also confirmed that, other than the Village of Westchester, Mow & Snow has not ever provided mowing or snow removal services for any other governmental entity.

Similarly, the record does not reveal any evidence that Nosek ever solicited or received quotes for this work, ever issued an RFP for these services, or that he ever sought Board approval to contract with Mow & Snow. Pursuant to the Village's Purchasing Manual, because the cumulative amount paid for these services exceeded \$10,000.00, Nosek should have sought Board approval.

Thus, we conclude that Nosek circumvented the Purchasing Manual's directives to (1) obtain at least 3 quotes for the services and (2) obtain Board approval for the cumulative expenditure in excess of \$10,000.00¹⁵. In addition, to the extent the cost of the services was foreseeably going to exceed \$15,000.00, Nosek should have undertaken a competitive bid process in order to ensure that the Village's interests were properly protected, and its policies adhered to.¹⁶ Finally, Nosek's failure to enter into a formal written contract for these services also served to violate the provision in the Purchasing Manual requiring written contracts for expenditures over \$15,000.

f. MZI Group, Inc.

MZI Group, Inc. ("MZI") is another Neubauer-related company. Although the personal relationships are unclear, we have reviewed correspondence in late November 2021 from MZI to an individual named Jeff Kemmer asking Kemmer to send a proposal regarding an inspection of the 2315 Enterprise location to Kemmer's "brother-in-law." Kemmer then sent the proposal to Neubauer, who forwarded it to Nosek. Thus, it appears Kemmer and Neubauer are related by marriage and that Jeff Kemmer is the person who introduced MZI to Nosek (through Neubauer) to perform work on the Village Hall project. In addition, in an email sent by Jeff Kemmer to Nosek related to the demolition work, Kemmer's title is identified as "senior Mechanical Engineer, UGX-CPS." Thus, it appears that Jeff Kemmer is an employee of Neubauer's UGX company. Neubauer also helped facilitate communications between Nosek and MZI and MZI's access to the 2305 Enterprise building to conduct a second inspection, but Neubauer does not appear to have any ownership interest in MZI, and we are unaware of any direct financial relationship.

¹⁵ Even though we recommend that the Purchase Manual requirement that \$10,000 cumulative expenditures over the course of a year be approved by the Board be amended to make crystal clear that it applies to services as well as goods, we believe the policy is sufficiently clear that Nosek would have known to seek Board approval and chose not to do so. Moreover, the second Mow & Snow invoice was for \$11,085.00, an amount that by itself triggered the \$10,000 Board approval requirement.

¹⁶ The documents also reveal that in the Spring of this year, he contemplated a senior mowing service and went so far as to ask that an RFP for those services be prepared and published—something he neglected to do for the snow removal program. Nevertheless, it demonstrates that Nosek was aware that the cost of such services would trigger the bidding process.

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MZI is an electrical and mechanical engineering and construction firm that has been doing business in the Chicago area since 1999. Our investigation indicates that despite Nosek's failure to obtain quotes for this work, MZI appears to have done the work it was hired to do—inspections of the rooftop units (RTU's) at both Enterprise buildings and some subsequent repair work--and that the Village received the services it paid for.

The evidence establishes that on November 22, 2021, Nosek received a proposal from MZI and signed an agreement with MZI to have the company inspect the 24 RTU's located at the 2315 Enterprise site. MZI's proposal for this inspection work was \$5,460.00.¹⁷ On November 30, 2021, MZI sent a proposal to also inspect the 8 RTU's at the 2305 Enterprise location at a cost of \$1,260.00. Nosek responded, "Looks good. Let me know when you want to come out." Based on email exchanges, it appears that inspection was conducted by MZI on December 1, 2021.

On December 2, 2021, MZI sent its report regarding the condition of the RTU's at the 2315 Enterprise locations, and on the same date, it issued its proposal to do the mechanical HVAC work at that location. It proposed a price of \$166,456.00 for the project. We have no evidence that Nosek responded to MZI's proposal. Both the report and the proposal appear to be thorough and professionally prepared. In addition, we know from Clune's proposal that Admiral was bidding to do more extensive HVAC work at 2315 Enterprise for a price of \$268,990.

Finally, the evidence shows that in March of this year, MZI performed work on 8 of the RTU's located at the 2315 Enterprise location. Their work is reflected both in contemporaneous email communications and in the invoice they submitted.

In total, MZI was paid \$8,525.00. The breakdown is (1) \$5,460.00 for the initial inspection of 24 RTU's at 2315; (2) \$1,260.00 for the inspection of 8 RTU's at 2305; and \$1,805.00 for repair work on 8 RTU's at the 2315 building. Because the work involved in the initial inspection cost between \$2,501 and \$9,999, Nosek should have obtained three quotes. For this reason, he violated the Purchasing Manual by approving the initial MZI proposal. The other two invoiced amounts fell below the \$2,501 threshold, but we have no evidence that Nosek solicited the required two verbal quotes for that work. Nevertheless, as noted above, the evidence shows that the Village did receive from MZI the services it paid for.

3. ECO TEKK – Used Office Furniture

On November 2, 2021, Gatto sent an email to Nosek introducing him to Rick Sidor ("Sidor") and another individual from a company called EcoTekk. In his email, Gatto described Sidor and the other individual as "furniture redistributors" and suggested that they all meet in order to "go over what the specific needs are for each room in terms of furniture." At that time, however, demolition work was still ongoing at the Enterprise buildings. Indeed, the Board had authorized UGX to conduct demolition work at the 2315 Enterprise building two weeks prior to Gatto's email of

¹⁷ On or about November 13, 2021, Admiral Heating and Ventilating, Inc. conducted an inspection of 16 of the 24 RTU's at the 2315 location. This inspection was done as part of Clune Construction's assessment in anticipation of its bid to be the primary construction company for the relocation project. We have reviewed Admiral's partial inspection (16 of the 24 units) report and it does not appear that the Village was charged anything for that inspection. The Clune proposal, dated December 6, 2021 lists Admiral as its mechanical contractor.

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November 2, 2021. As a result, and because there were no final drawings or plans, almost none of the rooms in the building were in any condition to receive office furniture.

Eco Tekk International has been an Illinois registered business since 2002. Linda Sidor of Kildeer, Illinois is listed as the Registered Agent and Manager of the company. Rick Sidor was the primary contact at Eco Tekk for Nosek and Gatto. Between September 23, 2022 and October 25, 2022, we reached out to Sidor on numerous occasions seeking to interview him. Despite our admonition to him that the Village expected its vendors, especially those who have received significant funds from the Village, to cooperate with the Village's inquiries, and despite also the intervention of Village Attorney Welch to try to persuade him to cooperate, Sidor, as noted above, refused to be interviewed and refused even to answer written questions.

On November 19, 2021, Sidor submitted a proposal for used office furniture to Gatto, who sent it to Nosek. The proposal listed a total price of \$192,750. The proposal included "all labor to disassemble" the furniture from another office location at The Hub, 300 N. LaSalle Street in Chicago. It also included several items of furniture from another location at 1 N. State Street. Despite the fact that furniture installation is a service offered by Eco Tekk on its website, the proposal expressly stated that installation was not included. The proposal was also made "contingent on Eco Tekk being awarded the furniture decommission project from the Hub." According to public source information, there are numerous companies that offer office furniture decommissioning services. These services involve disassembly of the office furniture and either simply hauling it away or, in some instances, acting as a sales agent for the furniture owner and seeking a buyer for the used furniture. Because Sidor would not cooperate, we do not know what his arrangement was with the Hub. That is, we do not know whether Eco Tekk was hired to decommission and help sell the furniture, or if it was hired to simply disassemble and haul the furniture away and dispose of it. Either way, because the Hub would have paid Eco Tekk to disassemble the furniture as part of the decommissioning process, Eco Tekk's inclusion of "all labor to disassemble" the furniture in its proposal to the Village raises the question of whether the Village was charged for work that Eco Tekk was already being paid to do by the Hub.

On November 23, 2021, Gatto received an informal proposal from a company called Corporate Concepts for new furniture for the "new Village Hall/Police Department for the Village of Westchester," that he forwarded to Nosek. The Corporate Concepts proposal included a pricing range, depending on the level of finishes for the new furniture, of \$20 to \$30 per square foot, resulting in an overall pricing range of \$470,000 to \$705,000 for new office furniture. We do not know what information Gatto provided to Corporate Concepts but based on the November 23, 2021 email it is clear that Gatto had only communicated with the Corporate Concepts representative the previous evening.

The Board held a meeting on the same day – November 23, 2021. Nosek arranged for the Village Attorney to prepare a resolution approving the purchase of used office furniture from Eco Tekk for \$192,750. Even though a purchase of this type for this amount should have required competitive bids, the resolution cited to an exception to the Purchasing Manual's requirement for competitive bidding based on "sole source purchases" and that Eco Tekk's proposal was "deemed a sole source purchase." The Purchasing Manual lists a number of circumstances where sole source purchases may be appropriate. The only listed circumstance that could have applied to the Eco

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Tekk purchase provides that a sole source purchase may be appropriate in relation to, "A used item that becomes immediately available for which no other comparable items are available at such a comparable price." See Purchasing Manual, Ch.3(C)(5). As noted above, however, a simple internet search would have revealed that there are numerous used office furniture providers in the Chicago area. This fact alone undermines the notion that Eco Tekk was a sole source provider for this type of merchandise.

At the Board Meeting, Nosek addressed the Board, pointing out the difference in price between the Eco Tekk used furniture proposal and the Corporate Concepts new furniture proposal. Nosek was not questioned about the status of the demolition work, whether the decision to purchase furniture at that stage of the project was advisable, or whether any effort had been made seek other providers or to solicit other bids. The Board without discussion unanimously approved the resolution authorizing the Eco Tekk proposal.

In early December, Nosek and Gatto communicated with Sidor and another Eco Tekk representative regarding taking measurements and reviewing furniture placement at the 2315 Enterprise location. The parties acknowledged in their discussions that some of the rooms may be changing and were not yet complete. Thus, the furniture was purchased prior to measurements being taken or the actual offices and other rooms being set and completed. An email sent from Eco Tekk's representative on December 15, 2021 to Nosek and Gatto, revealed numerous uncertainties with respect to furniture placement and the Village's needs. For example, the email discussed: (1) rooms that were subject to being changed; (2) walls that might be removed; (3) doors that had yet to be located; (4) room layouts being "swapped"; (5) rooms that might be combined; (6) 42 extra file cabinets needing placement; and (7) the existence of 7 large office furniture suites (out of 15 purchased) with apparently no place to put them. In short, the email described a level of disarray and uncertainty with respect to the placement of the furniture that had been purchased. The email included blow-ups from an early iteration of the 2315 floor plan coupled with photographs of the used furniture taken from the Eco Tekk brochure.

The furniture was delivered to the 2315 Enterprise building in mid-February 2022. It was placed in various rooms located at the western-most part of the building and remains there to this day. On a recent visit to the location, we observed stacks and boxes of disassembled furniture pieces, file cabinets, chairs, and unmarked trash cans filled with what appears to be random collections of bolts, screws, washers, desk/cabinet keys and other materials. Very few of the furniture components bear any labeling, and what little labeling there is consists of a piece of blue painter's tape with what appears to be a room number written on it. Some of the pieces are broken and others appear to be in poor condition. In addition, because the agreement with Eco Tekk expressly excluded assembly and installation, it will either fall on Village employees or an outside vendor to determine how, if it all, to assemble the furniture and where to place it.

The decision to incur the major expense of purchasing office furniture at a time when demolition was still ongoing and plans for the new Village Hall, Police Department and Public Works Department were far from finalized, seems at best, premature, and at worst, suspect. Some of the terms of the proposal submitted by Eco Tekk (e.g., charges for disassembly, installation not included), appear to have advantaged the supplier to the detriment of the Village. We found no evidence of any rationale or internal discussion supporting the decision to deviate from the

Purchasing Manual requirement and forgo the competitive bidding process in favor of declaring this a sole source purchase.

4. CHARLES VINCENT GEORGE ARCHITECTS – Architectural Drawings And Consulting

Charles Vincent George Architects ("CVG") and James Thormeyer, the CVG architect assigned to work on the Village's relocation project, first became involved with the project as part of a proposal submitted by Clune Construction in 2021. We interviewed Thormeyer on September 23, 2022. He fully cooperated with our investigation.

On August 24, 2021, the Board approved the engagement of an unspecified architectural firm for architectural services related to the project. Prior to the meeting, Nosek advised the Village Attorney that he wanted to select a firm called JDJ Architects for the services. JDJ had bid the same amount as CVG. The Village Attorney prepared a Board resolution identifying JDJ as the selected firm. However, the contract was not awarded to JDJ. A review of the Board meeting video reveals that Nosek talked about the architect and the need for services, but did not identify the name of the firm selected. In addition, no Board members asked any questions about the selected firm. At the September 14, 2021 Board Meeting, the Board approved a resolution awarding the overall contracting services, which included CVG's architectural services. Thormeyer had begun working on the project before the Board took action on September 14, 2021. We did not see a written contract between the Village and Clune/CVG, but CVG is the firm that performed the work.

Throughout the fall of 2021, Thormeyer worked with Nosek, Gatto and other Village officials, including police department personnel. Thormeyer attended numerous meetings, site inspections and prepared and provided numerous drawings and revised drawings. According to Thormeyer, the component structures, design, etc. of a police department have highly specialized requirements, including approvals from the Illinois Department of Corrections ("IDOC") for the holding cell facilities within the police department. (IDOC approval for Thormeyer's drawings and specifications was received on December 30, 2021.) In November 2021, Thormeyer sent Gatto what are referred to as the MEP narratives. MEP stands for mechanical, engineering and plumbing. These narratives were shared by Nosek with Neubauer, whose company UGX was still engaged in the demolition phase of the 2315 Enterprise location. These drawings were utilized by MZI for its work inspecting the RTUs.

In December 2021, Gatto and Nosek decided to part ways with Clune, but attempt to keep CVG on for the next phase of architectural services. The reason for this appears to be that Nosek and Gatto had decided to change their approach to the project and intended to issue a new RFP for construction services. The idea of contracting separately with CVG was discussed with the Village Attorney in mid-December 2021. By approximately the end of 2021, Thormeyer had completed the scope of work included in the original proposal. On January 19, 2022, Nosek approved payment to CVG in the amount of \$78,500. We have found no invoice from CVG for this amount. Rather, it appears that Nosek used the original Clune proposal from August 2021, circled the section of the proposal pertaining to architectural services, and initialed his approval for payment.

On January 11, 2022, CVG submitted a proposal for the next phase of architectural services. The proposed cost for the services was \$24,500. Between the date CVG submitted its proposal and the January 25, 2022 Board Meeting, there is evidence that Thormeyer and the Village Attorney shared revised drafts of the contract. At the January 25, 2022, board meeting, Nosek stated that CVG had already completed the original phase of its work¹⁸ and that the next phase of its work would bring the total to approximately \$103,000.00, which was an accurate statement ($\$78,500 + \$24,500 = \$103,000$). The Board unanimously approved the proposal.

As told to us by Thormeyer, and as documented in the records we reviewed, Thormeyer worked to prepare additional documents to be used in conjunction with an RFP that was to be issued by the Village soliciting construction firms to bid on the project. On February 23, 2022, CVG provided a construction document set consisting of a detailed 194-page Project Manual and additional detailed specifications for the project that were included in the March 11, 2022 RFP that was sent to three prospective qualified bidders for the larger construction project.

The documentary record supports that CVG performed the work that it was paid to do. We found no evidence of suspicious communications between Nosek and any of the other parties with respect to the architectural services.

5. PHOENIX MIDWEST CONSULTANTS – Building Inspections

On August 27, 2019, the Board approved a waiver of the bidding requirement and agreed to enter into an agreement with Phoenix Midwest Consultants ("Phoenix") for code inspection services. See Item 7.D of the Active Agenda of the August 27, 2019 board meeting. Phoenix replaced an entity called B&F. Our review of the evidence reveals no suspicious communications or other concerns surrounding the decision to engage Phoenix.

On August 15, 2019, Nosek communicated with the then-Village Attorney Michael Durkin, asking him to review a proposal received from Phoenix for building code inspection services. The proposal was dated August 14, 2019 and was received from Michael Tarnowski. Phoenix was incorporated in 2012 and lists two officers – Virginia and Michael Tarnowski.

Our review of communications between Michael Tarnowski and Village employees reveals nothing remarkable or suspicious in nature. Similarly, our review of Phoenix's invoices reflects nothing that raises any issues. The Village's payments to Phoenix are consistent with the payments made to the previous building code inspection service. In conclusion, we find nothing unusual or noteworthy regarding Nosek's decision to recommend Phoenix, the manner in which the Village contracted with Phoenix, or in Nosek's communications with Tarnowski.

C. [REDACTED] PAYROLL DISCREPANCIES

¹⁸ Nosek did not appear to be reading from a prepared document when he informed the Board that the first phase of CVG's work had cost \$74,000 – in fact it was \$78,500, which Nosek had already authorized to be paid on January 19, 2022.

StoneTurn reviewed the analysis provided by Acting Village Manager, Greg Hribal, into an alleged payroll discrepancy between timesheets and paychecks for [REDACTED]. It was alleged that the payroll clerk estimated [REDACTED] time instead of using the actual timecards. Hribal summarized by payroll date, the actual hours worked versus the hours paid. We spot tested the payroll records and were able to corroborate that information. We did not have access to the timecards to corroborate that information. Assuming that Hribal's calculations are accurate, [REDACTED] was paid for 310 hours he did not work. This equates to \$6,448 of overpayments over the period October 2020 through April 2022. StoneTurn recommends a sampling of other employee timecards to paychecks to see if this is a pervasive issue, or just a one-off. StoneTurn's analysis of payments related to [REDACTED] is in the Appendix.

V. RECOMMENDATIONS

We understand that the Village of Westchester's current guidelines and policies are based on the Westchester Municipal Code and memorialized in the Purchasing Manual and the Personnel Manual. In addition to ensuring that all Village employees and officers more strictly adhere to the law and existing policies, guidelines, and procedures, we recommend the implementation of additional internal controls and, where noted, changes to existing policies.

A. FINANCIAL GOVERNANCE AND INTERNAL CONTROLS

In the municipal context, internal controls help to assure that public funds are administered and expended in compliance with applicable statutes, regulations, and policies; that funds are used for purposes for which they were authorized and intended; and that there is accurate reporting regarding the use of those funds. The adoption of comprehensive financial policies can foster confidence in local government by increasing transparency, accountability, and consistency in municipal decision-making. The policies can also help local officials make more informed choices about obtaining goods and services, acquiring and managing capital assets, safeguarding a town's resources, and promoting financial stewardship.

1. Require Standardized Contracts with Vendors and Service Providers

In this case, former Village Manager Paul Nosek entered into agreements with Village vendors and service providers without a written contract by simply accepting the scope of work the vendor or service provider outlined in their proposals. Nosek did this even when the agreement with the service provider called for expenditures of more than \$10,000, which appears to be inconsistent with the Village requirement that "all contracts for work materials or supplies exceeding \$10,000 must be executed in writing and must be signed by the Village Manager or Finance Director." *See* Purchasing Manual at 15. We recommend amending the policy to make clear that all Village agreements with vendors and service providers for expenditures of a certain threshold dollar amount to be determined by the Board (i.e., \$10,000) be required to be memorialized in writing and include standard provisions as recommended by the Village Attorney. These standard provisions should include a provision that requires the vendor or service provider's full cooperation with the Village in any investigation or audit. The contract should also notify the vendor and service provider of the State Gift Ban Act, to which the vendor/service provider is also subject.

2. Increase the Scope of the Independent Financial Audits

We understand that pursuant to Chapter 2.16.110 of the Westchester Municipal Code, the president and board of trustees "shall cause an independent audit of all accounts of the village to be made." *See* Westchester Municipal Code, Chapter 2.16.110. We recommend that the Village continue this practice on a yearly basis, and work with their auditors to increase the scope of the internal controls review, focus on the relocation project and, more generally, vendor contracts, and to make sure that any issues raised are timely remediated.

3. Review Purchasing Manual

By its terms, the Purchasing Manual is designed to be a fluid document that is to be modified from time to time to conform to changes in legislation, technology, and actual practice; however, it has not been updated since 2012. We recommend that the Purchasing Manual be reviewed top-to-bottom to eliminate inconsistencies and loopholes, and to identify risks to Village resources. Although the following list is not exhaustive, we have identified certain areas for improvement. For example:

- Currently, the authority for purchasing is not limited by an employee's position. The current policy enables any employee to buy goods or services subject to their department head's approval. We recommend tightening the control by limiting purchases and requiring more oversight.
- The purchasing policies should be more robust and include forms which must be signed, coded, and approved by an approval chain. Written quotes should be standardized and summarized and clearly approved by the appropriate supervisor(s) before any work commences.
- "Sole source" purchases should be clearly documented and supported before any work commences.
- Change orders above a threshold amount to be determined by the Board should be approved by an approval chain.
- Consequences for misuse of Village of Westchester funds or abuse of purchasing authority should be clearly indicated and should be administered immediately.

Additionally, according to the existing Purchasing Manual, it is not clear whether expenditures of at least \$10,000 require written quotes. The Purchasing Manual merely states that "Village Board approval is required for all contracts equal to or above [\$10,000]." *See* Purchasing Manual at 9 (highlighted below). The Purchasing Manual should be revised to make clear that 3 written quotes (i.e. no "verbal" quotes) are required for such expenditures.

- The Purchasing Manual should be updated to make the accounting reconciliation more robust and timely. The monthly credit card bills should be reconciled at month end to receipts by the Accounts Payable or other financial function of the Village. The Finance Department should follow up promptly on any missing receipts, improper authorization, coding, and budgetary issues.

A. General Policy for Soliciting Quotes

Employees are responsible for obtaining quotes for purchases in the instances outlined below. Purchase requisitions expecting expenditures of \$2,500 and above should be submitting through the appropriate channels. Requisitions submitted without the required quotes or a satisfactory explanation of why quotes were not obtained (e.g. sole source, emergency, standardized vendor etc.) will be rejected to the originator without approval.

Up to \$2,500

Two verbal quotes are required; however, employees are encouraged to seek additional quotes when possible.

\$2,501 - \$9,999

Three written quotes must be obtained. The quotes must be listed in the notes of the purchase requisition. Written records regarding the dates, contacts and quotes received will be retained in the department's files for auditing purposes.

\$10,000 & Above

Village Board approval is required for all contracts equal to or above this dollar amount.

\$15,000 & Above

Must be competitively bid in accordance with State law and Village Ordinance.

Items purchased more than once during a fiscal year (e.g. forms, copier supplies, etc.) do not need quotes every time a purchase is made. However, items valued at \$10,000 or more or items having a cumulative value of \$10,000 or more over the course of a year must be approved by the Village Board.

In addition, the Purchasing Manual allows the Village Manager, at his/her sole discretion, to determine whether a competitive bidding exemption exists to bypass the Village Board's approval. *Id.* at 10. We recommend that the Village Attorney review any waivers of the competitive bidding process and that such waivers be expressly reported to the Board.

Finally, the Purchasing Manual states that "items valued at \$10,000 or more or items having a cumulative value of \$10,000 or more over the course of a year must be approved by the Village Board." We recommend that this particular sentence should be amended to include both "items" and "services." This amendment would clarify the rules with respect to aggregation principles and be more in line with the spirit and intent of the policy. In this instance, it would require Board approval for such services, such as the Mow & Snow project.

4. Require Strict Compliance with Bidding Process

We recommend that there should be greater attention to the bidding process to ensure strict compliance with the Purchasing and Ethics policies. Our investigation revealed that the formal bid process for agreements involving expenditures of more than \$15,000 was at times ignored and/or not followed. Because the rules were not followed, there was also no other person besides the Village Manager involved in collecting the bids, sealing those bids, and ensuring that all bids collected were in fact presented to the Village Board. As a safeguard, the Purchasing Manual calls for "at least one other employee [to] serve as a witness and tabulate the bid results," but no such other Village employee was involved in the process for any of the bids received for the qualifying services and goods related to the relocation project.

5. Require Legal Review

We recommend that all contracts involving expenditures above a certain threshold dollar amount to be determined by the Board should require legal consultation and review to ensure compliance with the law and Village policies, and to ensure that the use of exemptions, such as the "sole source" exemption to the bidding process, are limited and only used when appropriate. In addition, we recommend that any change orders to original contracts of \$10,000 or more require prior consultation and review by the Village Attorney, as well as approval of the Village Board. Currently, the policy is that the Village Board has to approve such change orders; however, it is clear from the events that this rule was not followed.

6. Facilitate Notice to the Board

We recommend that the Village Board be notified automatically whenever the aggregation provisions of the Purchasing Manual are triggered. For example, the Village might institute a control summarizing and aggregating the cumulative amounts paid to each vendor or service provider so that a notice is automatically generated, and the aggregation provisions are considered and documented.

7. Use of Village Credit Cards

The Village may receive benefits from issuing credit cards to employees. For this reason, we are not suggesting removal of that program. However, we recommend that the Village ensure that adequate internal controls and protocols exist to ensure proper fiscal management of Village funds.

First, we recommend that the written policy be updated. The Village should adopt and document a more robust credit card policy that details the rules for using the card and includes the acknowledgement that the employee takes responsibility for the card and agrees to follow the guidelines and use the card only for business purposes. We suggest the purchasing and credit card policies be aligned with respect to particular dollar thresholds. The written policy should consider the following aspects:

Receipts

Although the policy states that a receipt must be submitted to accounts payable immediately, we did not see evidence that this was followed. We suggest that all business receipts be submitted to accounts payable on a monthly basis, by all employees with a Village card. The Purchasing Manual should be updated to make the approval policy more robust. Credit card bills should be mailed directly to the accounts payable or other accounting function on a monthly basis. Each month, the employee must submit all receipts to their supervisor. Each receipt should have a business purpose stated. A simple form can be devised for each employee to fill in, attach receipts, code for budgetary purposes, sign, and submit to their respective supervisor for their signature concurrence. We suggest that the employee submit all receipts with this standardized form showing the requisite PRIOR approval and the business nature and reason for using the credit card instead of other means of purchase.

Approval

We suggest that employees request approval from their immediate supervisor, and the Village Manager seek approval from the Finance Director. The Village Manager should review and sign the Department Head forms.

Allowable transactions

We suggest that each department review historical data to determine which expenses should be allowed to be purchased with a card versus petty cash, a purchase order, house account or direct vendor payment. Employees should be prohibited from using Village issued credit cards for any personal expenditures. In the case of accidental use, the employee must immediately advise a superior and reimburse the Village. We suggest that the Disciplinary and Grievance Procedures¹⁹ be referenced in the written credit card policy.

In addition to the changes to the written policy discussed above, we advise that certain procedures be instituted regarding the issuance, card security, and mechanics of the program, such as:

Credit cards should only be used by the person to whom the card is issued. The credit card limit of each card should be as low as possible and have a limit that is appropriate for their typical expenditure levels.

Store in a safe location – Each employee with a credit card should make sure it is secured in a safe location. If possible, cards should be stored in the accounts payable or with the Finance Director when not in use.

Board Approval - The Village Board should formally approve the issuance of credit cards and the credit card policy.

In summary, we recommend that the Village review its credit card policy and practices to ensure that controls are adequate, and that the policy is comprehensive.

8. Finance Director

We recommend that the department of finance and administration as called for in Chapter 2.16.040 of the Westchester Municipal Code, be fully staffed. Most importantly, a Director of Finance is imperative to the oversight of the finance functions of the Village. The Village Manager and Finance Director should always remain separate. The Board's desire to have Nosek serve both roles was fraught from the beginning and not a best practice. We also recommend that the Board consider the creation of a Finance Committee to provide increased financial oversight for the Village.

B. PERSONNEL MATTERS

1. Conduct Due Diligence on Applicants and New Hires

¹⁹ Personnel Manual, Article 7

We recommend that the Village Board conduct thorough due diligence of all applicants and new hires, particularly managerial hires, such as the Village Manager. Conducting due diligence for such positions would reveal an applicant/new hire's outside employment and other potential conflicts of interest, as well as their history of job performance, and ethical standards.

2. Require Annual Training and Certifications

We recommend that the Village provide tailored communications and training on at least an annual basis to all Village employees, officers, and Board members regarding ethics and other key policies, such as the State Gift Ban Act (as adopted by the Westchester Municipal Code) and conflicts of interest. *See e.g., 5 ILCS 430/5-10* (requiring annual training and certification for all State employees). All Village employees, officers, and members of the Board should also certify on an annual basis that they have received a copy of, and agree to follow, the Village's current policies and guidelines.

We recommend the Village provide tailored communications and effective training to appropriate personnel on credit card usage, the process for competitive bidding, and the applicable procurement rules. This training should result in stricter adherence to the existing policies and guidelines set forth in the Purchasing Manual.

3. Reinstate the Village Ethics Commission and Appoint an Ethics Advisor independent of the Village Manager

The Code of Ethics is outlined and described in the Purchasing Manual. *See Purchasing Manual at 6.* The Code of Ethics lists eight examples of the various ways in which Village personnel engaged in purchasing and contracting on behalf of the Village with vendors and service providers must act in order to avoid violating the Code of Ethics. To ensure compliance, there must be training, oversight and enforcement.

We understand that the Village Ethics Commission, established by Chapter 2.96.060 of the Westchester Municipal Code, is not currently active. We recommend that the Board of Trustees reinstate the Ethics Commission to conduct a review of both the Purchasing and Personnel Manual provisions that need updating, to oversee training, and to review allegations of violations of ethics rules. The Ethics Commission would be responsible for investigating all credible complaints, issuing recommendations for disciplinary actions, and making appropriate referrals. *See Westchester Municipal Code, Chapter 2.69.060(d)(2).*

We also recommend that an Ethics Advisor, as described in Chapter 2.96.050 of the Westchester Municipal Code, be designated to provide training and guidance to officers and employees of the Village and to serve as an alternative point of contact from the Ethics Officer to receive any complaints. Currently, the Westchester Municipal Code states that "the village manager is appointed to serve as the 'ethics officer' of the village." *See 2.88.020* (emphasis added). However, the Westchester Municipal Code also contemplates that another individual would serve as the Ethics Advisor. We further recommend that the Personnel Manual be revised so that the Ethics Advisor is the individual responsible for receiving questions and providing guidance to officers

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and employees in the interpretation and implementation of the State Gift Ban Act, rather than the Ethics Officer, which, according to the current Purchasing Manual, is the Village Manager. *See* Purchasing Manual at 8 (highlighted language below).

If there is any doubt about the propriety of accepting a gift, the matter should be referred to the Department Head who will, if necessary, discuss the matter with the Village Manager. In addition, questions may be referred to the Ethics Officer, per the State Gift Ban Act (Municipal Code 288.020), who will provide guidance to officers and employees in the interpretation and implementation of the State Gift Ban Act.

Without the Ethics Commission and the Ethics Advisor in place, as set forth by the Westchester Municipal Code, the Village Manager has absolute authority over ethical questions and complaints.

4. Revise the Conflict of Interest Policy

We recommend that the Village remove existing gaps or loopholes in the Conflict of Interest policy. Currently, the Conflict of Interest policy states that "it will be a breach of ethical standards for any employee to participate directly or indirectly in the purchasing process when the employee knows that the employee [...] has a *financial interest* in a bidder, vendor, or contractor involved in the procurement transaction." *See* Purchasing Manual at 7 (emphasis added). The policy further states that "financial interest" includes, "any ownership or investment interest." *Id.* Therefore, in order to violate this conflicts of interest policy, the Village employee must actually own or invest in the vendor or service provider. We recommend that the Village strengthen the Village's Conflicts of Interest policy to broaden the definition of "financial interest" so that a "financial interest" includes a business relationship through which any financial benefit is conveyed. This change would make the Conflict of Interest policy align more closely with the State Gift Ban Act.

5. Conduct Appropriate Due Diligence on Vendors and Service Providers

We recommend that the Village review its current vendor list for potential conflicts of interest. We further recommend that going forward, the Village conduct and document that appropriate due diligence is performed for vendors and service providers involving expenditures above a certain threshold dollar amount to be determined by the Board. If a current vendor is being considered for a different project, a new quote, bid or request for proposal should be submitted. Increased diligence should be performed if the expertise required for the new project is different than the expertise required for the current project.

We also recommend that before entering into any agreement with a vendor or service provider over a certain threshold dollar amount set by the Board, that vendor or service provider should be required to reveal whether it or an affiliated individual or entity has any other business relationship with the Village. Such disclosure will more easily enable the Village Attorney or the Board to determine if there are any potential conflicts of interest arising from the agreement. In this case, had Unlimited Graphix, UGX Property & Building Solutions, Mow & Snow, and UGI Processing been required to provide such a disclosure to the Village Attorney, the Village Attorney would have been notified that all four business entities doing business for the Village were wholly owned

by the same person, Richard Neubauer. This would have enabled further inquiry to determine whether there was any *potential* conflict of interest not previously disclosed to the Board. In this case, Neubauer was a longtime friend of Nosek. Nosek also provided accounting services to Neubauer. Notably, Nosek never reported his personal or professional relationship with Neubauer to the Board when it considered approval of the UGX proposal. Appropriate disclosure and due diligence would also reveal basic information that could disclose a conflict of interest or other concern.

6. Segregation of Duties

Currently, the Village Manager has plenary authority over nearly all matters that concern Village governance. We recommend that the Village consider implementing rules and policies that would provide more oversight of the Village Manager's decisions and more checks and balances on his or her authority, perhaps by the Village President or Finance Committee, or a Special Committee of the Board.

We also recommend that the policies be amended to include an additional point of contact, beyond the Department Head or Village Manager, such as the Ethics Advisor and/or the Ethics Committee, for complaints, so that if the complaint is about either the Department Head or the Village Manager (or both), the complainant has an opportunity to report to another individual anonymously without fear of retaliation. Providing multiple speak-up channels and following up on credible reports is essential to creating a culture of compliance.

7. Outside Employment

We recommend that the Personnel Manual be amended to require Village Board approval of a Village Manager's outside employment. In this case, we understand that Nosek maintained an active Certified Public Accounting business (Nosek & Associates), while he was employed as the Village Manager of Westchester. We further understand that Nosek did not formally disclose his outside employment to the Board, nor did he seek approval from the Board to continue his outside employment, as required by Nosek's employment contract. Nevertheless, according to both Hribal and Steker, it was generally known that Nosek continued to maintain his outside accounting business, particularly during tax season, while employed as Village Manager. Such outside employment arrangements are fraught with potential conflicts of interest and should be properly documented and reviewed before approval is given.

VI. CONCLUSION

We are greatly appreciative of the efforts and the level of cooperation that the Village staff, particularly Acting Village Manager Greg Hribal and Finance Accountant Stefan Hanus, have afforded us over the last several months in gathering the information for this Report. The Village has fully cooperated with this investigation, and the Board of Trustees has supported our investigative independence.

APPENDIX

Summary of Invoices & Payments
Compagno LLC

Payment Date	Check	Check Amount	Invoice Date	Approver	Invoice Date	Description	Unit Price	Invoice Total
11/23/2021	64476	\$ 30,000.00	11/15/2021	PN 11/18/21	11/15/2021	September Consulting	\$ 10,000.00	\$ 30,000.00
						October Consulting	\$ 10,000.00	
						November Consulting	\$ 10,000.00	
2/25/2022	65073	\$ 30,000.00	2/15/2022	PN 2/25/22	2/15/2022	December 2021 Consulting	\$ 10,000.00	\$ 30,000.00
						January 2022 Consulting	\$ 10,000.00	
						February 2022 Consulting	\$ 10,000.00	
		NOT PAID	4/1/2022		4/1/2022	March 2022 Consulting	\$ 10,000.00	\$ 20,000.00
						April 2022 Consulting	\$ 10,000.00	
Total Vendor Payments		\$ 60,000.00						Total Invoices \$ 80,000.00

Summary of Invoices & Payments
d'Escoto, Inc.

Payment Date	Check#	Check Amount	Invoice Date	Approver	Description	Invoice Amount
4/8/2020	60285	\$ 14,985.00	1/31/2020	PN	Services on the Owner Representative Services Assessment & Feasibility Relocation of Village Operation contract	\$ 14,985.00
6/8/2021	63121	\$ 15,000.00	9/29/2020	PN 6/3/21	OR Services for RFP for Design Build Services	\$ 15,000.00
Total Vendor Payments		\$ 29,985.00				

Summary of Invoices & Payments
UGX LLC Property & Building Solutions

Payment Date	Check #	Check Amount	Invoice Date	Approver	Description	Invoice Total
9/28/2021	64076	\$ 55,000	9/14/2021	PN 9/21/21	Public Works 2305 Enterprise Drive Demolition & removal of all interior walls, including drywall, metal wall studs, metal framing insulation, door framing and doors. The following are excluded: front offices, lunch rooms, restrooms. Ceiling tiles to be removed and stored for later use. Tiles will be neatly stacked and palletized to be stored at the Village's directed building location. Ceiling tracks removed and disposed. Removal and disposal of all carpet. No VCT or additional removals included.	\$ 55,000
10/26/2021	64316	\$ 80,000	10/21/2021	PN 10/21/21	2315 Enterprise Drive Demolition of Administration Building - Police, Building, Court Removal of ceiling tiles, carpet, flooring and designated walls Removal of all debris	\$ 80,000
12/21/2021	64700	\$ 74,450	11/22/2021	PN 12/13/21	Demolition and miscellaneous 2315 Enterprise Drive 10/11/21-11/19/21 Rentals & material included	\$ 37,050
			12/6/2021	PN 12/13/21 Outside of scope of demo contract. Change order per VM & construction manager	2315 Enterprise Drive Step 1 Chemically treat brick, concrete, trim and sidewalks to neutralize and remove algae, stains, dirt and debris. Step 2 Power wash entire building, windows, sidewalks and entryways including dock area.	\$ 17,750
			12/6/2021	PN 12/13/21 Outside of scope of demo contract. Change order per VM & construction manager. Windows were leaking. All window sills on inside were getting water damage. Needed to address prior to winter.	2315 Enterprise Drive Window Glaze exterior on all windows of entire building and all entryways of Village of Westchester only. Silicone windows and entryways where needed. Material used: CRL-US Aluminum NP225 Black EPDM Universal Storefront Gasket	\$ 19,650
3/29/2022	65245	\$ 46,275	3/3/2022	PN 3/27/22	2315 Enterprise Drive Demolition Completed/Final Invoice	\$ 46,275
Total Vendor Payments		\$ 255,725.00				
2305 Work	\$	55,000.00				
2315 Work	\$	200,725				
Total Demo Costs	\$	218,325.00				
Non-Demo Costs	\$	37,400				

Summary of Invoices & Payments

Unlimited Graphic

[illegible]

Summary of Invoices & Payments
 UGI Processing dba Unlimited Graphix, Inc.

Payment Date	Check #	Check Amount	Invoice Date	Approval	Service Date	P.O. #	Description	Invoice Total
11/9/2021	64437	\$ 9,997.50	8/2/2021	PN 11/2/21	7/31/2021	P Nosek	1 LT 31631 Permit Refund Project Building/Set Up	\$ 9,997.50
11/23/2021	64553	\$ 9,997.50	8/31/2021	PN 11/2/21	8/31/2021	P Nosek	1 LT 31631 Permit Refund Project Maintenance - August	\$ 9,997.50
1/6/2022	64761	\$ 4,995.00	9/30/2021	PN 12/29/21	9/30/2021	P Nosek	1 LT 31631 Permit Refund Project Maintenance - September	\$ 4,995.00
Total Vendor Payments		\$ 24,990.00						

Analysis of Invoices & Payments

Mow And Snow

Payment Date	Check#	Check Amount	Invoice Date	Approver	Service Date	Description	Unit Price	Line Total
2/22/2022	65053	\$ 8,000	2/10/2022	PN 2/17/22	1/2/2022	48 Removal & Driveway	\$ 35	\$ 1,680
						2 Removal No Driveway	\$ 20	\$ 40
					1/23/2022	53 Removal & Driveway	\$ 35	\$ 1,855
						4 Removal No Driveway	\$ 20	\$ 80
					1/24/2022	54 Removal & Driveway	\$ 35	\$ 1,890
						4 Removal No Driveway	\$ 20	\$ 80
					1/28/2022	65 Removal & Driveway	\$ 35	\$ 2,275
						5 Removal No Driveway	\$ 20	\$ 100
5/24/2022	65693	\$ 11,085	3/14/2022	GH 5/13/22	2/2/2022	72 Removal & Driveway	\$ 35	\$ 2,520
						5 Removal No Driveway	\$ 20	\$ 100
					2/3/2022	72 Removal & Driveway	\$ 35	\$ 2,520
						5 Removal No Driveway	\$ 20	\$ 100
					2/18/2022	77 Removal & Driveway	\$ 35	\$ 2,695
						6 Removal No Driveway	\$ 20	\$ 120
					2/25/2022	82 Removal & Driveway	\$ 35	\$ 2,870
						8 Removal No Driveway	\$ 20	\$ 160
Total Vendor Payments		\$ 19,085						

Summary of Invoices and Payments
MZI Group, Inc.

Payment Date	Check#	Check Amount	Invoice Date	Approver	Description	Invoice Total
12/21/2021	64658	\$ 5,460	12/2/2021	PN 11/21/21	Labor & materials 24 rooftops	\$ 5,460
1/26/2022	64754	\$ 1,260	12/16/2021	PN 12/29/21	Provide labor & materials to evaluate 8 rooftop units per MZI proposal #21-310 at a fixed price. 2305 Enterprise.	\$ 1,260
10/25/2022	66593	\$ 1,805	3/9/2022	GH	Technicians 2315 Enterprise troublesheet but no gas. Came back and serviced units. Labor 10 hours x \$150 + part \$305.	\$ 1,805
Total Paid to Vendor		\$ 8,525				

Summary of Invoices & Payments
EcoTekk

Payment Date	Check #	Check Amount	Invoice Date	Approver	Service Date	Description	Invoice Total
12/21/2021	64612	\$ 20,000	11/24/2021	PN 12/13/21 Down Payment	11/24/2021	Deposit on furniture from Hub, 300 N LaSalle St. location. Price includes all disassembly and transportation to desination	\$ 20,000.00
3/10/2022	65151	\$ 30,000	1/17/2022	PN 2/9/22	1/7/2022	Deposit prior to delivery on February 12th for furniture from Hub, 300 N LaSalle St. location. Price includes all disassembly and transportation to desination	\$ 30,000.00
2/22/2022	65020	\$ 142,750	2/14/2022	PN 2/17/22	2/14/2022	Balance due on furniture from Hub, 300 N Lsalle St location. Price includes all disassembly and transportation to destination	\$ 142,750.00
Total Vendor		\$ 192,750					

Summary of Invoices & Payments
Charles Vincent George Architects

Payment Date	Check #	Check Amount	Invoice Date	Approver	Service Dates	Description	Unit Price	Invoice Total
1/25/2022	64793	\$ 78,500.00	1/11/2022	PN 1/19/22		1/11/22 Contract copy with design phase circled		\$ 78,500.00
3/8/2022	65088	\$ 749.13	2/17/2022	None	January 1 thru January 31, 2022	Mileage	\$ 253.98	\$ 749.13
						Parking Tolls	\$ 1.73	
						Copies & Plots	\$ 53.48	
						Accurate Repro	\$ 439.94	
4/12/2022	65276	\$ 24,519.44	3/15/2022	MB (Deputy Police Chief Mark Borkobec)	February 1 thru February 28, 2022	Construction Documents	\$ 24,500.00	\$ 24,519.44
						Permit Phase	\$ -	
						Copies & Plots	\$ 19.44	
Total Vendor Payments		\$ 103,768.57						

Summary of Invoices and Payments
Phoenix Midwest Group

Invoice Date	Amount
8/28/2019	\$ 900.00
9/27/2019	\$ 17,057.94
10/30/2019	\$ 17,964.61
11/27/2019	\$ 11,161.48
1/13/2020	\$ 10,350.00
1/13/2020	\$ 5,228.35
2/5/2020	\$ 9,960.30
3/5/2020	\$ 11,691.38
3/5/2020	\$ 9,985.27
5/4/2020	\$ 10,279.43
6/3/2020	\$ 9,600.00
7/1/2020	\$ 14,159.81
7/30/2020	\$ 11,400.00
9/28/2020	\$ 12,700.00
9/30/2020	\$ 11,666.31
10/30/2020	\$ 10,750.00
12/10/2020	\$ 8,949.93
12/29/2020	\$ 11,613.28
1/29/2021	\$ 6,897.20
2/28/2021	\$ 6,345.00
3/31/2021	\$ 9,350.00
4/30/2021	\$ 13,245.14
5/28/2021	\$ 11,995.33
6/30/2021	\$ 12,250.00
7/30/2021	\$ 9,147.92
8/31/2021	\$ 7,040.00
9/30/2021	\$ 9,917.11
10/29/2021	\$ 8,213.28
11/30/2021	\$ 8,614.50
12/31/2021	\$ 8,200.00
1/28/2022	\$ 8,650.00
2/26/2022	\$ 15,116.19
3/31/2022	\$ 8,850.00
4/30/2022	\$ 10,450.00
5/27/2022	\$ 7,000.00
6/30/2022	\$ 9,332.88
\$ 366,032.64 Total Vendor	

StoneTurn Analysis of Payroll
Based on Greg Hribal Analysis

Time Worked		Time Worked				
Payroll Date	Paid Hours	Time Cards	Hours Submitted to Jim Novosel	Over/Under	Pay Difference	Comment
8/15/2020	37.50	37.50		0.00	0.00	
8/31/2020	32.00	32.00		0.00	0.00	
9/15/2020	50.00	47.25		2.75	56.10	
9/30/2020	44.75	44.75		0.00	0.00	
10/15/2020	38.00	40.50		-2.50	-51.00	Overpayment Noted ADP error
10/30/2020		40.50		-40.50	-826.20	Melissa Left on Disability
11/15/2020	38.25	41.25		-3.00	-61.20	24 Correction to Above
11/30/2020	50.50	41.75		8.75	178.50	
12/15/2020	50.50	28.50		22.00	448.80	
12/31/2020	51.25	41.50		9.75	198.90	
1/15/2021	53.25	33.75		19.50	397.80	
1/31/2021	51.00	40.75		10.25	209.10	
2/15/2021	40.00	40.25		-0.25	-5.10	
2/26/2021	50.50	34.25		16.25	331.50	
3/15/2021	51.00	54.50		-3.50	-71.40	
3/30/2021	51.25	26.75		24.50	499.80	
4/15/2021	51.25	40.50		10.75	219.30	
4/30/2021	62.75	61.25		1.50	80.60	
5/14/2021	44.00	35.50		8.50	177.74	Rate change from \$20.40 to \$20.91
5/28/2021	49.50	34.50		15.00	313.65	
6/15/2021	56.00	41.75		14.25	297.97	
6/30/2021	54.50	54.25		0.25	5.23	
7/15/2021	47.50	40.50		7.00	146.37	
7/30/2021	59.00	54.00		5.00	104.55	
8/15/2021	55.75	42.50		13.25	277.06	
8/30/2021	46.00	33.75		12.25	256.15	
9/15/2021	47.50	35.00		12.50	261.38	
9/30/2021	40.25	47.25		-7.00	-146.37	
10/15/2021	54.00		41.00	13.00	271.83	
10/30/2021	24.00		20.50	3.50	73.19	
11/15/2021	54.00		41.00	13.00	271.83	
11/30/2021	47.50		34.50	13.00	271.83	
12/15/2021	41.00		28.00	13.00	271.83	
12/30/2021	68.00		55.00	13.00	271.83	
1/15/2022	68.00		55.00	13.00	271.83	
1/30/2022	61.00		48.00	13.00	271.83	
2/15/2022	53.00		40.00	13.00	271.83	
2/28/2022	61.00		48.00	13.00	271.83	
3/15/2022	34.00		21.00	13.00	271.83	
3/30/2022	73.00		60.00	13.00	271.83	
4/15/2022	27.00		20.50	6.50	135.92	
Total Hours Paid		Total Hours Worked		Hours Overpaid	Overpayment	
1,969.25		1,659.00		310.25	\$ 6,448.44	