IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

IN RE: ERIC SCHMIDT, DR. ROBERT RUSSELL, AND CONSERVATION OF SCULPTURE AND OBJECT STUDIO, INC. ) OEIG Case #16-01491

PUBLICATION OF REDACTED VERSION OF OEIG FINAL REPORT

Below is the redacted final summary report from an Executive Inspector General. The General Assembly has directed the Executive Ethics Commission (Commission) to redact information from this report that may reveal the identity of witnesses, complainants or informants and “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

The Commission exercises this responsibility with great caution and with the goal of balancing the sometimes-competing interests of increasing transparency and operating with fairness to the accused and others uninvolved. To balance these interests, the Commission may redact certain information contained in this report. The redactions are made with the understanding that the subject or subjects of the investigation have had no opportunity to rebut the report’s factual allegations or legal conclusions before the Commission.

The Commission received this report from the Governor’s Office of Executive Inspector General (“OEIG”) and a response from the agency in this matter. The Commission, pursuant to 5 ILCS 430/20-52, redacted the final report and mailed copies of the redacted version and responses to the Attorney General, the Executive Inspector General for the Governor, and to Eric Schmidt, Dr. Robert Russell and Conservation of Sculpture and Objects Studio, Inc.’s last known addresses.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52.
OEIG SUMMARY REPORT

I. BACKGROUND AND ALLEGATIONS

The Eternal Indian Statue, also known as the Blackhawk Statue, is an almost 50-foot tall, 100-ton cement statue located in Lowden State Park that was dedicated in 1911 as a tribute to Native Americans. As with all Illinois state parks, Lowden State Park is controlled and managed by the Illinois Department of Natural Resources (IDNR).1

On March 9, 2015, IDNR entered into a one-year, $600,000 contract (Contract) with the Conservation of Sculpture and Objects Studio, Inc. (CSOS) and the Illinois Conservation Foundation (Conservation Foundation) to restore the Eternal Indian Statue, with the restoration to be funded, in part, by the Conservation Foundation. The Conservation Foundation is a not-for-profit foundation created by IDNR by authority granted in the Illinois Conservation Foundation Act. The Conservation Foundation’s purpose includes promoting, supporting, assisting, sustaining, and encouraging the charitable, educational, scientific, and recreational programs, projects, and policies of the IDNR and soliciting and accepting aid or generating contributions consistent with the intent of the donor and the goals of the Conservation Foundation.2

Eric Schmidt served as the Conservation Foundation’s Executive Director from 2014 until he resigned from the position in September 2016. Dr. Robert Russell, a physician in private practice, has served as a member of the Conservation Foundation Board of Directors (Board) since 1995 and served as the Board Treasurer until 2017.3

On August 8, 2016, the OEIG received a complaint alleging that in May 2015, Mr. Schmidt and Dr. Russell committed $100,000 in privately donated Conservation Foundation funds as collateral for a loan/line of credit to CSOS. The complaint said that CSOS spent all but $500 of the $100,000 loan but did not repay the loan in full and the collateral posted by the Conservation Foundation was then used to satisfy the CSOS debt. The complaint further alleged that the loan money obtained by CSOS was unaccounted for because CSOS had not provided documentation to show how the money was spent, and therefore, CSOS may have been paid in duplicate, receiving money both under the Contract and from the loan, for the services performed on the Eternal Indian Statue restoration project.4

1 20 ILCS 835/1.
2 20 ILCS 880/10.
4 [Footnote relates to an issue unrelated to the findings in this report].
II. INVESTIGATION

A. IDNR’s Contract With CSOS And The Conservation Foundation

IDNR documents reflect that under its March 2015 Contract with CSOS and the Conservation Foundation, CSOS was to perform 15 specified restoration steps on the Eternal Indian Statue, such as creating molds of damaged areas and using the molds to cast and re-create the damaged areas of the statue. CSOS was to be paid a specified amount for each of the 15 steps, for a total of $600,000, with a majority (51% or greater) of the funding coming from private donations, including donations by [Statue] fund. An amendment to the Contract in April 2015, reflected that the total payments from the Conservation Foundation were estimated to be $325,000 and the total payments from IDNR were not to exceed $275,000. CSOS was to send invoices for services performed to the Conservation Foundation in care of IDNR and to the attention of former IDNR Project Designer [Former IDNR Employee 1]. The Contract stated that by submitting an invoice, CSOS certified that the services provided met all requirements of the Contract and that the amount billed and expenses incurred were allowed in the Contract. CSOS was required to maintain the books and records for three years relating to the performance of the Contract and necessary to support amounts charged to the State.

B. Funding For The Restoration Project

The OEIG interviewed [Former IDNR Employee 1], who served as the IDNR project manager on the Contract, and Robert Appleman, who was IDNR’s Director of the Office of Architecture, Engineering, and Grants. Both [Former IDNR Employee 1] and Mr. Appleman said that the Eternal Indian Restoration project originally was supposed to be funded by private funds held by the Conservation Foundation and a $350,000 Illinois Department of Commerce and Economic Opportunity (DCEO) grant to IDNR, but the DCEO grant funding did not become available. Mr. Appleman explained that at that time, there was a State budget impasse and no money was appropriated for the DCEO grant, therefore, there were no funds to be expended for the grant. [Former IDNR Employee 1] said that because the DCEO grant money was unavailable, the CSOS invoices were paid with Conservation Foundation funds.

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5 According to witnesses interviewed in the OEIG’s investigation, the [Statue] is a group started by private citizens to raise funds to help restore the Eternal Indian Statue. One document obtained by the OEIG suggested that the [Statue] is a specific fund created by the [Nonprofit] in July 2008. The [Nonprofit] is an Illinois not-for-profit corporation that was incorporated in 1953. See, https://www.cyberdriveillinois.com/departments/home.html.

6 According to IDNR employees interviewed during this investigation, the source of any payments from IDNR was to be grant money from the Illinois Department of Commerce and Economic Opportunity.

7 [Former IDNR Employee 1] was interviewed on March 16, 2017, and Mr. Appleman was interviewed on May 16, 2017. Individuals interviewed by the OEIG will be listed with the position titles they held at the times relevant to this investigation.

C. CSOS’s $100,000 Line Of Credit, Secured By The Conservation Foundation’s Collateral

Documents obtained from the [Bank] reflected that on May 29, 2015, CSOS obtained a business loan/line of credit from the [Bank] in the amount of $100,000 whereby CSOS could withdraw money, as needed. On that same day, CSOS opened a business checking account at [Bank]. An internal bank document titled “Loan Presentation Short Form” reflected that CSOS had been awarded a $600,000 contract to restore the Eternal Indian Statue. The internal document further reflected that the bank had been approached to loan money to CSOS, which needed around $100,000 for startup money, materials, and labor, and that the Conservation Foundation had offered to provide collateral for the loan with funds that had been raised for the restoration of the Eternal Indian Statue.9

The bank records reflect that on the same date that CSOS obtained the $100,000 loan from the [Bank] for the startup money, the Conservation Foundation obtained a certificate of deposit (CD) from the [Bank] in the amount of $100,000. A “Corporate Resolution to Grant Collateral” (Collateral Resolution), also dated May 29, 2015, reflected that Conservation Foundation Treasurer Dr. Russell was a person authorized to enter into agreements with the bank that would bind the Conservation Foundation. The Collateral Resolution further reflected that it was adopted at a May 27, 2015 meeting of the Directors of the Conservation Foundation or by other duly authorized action in lieu of a meeting. The CD documentation and Collateral Resolution contained signatures in the names of Mr. Schmidt and Dr. Russell. In the Collateral Resolution, the signatures in the names of Mr. Schmidt and Dr. Russell certified that all statements and representations in the Resolution were true and correct.

In an “Assignment of Deposit Account,” (Assignment) dated May 29, 2015, the Conservation Foundation assigned a security interest in its $100,000 CD to [Bank] to secure CSOS’s indebtedness on its $100,000 loan. Under the terms of the Assignment, if CSOS failed to make a payment when due, [Bank] could take all funds in the CD and apply those funds to the CSOS indebtedness. The Assignment contained a notarized signature in the name of Dr. Russell, dated June 2, 2015.

Despite the statement in the Collateral Resolution, the OEIG found no record of any Conservation Foundation Board meeting on May 27, 2015 reflected in Board meeting minutes. In addition, although the Conservation Foundation’s Bylaws provide that no loan shall be contracted on behalf of the Conservation Foundation and no evidence of indebtedness shall be issued in its name unless authorized by the Board,10 the OEIG did not find meeting minutes reflecting any Board discussion or action authorizing the purchase of the CD or the granting of collateral for a CSOS loan. To the contrary, minutes from a Board meeting held over a year later, on August 31, 2016, reflected that then-IDNR [Director] and Conservation Foundation Board Chairperson Wayne Rosenthal stated that Board approval was not obtained to grant collateral for the CSOS

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9 According to the IDNR [IDNR Employee 1] and IDNR emails, CSOS had previously asked to receive start-up money under the Contract for the restoration work, but was denied by IDNR and the Conservation Foundation.

10 Illinois Conservation Foundation Amended and Corrected Bylaws, Article IV Contracts, Loans, Checks and Deposits, Sections 1 & 2.
Mr. Rosenthal added that he was not aware of the collateral ever being mentioned in previous meetings or discussions nor was he aware of it being included in any financial reports. Mr. Rosenthal further stated that Mr. Schmidt did not have the authority to enter into the Collateral Resolution.

The OEIG interviewed the former Conservation Foundation [Identifying Information Redacted] (CFO) [Former Conservation Foundation Employee], who said that in May 2015, individuals from the [Statue] and the [Nonprofit] asked Mr. Schmidt if the Conservation Foundation could post $100,000 as collateral for a loan to CSOS because CSOS needed money for startup costs to restore the statue. [Former Conservation Foundation Employee] said that Mr. Schmidt approved using the money as collateral and had her and an IDNR employee go to the bank and transfer $100,000 of the Conservation Foundation funds that had been donated by the [Statue] for the restoration project, to the [Bank] to be used as collateral on the loan to CSOS, which they did. According to [Former Conservation Foundation Employee], she was unaware that Mr. Schmidt did not have Board approval to transfer the $100,000 nor was she aware that Board approval was required for him to do so.

During their OEIG interviews, both IDNR Project Designer [Former IDNR Employee 1] and Director of the Office of Architecture, Engineering, and Grants Mr. Appleman said they did not hear anything about the Conservation Foundation obtaining the CD or the CSOS line of credit until May 2016.

D. CSOS’s Expenditures of Funds Withdrawn From The Line Of Credit

The [Bank] records reflected that CSOS made 12 withdrawals from the line of credit between June 11 and November 12, 2015, for a total of $101,000. On the same dates that CSOS made the withdrawals from the line of credit, the bank records reflect that CSOS deposited amounts corresponding to the amounts of the withdrawals into the business checking account that it opened at the [Bank] when obtaining the loan. All of the deposits into the CSOS checking account referenced the CSOS loan number except for one deposit on June 29, 2015. CSOS made no other deposits into the checking account. There was no activity in the CSOS checking account after November 2015, with the exception of a dormant service charge for inactivity on the account in November 2016 and the withdrawal of the $13 balance in December 2016 to close the account.

The [Bank] records show that from May to November 2015, when CSOS was making withdrawals from the line of credit and depositing corresponding amounts in its checking account, CSOS issued checks and made debit card purchases from the checking account totaling $100,994. Some of those debit card purchases appeared to be unrelated to the Eternal Indian restoration project, such as purchases of $582 at [Store 1], $690 at [Store 2], $432 at [Store 3], and $780 at [Store 4]. A $3,427 electronic payment to [Credit Card] also was not clearly related to the project.

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11 The minutes indicated that the purpose of the meeting was to discuss Mr. Schmidt’s employment at the Conservation Foundation.
13 The [Bank] documents reflect that the total principal amount loaned to CSOS was $101,000. It is unclear why the total amount loaned to CSOS was $101,000 instead of $100,000.
14 That deposit was in the amount of $19,000, the same amount as a withdrawal on the line of credit that day, and was simply listed as a deposit and did not reference any loan numbers.
The above expenses included checks CSOS wrote to itself totaling $29,000 for which the purpose was unclear, such as checks with vague notations like “Payments” or “Expenses,” as well as checks CSOS wrote to itself totaling $59,000 with notations that they were for payroll.

During her OEIG interview, former Conservation Foundation [Identifying Information redacted] [Former Conservation Foundation Employee] said that the Conservation Foundation asked CSOS Director Andrzej Dąjnowski for receipts showing how the loan money had been spent, but did not receive anything in response.

The OEIG issued a subpoena to CSOS on June 8, 2017, requesting all documents related to the line of credit it obtained from [Bank], including, but not limited to, invoices and receipts describing the use of funds for each monetary withdrawal, and if any documents were unavailable, an explanation as to why and a detailed statement as to the use of those monetary withdrawals. In response to the OEIG’s request, CSOS did not produce a single receipt or invoice and did not provide any statements explaining why the documents were unavailable or for what the monetary withdrawals were used. The only documents that CSOS did produce were copies of their [Bank] business checking account statements and some loan statements, a single-page [Bank] Disbursement Request and Authorization document reflecting the $100,000 line of credit to CSOS which listed the purpose of the loan as, “Operating Line of Credit for improvements to Blackhawk Statue, Oregon, IL,” and five “Payroll Journal” documents that just listed total amounts purportedly paid to employees and total payroll deductions from June 26 through November 13, 2015. These payroll journals did not list the names of the employees who were paid or indicate what work the employees performed.

E. The Conservation Foundation’s Payments To CSOS On Invoices

The OEIG also requested that IDNR produce all invoices received from CSOS as well as any documents relating to payments made to CSOS on the invoices. IDNR produced three invoices from CSOS and indicated that CSOS was paid on two of the three invoices. Specifically, CSOS was paid on its first invoice, dated August 10, 2015, in the amount of $41,400 and the second invoice, dated September 3, 2015, in the amount of $44,575; IDNR indicated that the third CSOS invoice, dated September 25, 2015, in the amount of $18,500, was not paid. Each of the three invoices submitted by CSOS provided very general descriptions of the services CSOS purportedly performed that were consistent with the tasks listed in the Contract, such as “cleaning surface of the statue,” “open injection ports inside of sculpture,” and “recreate the missing/damaged areas.” The OEIG requested that in addition to the invoices, IDNR also produce proofs of claim for supplies and services, but none were provided.

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15 On February 4, 2019, the OEIG interviewed the [Bank] Chief Lending Officer [Bank Employee], who said that that he was unsure if the bank still maintained copies of the backs of the checks written on the CSOS checking account because those records were only maintained for a certain time period. [Bank Employee] thought it would require a significant amount of work for the bank to search for those records, therefore, the OEIG did not request that the bank search for copies of the backs of the CSOS checks.

16 These checks contained the notation “Payroll” on the front of the check. The last check with “Payroll” written in the memo line was dated November 12, 2015. This transaction emptied the account of all remaining funds except $15.

17 As noted above, the Contract required CSOS to maintain books and records relating to its performance and necessary to support amounts charged to the State for three years from the date of final payment or completion of the contract.
During his OEIG interview, IDNR Project Designer [Former IDNR Employee 1] explained that under the Contract, CSOS first submitted its invoices to a concrete expert who worked for the architectural firm that had a separate contract with IDNR to oversee the restoration work completed by CSOS on the Eternal Indian Statue. According to [Former IDNR Employee 1], after receiving an invoice from CSOS, the concrete expert conducted an on-site inspection to verify that the work that CSOS claimed in the invoices to have completed was accurate and she then reported her findings to him. [Former IDNR Employee 1] said that if the concrete expert said that an invoice was accurate, he approved the invoice with his signature and submitted the invoice to the Conservation Foundation for payment to CSOS. [Former IDNR Employee 1] added that if the concrete expert did not agree with the percentage of work completed as listed on an invoice, she “red-lined” the amounts she disagreed with, wrote in the total percentage she believed was correct, and these issues would then be “fleshed out” at monthly on-site project meetings with him, the concrete expert, and CSOS, and if needed, CSOS submitted a new invoice.

The documents obtained by the OEIG from IDNR pertaining to the restoration project included emails from the concrete expert stating that to the best of her knowledge, based upon on-site observations and the project documents, the work progress listed in CSOS’ first two invoices was correct. The documents further indicated that the concrete expert red-lined the third CSOS invoice and changed the total amount of the invoice from the $18,500 that was charged by CSOS to a revised total of $9,500.18

[Former IDNR Employee 1] said that he approved CSOS’s August 2015 invoice for $41,400, and its September 2015 invoice for $44,575, after the work reflected in each of the invoices was reviewed and approved by the concrete expert, and he sent the invoices to the Conservation Foundation for payment to CSOS. [Former IDNR Employee 1] explained that after he received the concrete expert’s red-lined third invoice, he put the third invoice in his payment folder. However, he said that “issues came to light” about CSOS receiving a large amount of money from the $100,000 Conservation Foundation CD, and someone at IDNR, he could not recall who, said that it was in IDNR’s best interest not to pay the third invoice. Conservation Foundation financial accounting records reflected that CSOS was paid by the Conservation Foundation on August 18 and September 21, 2015, on the first two invoices, for a total of $85,975.19

[Former IDNR Employee 1] said that work on the Eternal Indian Statue stopped in November 2015 and IDNR and the Conservation Foundation did not thereafter renew the Contract with CSOS. He estimated that CSOS completed about 20% - 25% of the total work listed in the Contract and said that that percentage of work was paid for under the two paid CSOS invoices.

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18 In an email dated October 22, 2015, from the concrete expert to Mr. Dajnowski of CSOS on which IDNR was copied, the concrete expert wrote that she had reviewed and marked up CSOS’ third invoice and that there appeared to be a few items that were “left over from the last invoice” which changed the amounts listed. Additionally, the concrete expert wrote that on the invoice CSOS listed the cleaning of the statue surface as being 100% completed, but she adjusted the amount to reflect it was 90% percent completed to give her the opportunity to observe the work prior to approving it as being 100% completed. She added that there would likely be another cleaning needed due to the repair work so the remaining 10% for cleaning would be held until the completion of the project.

19 During her OEIG interview, [Former Conservation Foundation Employee] confirmed that CSOS was paid on the invoices from a Conservation Foundation account that consisted of privately donated money and was earmarked for the Eternal Indian Statue restoration project.
F. Conservation Foundation’s Collateral Applied To Repay CSOS’s Line Of Credit

Because the purpose of CSOS obtaining the $100,000 line of credit was supposed to be for startup money on the Eternal Indian Statue restoration project and the Conservation Foundation paid CSOS a total of $85,975 on the August and September 2015 invoices, the OEIG looked to see if CSOS used any of that money to repay its debt from the line of credit. The bank records reflected, however, that CSOS repaid a total of only $4,750 of the $101,000 they withdrew on the loan. When CSOS’ line of credit became due in May 2016 and CSOS had not repaid the loan in full, the [Bank] seized the Conservation Foundation’s CD that was posted as collateral on the CSOS loan and applied $99,739 from the CD to pay off the balance of the CSOS loan debt.

G. Summary Of Conservation Foundation Funds Spent By CSOS For Which There Is No Accounting

The following chart summarizes the timeframes for and amounts of the CSOS withdrawals from its line of credit, deposits made to the CSOS checking account, payments made by CSOS from the checking account, invoice payments by the Conservation Foundation to CSOS, and the payments made by CSOS on its loan:

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20 Prior to receiving its first payment from the Conservation Foundation under the Contract, CSOS only made one payment of $200 on the loan.

21 [Bank] records reflect that the remaining funds from the original CD were returned to the Conservation Foundation in the form of a cashier’s check.
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<th>Checks and Debits from CSOS Checking Account</th>
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22 Every deposit made by CSOS into the checking account corresponded to the amounts and the dates of the withdrawals that CSOS made from the line of credit.

23 These payments were made by CSOS from the checking account where the deposits into the checking account corresponded to the amounts and dates of the withdrawals from the line of credit. The dates listed are the dates the purchases were deducted from the checking account. All amounts have been rounded to the nearest dollar.

24 The CSOS checking account had a $15 balance from November 2015 to November 2016, at which time the bank charged CSOS a $2 dormant service charge fee for inactivity and the balance became $13. The $13 payment on December 1, 2016, was a payment that closed out the checking account.
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</thead>
</table>

Thus, CSOS received $86,750 in Conservation Funds for which there is no accounting:

- Amount CSOS withdrew from the line of credit without repaying: $96,250\(^{25}\)
- Additional amount paid to CSOS by Conservation Foundation on invoices: + $85,975
- Total gain to CSOS from Conservation Foundation funds: $182,225
- Less the value of CSOS’ work as verified by concrete expert: - $95,475\(^{26}\)

**Total amount of unaccounted Conservation Funds:** $86,750

H. Interview of Conservation Foundation Board Treasurer Robert Russell

On October 10, 2017, the OEIG interviewed Dr. Russell, who said that he was elected to the position of Conservation Foundation Treasurer by the other Board members when the Conservation Foundation was created [in 1995] and had maintained the Treasurer position since that time.

When shown copies of the Assignment and Collateral Resolution in his interview, Dr. Russell said that he was not familiar with either of the documents but verified that the signatures on the documents were his and that he signed each of them. Dr. Russell said he believed that a Conservation Foundation employee, probably the Conservation Foundation [Identifying Information Redacted] [Former Conservation Foundation Employee] or an administrative employee, brought the documents to his private medical office during the middle of his clinic hours, told him the documents needed to be signed, and he signed the documents without reading them because he needed to get back to his patients and because he had never had any issues in the past with signing documents for the Conservation Foundation. He added that the documents may have been turned to the signature page when presented to him for his signature. Dr. Russell admitted that when he signed the Collateral Resolution, he certified and attested that the statements and representations in it were true and correct when, to his knowledge, there was no May 27, 2015 Board meeting adopting the Collateral Resolution.

Dr. Russell said that he did not know how the idea came up to obtain the CD or who was involved in this idea, nor did he recall any discussions with Mr. Schmidt about the CD. Dr. Russell added that he was unaware that he signed the CD and the assignment of the CD until the then-IDNR Director and Board Chairman Mr. Rosenthal asked him around the time that Mr. Schmidt resigned from the Conservation Foundation Executive Director position if he signed the documents.

Dr. Russell said that the use of the $100,000 for the CD and assignment of the CD as collateral for the CSOS loan were not actions authorized by the Conservation Foundation Board and that per the Board’s Bylaws, Board approval was required for these actions. Dr. Russell agreed

\(^{25}\) $101,000 withdrawn from the line of credit - $4,750 in repayments by CSOS = $96,250.

\(^{26}\) According to the concrete expert’s review of CSOS’ work on their first two invoices and her edits to the third CSOS invoice on which CSOS was not paid, CSOS performed work on the restoration project totaling $95,475 ($41,400 + $44,575 + $9,500).
that he has certain fiduciary duties as a Conservation Foundation officer, such as the duty to act with due diligence, and that he did not act with due diligence when he signed the [Bank] documents without reading them. Dr. Russell said that he made a “mistake” and has learned his “lesson.” Dr. Russell added that he was not trying to defraud anyone with the [Bank] documents, he will no longer sign documents without reading the documents first, and if needed, he will ask questions about documents presented to him for signature.

I. Eric Schmidt’s Emails Sent In 2016, When The Line Of Credit Came Due And Questions Were Raised

Records obtained from IDNR included some emails from Mr. Schmidt that were sent after the Conservation Foundation CD was seized to satisfy the CSOS loan debt and questions began to be raised. For example, in an email to Mr. Appleman dated July 22, 2016, Mr. Schmidt wrote about the CSOS $100,000 line of credit that, “in actuality it became a way for Andre (sp)\textsuperscript{27} to draw down without sending us invoices for approval,” although he maintained that he (Mr. Schmidt) did not read “the entire bank document.” In an August 9, 2016 email to the Conservation Foundation Board members, Mr. Schmidt wrote that he and Dr. Russell signed the collateral “agreement”; he also acknowledged that the Board did not authorize the $100,000 CD, but maintained, without explanation, that there was no requirement to do so.

J. OEIG Attempts To Interview Conservation Foundation Executive Director Eric Schmidt And CSOS Director Andrzej Dajnowski

Mr. Schmidt resigned from his position as the Conservation Foundation’s Executive Director effective September 2, 2016. The OEIG attempted to schedule an interview of Mr. Schmidt, but was contacted by Mr. Schmidt’s attorney on December 4, 2017, and informed that, if interviewed, Mr. Schmidt would assert his Fifth Amendment privilege against self-incrimination. Based on this information, the OEIG did not proceed with an interview of Mr. Schmidt.

The OEIG also attempted to interview CSOS’ Director, Mr. Dajnowski, by issuing a subpoena to him on December 11, 2017. On January 11, 2018, Mr. Dajnowski’s attorney contacted the OEIG and said that if interviewed, Mr. Dajnowski would be exercising his privilege to remain silent pursuant to the Fifth Amendment. Based on this information, the OEIG did not proceed with an interview of Mr. Dajnowski.

K. OEIG Referral To The Illinois Attorney General

Based on the potential fraud uncovered in this investigation, the OEIG referred the matter to the Illinois Office of Attorney General on February 13, 2018, and agreed to suspend issuing a Final Report while the Attorney General’s Office conducted a criminal investigation into the matter. On September 15, 2020, the Office of Attorney General advised the OEIG that it would not be filing criminal charges. During the time the OEIG’s referral was pending with the Attorney

\textsuperscript{27} “Andre” likely refers to CSOS Director Andrzej Dajnowski.
General’s Office, the restoration work on the Eternal Indian Statue was completed by another contractor.28

III. ANALYSIS

CSOS collected twice from the Conservation Foundation, when it obtained $96,250 free of charge on the loan it neglected to repay and $85,975 on the two invoices paid under the Contract. This resulted in CSOS profiting at least $86,750 that remains unaccounted for, on a project that it did not even complete. The actions of Mr. Schmidt and Dr. Russell enabled this to happen.

CSOS is an entity doing business with the State, and CSOS was paid to perform specific services under the Contract. CSOS collected $96,250 of Conservation Foundation funds, when it neglected to repay its loan for startup money for the restoration project and Conservation Foundation funds, earmarked for the restoration of the statue were used to satisfy the debt. CSOS collected another $85,975 from the Conservation Foundation on the two invoices that were paid. CSOS was required to maintain records relating to the performance of the Contract and necessary to support amounts charged to the State, but aside from providing some general payroll information and general checking account statements, CSOS failed to produce a single receipt or invoice to the OEIG showing how it spent the funds, or provide any statements or explanations of why the documentation was unavailable. Moreover, bank records reflect that at least some of the money was spent at locations such as [Store 1], [Store 2], [Store 3], and [Store 4], which seem unlikely to sell items related to the restoration project. The concrete expert was only able to verify that CSOS performed approximately $95,475 worth of work under the Contract, leaving at least $86,750 of Conservation Foundation funds that CSOS received unaccounted for. When the OEIG requested to interview CSOS’ Director Mr. Dajnowski about these matters, he refused to talk to the OEIG citing his Fifth Amendment rights. Based on the foregoing, the OEIG finds that reasonable cause exists to believe that State vendor CSOS engaged in misconduct when it collected at least $86,750 of Conservation Foundation funds that are unaccounted for, and this allegation is FOUND.29

While proper oversight by the Conservation Foundation’s Board may have prevented CSOS from collecting twice from the Conservation Foundation, Mr. Schmidt’s misconduct and Dr. Russell’s negligence enabled CSOS’ misconduct. Although the Board’s Bylaws required Board approval to obtain the CD and assign it as collateral for the CSOS loan, the matter was not presented to the Board. There were no Board meeting minutes from the date of the purported approval, and Board Chair Mr. Rosenthal was unaware that any such meeting occurred. As Board Treasurer, Dr. Russell should have taken care to protect the Conservation Foundation’s finances, but he admitted to the OEIG that he signed the Assignment and Collateral Resolution without reading them, and confirmed that the Board did not authorize those actions. Mr. Schmidt also admitted in his emails to the Board that he signed off on the bank documents posting the Conservation Foundation CD as collateral for the CSOS loan, and that no Board authorization was obtained; however, he refused to talk to the OEIG, citing Fifth Amendment grounds.

29 The OEIG concludes that an allegation is “founded” when it has determined that there is reasonable cause to believe that a violation of law or policy has occurred, or that there has been fraud, waste, mismanagement, misconduct, nonfeasance, misfeasance, or malfeasance.
As a foundation created by IDNR by authority granted in the Illinois Conservation Foundation Act, the Conservation Foundation is a corporate outgrowth of IDNR created pursuant to State law, and thus, is a State agency under the OEIG’s jurisdiction. As the Conservation Foundation’s Executive Director and Board Treasurer, Mr. Schmidt and Dr. Russell were State employees under the Ethics Act, which includes in its definition of “employee” any appointed or elected board member of a board of a State agency, or any other appointee. The OEIG finds that there is reasonable cause to believe that Mr. Schmidt engaged in misconduct when he executed documents obtaining and assigning a CD without the Conservation Foundation Board’s authority, and falsely certified that the action was authorized by Board, and this allegation is FOUNDED. Furthermore, the OEIG finds that there is reasonable cause to believe that Dr. Russell committed misfeasance when he signed bank documents that he did not review, allowing Conservation Foundation funds to be used to purchase a CD and assigned as collateral for a CSOS loan without Board approval, and this allegation is FOUNDED.

IV. FINDINGS AND RECOMMENDATIONS

As a result of its investigation, the OEIG concludes that there is REASONABLE CAUSE TO ISSUE THE FOLLOWING FINDINGS:

- FOUNDED – State vendor CSOS engaged in misconduct when it collected at least $86,750 of Conservation Foundation funds that are unaccounted for.

- FOUNDED – Conservation Foundation Executive Director Eric Schmidt engaged in misconduct when he executed documents obtaining and assigning a CD without the Conservation Foundation Board’s authority, and falsely certified that the action was authorized by the Board.

- FOUNDED – Conservation Foundation Treasurer Robert Russell committed misfeasance when he signed bank documents that were not accurate, allowing Conservation Foundation funds to be used to purchase a CD and assigned as collateral for a CSOS loan without Board approval.

The OEIG recommends that IDNR and the Conservation Foundation take action to recover any funds paid to CSOS for work it cannot document having performed, and that CSOS and Mr. Dajnowski be debarred from State contracts and grants. Because Mr. Schmidt resigned from the Conservation Foundation Executive Director position, the OEIG recommends that the Conservation Foundation place a copy of this report in his personnel file and that Mr. Schmidt not be rehired by the State. The OEIG further recommends that the Conservation Foundation take whatever action it deems appropriate regarding Dr. Russell.

30 20 ILCS 880/5; 5 ILCS 430/1-5; 5 ILCS 430/20-10(c). See Illinois Office of the Attorney General Informal Opinion No. 1-07-023, issued on May 10, 2007, finding that the Conservation Foundation is a State agency for purposes of the Ethics Act.
31 5 ILCS 430/1-5.
Date: October 1, 2020

Office of Executive Inspector General for the Agencies of the Illinois Governor

Melissa Rollins
Senior Assistant Inspector General

Melissa Brandenburg
Supervising Investigator #160
Case Number: 16-01491

Return 20 Days After Receipt

Please check the box that applies. (Please attach additional materials, as necessary.)

☐ We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

☐ We will implement some or all of the OEIG recommendations but will require additional time to do so.

We will report to OEIG within days from the original return date.

☐ We do not wish to implement some or all of the OEIG recommendations. Please provide details as to what actions were taken, if any, in response to OEIG recommendations:

Please see attachment

Signature

Print Name

Print Agency and Job Title

Date
October 21, 2020

Susan M. Haling, Esq.
Executive Inspector General
Office of the Executive Inspector General (for Agencies of the Governor)
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

Re: OEIG Case No. 16-01491

Dear General Haling:

I hope this finds you doing well.

Please allow this to be the response of the Illinois Department of Natural Resources (Department) to the Final Summary Report (Report) in the above-referenced matter.

In response to the recommendations contained within the Report, with which the Department accepts, the Department agrees to do the following:

1. The Department and the Illinois Conservation Foundation (ICF) will refer the instant matter to the Office of Illinois Attorney General in an attempt to recover any funds paid to the vendor, CSOS, for contractual work CSOS cannot document that it performed during the restoration of the Eternal Indian statue;

2. The Department and ICF will take the necessary steps to work with the appropriate state procurement authority to initiate debarment proceedings, or a similar proceeding, as deemed appropriate, by said procurement authority;

3. The Department and ICF will place a copy of the Report in the personnel file of Eric Schmidt, former ICF Executive Director and

4. The Department will provide a copy of the Report to the current Executive Director of ICF, Crystal Curfman, so she may address the recommendation regarding Dr. Robert Russell, former ICF Board Secretary.
Given that other state offices/agencies will be involved in three of the above actions, the Department will provide an update within 30 business days.

Should you have questions, please feel free to have your staff contact me at 217-785-8693.

Most sincerely,

George M. Sisk
Senior Counsel and Ethics Officer

cc: Colleen Callahan, IDNR Director/ICF Board Chairwoman
Kristin DiCenso, IDNR Chief of Staff
Renee Snow, IDNR General Counsel
December 9, 2020

Susan M. Haling, Esq.
Executive Inspector General
Office of the Executive Inspector General (for Agencies of the Governor)
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

Re: OEIG Case No. 16-01491

Dear General Haling:

I hope this finds you doing well.

On October 21, 2020, I, in my capacity as the Ethics Officer for the Illinois Department of Natural Resources (Department) and the Illinois Conservation Foundation (ICF), advised your office that the Department/ICF accepted the recommendations outlined in the Final Summary Report (Report) in the above-referenced matter. In my correspondence, I requested an additional 30 business days to provide a final response regarding what actions the Department and the ICF planned to take to implement/act on the Report's recommendations. The Department's/ICF's response is due today.

As a reminder, the Department/ICF agreed to do the following in the above-mentioned letter:

1. The Department/ICF will refer the instant matter to the Illinois Attorney General's Office (AGO) in an attempt to recover any funds paid to the vendor, Conservation of Sculptures and Objects Studio, Inc. (CSOS), for contractual work CSOS cannot document that it performed during the restoration of the Eternal Indian statue;

2. The Department/ICF will take the necessary steps to work with the appropriate state procurement authority to initiate debarment proceedings, or a similar proceeding, as deemed appropriate, by said procurement authority;
3. The Department/ICF will place a copy of the Report in the personnel file of Eric Schmidt, former ICF Executive Director and

4. The Department will provide a copy of the Report to the current Executive Director of ICF, so he may address the recommendation regarding Dr. Robert Russell, former ICF Board Treasurer.

In response to each of the above-enumerated matters, please note that:

1. On November 17, 2020, the Department/ICF referred this matter to, and requested representation from, the AGO;

2. On November 18, 2020, the Department/ICF referred this matter to the Chief Procurement Office (for General Services) and asked same to take the appropriate action under the Procurement Code and its regulations as related to CSOS;

3. ICF has placed a copy of the Report in the personnel file of Eric Schmidt, former ICF Executive Director. Additionally, ICF now has written policies in place to prevent this type of conduct in the future and

4. On November 17, 2020, the Department provided a copy of the Report to Steve Ettinger, ICF Executive Director, as related to Dr. Robert Russell who, while still a member of the ICF Board, is no longer the Treasurer or an Officer of the ICF Board.

Based on the above actions taken, the Department/ICF should be in full compliance with the above-mentioned letter and the Report.

Should you have questions, please feel free to have your staff contact me at 217-785-8693.

Most sincerely,

George M. Sisk  
Senior Counsel and Ethics Officer

cc: Colleen Callahan, IDNR Director/ICF Board Chairwoman  
Kristin DiCenso, IDNR Chief of Staff  
Renee Snow, IDNR General Counsel  
John Hosteney, ICF Legal Counsel  
Melissa Brandenburg, OEIG Supervising Investigator
IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

IN RE: CONSERVATION OF SCULPTURE AND OBJECT
STUDIO, INC. # 16-01-491

RESPONDENT'S SUGGESTIONS FOR REDACTION / PUBLIC RESPONSE

Please check the appropriate line and sign and date below. If no line is checked, the Commission will not make your response public if the redacted report is made public.

☑ Below is my public response. Please make this response public if the summary report is also made public.

☐ Below are my suggestions for redaction. I do not wish for these suggestions to be made public.

Attorney of behalf of Respondent
Respondent's Signature

3/5/2021 Date

Instructions: Please write or type suggestions for redaction or a public response on the lines below. If you prefer, you may attach separate documents to this form. Return this form and any attachments to:

ECC.CMS@illinois.gov
Illinois Executive Ethics Commission
401 S. Spring Street, Room 513 Wm. Stratton Building
Springfield, IL 62706

______________________________

THE ATTACHED DOCUMENT IS RESPECTFULLY SUBMITTED AS A PUBLIC RESPONSE
Introduction
The Office of the Executive Inspector General for the Agencies of the Illinois Governor (OEIG) issued a report on October 1, 2020, in Case #16-01491 (the Report), targeting the Illinois Conservation Foundation (Conservation Foundation), a foundation created by the Illinois Department of Natural Resources (IDNR) pursuant to State law, for flouting the foundation’s own internal governance norms. The report, however, also tries to tar with the same brush the Conservation of Sculpture and Objects Studio, Inc. (CSOS), a private business dedicated to the conservation of art and architecture for over 20 years in the Midwest and across the nation, which merely sought to live up to its end of what turned out to be a money-losing contract with the State of Illinois for restoring a well-known statue honoring the indomitable spirit of Native Americans. Given that the Conservation Foundation is a State agency under the OEIG’s jurisdiction, the Report may well be on solid ground for pointing out instances in which the foundation’s office bearers violated procedural requirements for authorizing the posting of collateral securing a line of credit that enabled CSOS to perform under the contract. But in alleging that CSOS itself engaged in misconduct, or worse, somehow enriched itself at the State’s expense, the report engages in rank conjecture. That the report’s allegations against CSOS and its director, Andrzej Dajnowski, Ph. D., are unfounded, is made evident by the refusal of the Illinois Office of Attorney General to proceed against either, even though the filing of criminal charges by that office is substantively governed by the same reasonable cause standard that the OEIG purports to apply in the Report.

Factual Background
As page 1 of the OEIG Report recounts, on March 9, 2015, IDNR had entered into a one-year contract (the Contract) with CSOS and the Conservation Foundation to restore the Eternal Indian Statue, also known as the Blackhawk Statue, an almost 50-foot tall, 100-ton cement statue located in Lowden State Park, which was dedicated in 1911 as a tribute to Native Americans. IDNR controls and manages Lowden State Park, as it does all other Illinois state parks. The Contract is attached hereto as Exhibit A. Section 2.4 of the Contract, titled “Vendor’s Pricing,” stated that the “[v]endor’s price for the term of this [C]ontract based on the terms and conditions set forth in Section 1 of this [C]ontract is: $600,000.” A list of 15 items followed, identified only by numbers, with a price tag attached to each. Those price tags, in fact, aggregated to $600,500.

Item #15, with a price tag of $79,300, which referred to scaffolding, even though included in the total budgeted amount aggregating to $600,500, was actually covered
by a separate contract. See Letter of August 5, 2014, from CSOS to IDNR, attached hereto as Exhibit B.

Section 2.5 of the Contract, titled “Funding,” stated that “[a] majority (51% or greater) of the money [to be] used to fund this project was raised from private donations by the Friends of Blackhawk Statue.” The Report, on page 2, explains that “[a]n amendment to the Contract in April 2015 reflected that the total payments from the Conservation Foundation were estimated to be $325,000[,] and the total payments from IDNR were not to exceed $275,000.” The entire restoration “project originally was supposed to be funded by private funds held by the Conservation Foundation and a $350,000 Illinois Department of Commerce and Economic Opportunity (DCEO) grant to IDNR, but the DCEO grant funding did not become available.” Ibid. Specifically, “there was a State budget impasse[,] and no money was appropriate for the DCEO grant, therefore, there were no funds to be expended for the grant.” Ibid.

State Budget Impasse Led to Lack of Liquidity
Strapped of cash, CSOS nonetheless persevered with the Contract, driven by its mission of saving valuable works of art for posterity. A life-long venture of its director, Dr. Dajmowski, CSOS seeks to devise ways for helping small and large architecture pieces withstand the test of time, so that future generations may continue to enjoy them. As the anticipated funding for its obligations under the Contract dried up on account of a budget deadlock, CSOS had to look elsewhere for short-term financing. That need for financing arose on account of the State’s stringent procedures for making payments under the Contract. The Report itself, on page 6, details the long lag between when CSOS completed a discrete item of restoration work and when it was paid for it.

In particular, after CSOS finished work on a given item among those listed in Section 2.4 of the Contract, “it first submitted its invoice[] to a concrete expert who worked for the architectural firm that had a separate contract with IDNR to oversee the restoration work completed by CSOS on the Eternal Indian Statue.” Ibid. This expert then “conducted an on-site inspection to verify that the work that CSOS claimed in the invoice[] to have [been] completed was accurate.” Ibid. Only then would an IDNR employee “approve[] the invoice with his signature and submit[] the invoice to the Conservation Foundation for payment to CSOS.” Ibid.
In the meantime, CSOS had to be able to fund the restoration work in the first place, and then maintain liquidity while it awaited payment. Consequently, it was forced to obtain a line of credit in the amount of $100,000 from a commercial bank. The bank, however, insisted on collateral to secure this line of credit. The Conservation Foundation agreed to post this collateral in the form of a Certificate of Deposit (CD) for $100,000. The foundation’s then-Executive Director, Eric Schmidt, and then-current Treasurer, Dr. Robert Russell, approved the posting of this collateral.

CSOS Relied on Foundation Officers’ Apparent Authority
On pages 8 through 12, the Report details what it claims are irregularities committed by Mr. Schmidt and Dr. Russell in the approval process. On page 9, for example, the Report states that according to Dr. Russell, “the use of the $100,000 for the CD and assignment of the CD as collateral for the CSOS loan were not actions authorized by the Conservation Foundation Board and that per the Board’s Bylaws, Board approval was required for these actions.” Accordingly, the Report concludes on page 11 that Mr. Schmidt “engaged in misconduct” and that Dr. Russell “committed misfeasance” in allowing the foundation’s funds to be used to purchase a CD and be assigned as a collateral to secure CSOS’ line of credit.

Neither CSOS, as an entity, nor Dr. Dajnowski, as an individual, is in any position to evaluate the merits of these allegations against Mr. Schmidt and Dr. Russell. Each relied on the apparent authority in which Mr. Schmidt and Dr. Russell had clothed their respective actions. The Conservation Foundation, as principal, is bound equally by the authority that it actually gave its agents and by that which it appeared to give them. See Lynch v. Board of Education of Collinsville Community Unit District No. 10, 82 Ill.2d 415, 426, 45 Ill. Dec. 96, 412 N.E.2d 447 (1980). An apparent agent is one who, because of the manifestations of another, reasonably appears to third persons to be authorized to act as the other's agent. Ibid. Because Mr. Schmidt and Dr. Russell reasonably appeared to CSOS and Dr. Dajnowski to be acting on behalf of the Conservation Foundation, the latter bear no liability for the posting of the foundation's CD as collateral securing CSOS' line of credit.

Let Alone Twice, CSOS Hasn’t Even Been Fully Paid Once
Indeed, the OEIG Report levels a solitary charge against CSOS, viz., that “it engaged in misconduct when it collected at least $86,750 of Conservation Foundation funds that are unaccounted for.” Report, at 12. The contention belies reality, which is that CSOS is yet to be fully compensated for all the work that it has performed.
On pages 7 and 8, the Report asserts that CSOS drew down on its line of credit but then did not use the payments it received from the Conservation Foundation to repay the loans, causing the bank to foreclose on the foundation’s CD, which was the posted collateral. According to the Report, this resulted in CSOS being “unjustly enriched” to the extent of $86,750. The Report arrives at that figure by adding the $96,250 amount that CSOS supposedly “withdrew from the line of credit without repaying” to the $85,975 figure representing payments that the Conservation Foundation made on CSOS’ invoices, and subtracting from the resulting sum of $182,225, the $95,475 amount that the Report claims was “the value of CSOS’ work as verified by [the] concrete expert.” Report, at 8.

As an initial matter, the Report’s own findings undermine those assertions. For example, on page 6 n.18, the Report admits that even though on one invoice, the concrete expert concluded that CSOS was “100% completed,” she nonetheless “adjusted the amount to reflect it was 90% [] completed to give her the opportunity to observe the work prior to approving,” adding that the expert thought that “there would likely be another cleaning needed due to the repair work[,] so the remaining 10% for cleaning would be held until the completion of the project.” (Emphasis added.) In other words, on top of the rigorous approval regimen, CSOS’ invoices were arbitrarily scaled back to give the Conservation Foundation flexibility to increase the performance obligations under the Contract. As a result, the $95,475 amount that the Report claims was “the value of CSOS’ work as verified by [the] concrete expert” represents a significant undercounting.

More importantly, several large invoices for work CSOS had completed under the Contract remain unpaid to date. These are attached hereto as Exhibit C. Of particular note are invoices relating to the scaffolding work, for which the total contract amount was $79,300. As noted above, this work was identified as Item #15 in Section 2.4 of the Contract. Even though this contracted amount of $79,300 for scaffolding was included in the total budgeted amount aggregating to $600,500, it was actually covered by a separate contract. After adding up all the unpaid invoices for completed work, CSOS is owed additional monies, a far cry from the Report’s conclusion that CSOS has “collected at least $86,750 of Conservation Foundation funds that are unaccounted for.”
The Illinois Office of Attorney General Declined to File Criminal Charges

The Report admits on page 10 that "the OEIG referred the matter to the Illinois Office of Attorney General." After conducting "a criminal investigation into the matter," an investigation that we can assume was thorough, "the Office of Attorney General advised the OEIG that it would not be filing criminal charges." *Ibid.*

The standard governing the filing of criminal charges is probable cause, which means something more than bare suspicion. Probable cause exists where the prosecutor has knowledge of facts and circumstances that are sufficient to justify a reasonable person to believe that the defendant has committed or is committing a crime. See, generally, *Brinegar v. United States*, 338 U.S. 160, 175-76 (1949) (quoting *Carroll v. United States*, 267 U.S. 132, 162 (1925)); see also *People v. Kent*, 54 Ill.2d 161, 295 N.E.2d 710 (1973).

The applicable standard for the OEIG Report is "reasonable cause." The Report observes on page 11, n. 29, that the "OEIG concludes that an allegation is 'founded' when it has determined that there is reasonable cause to believe that there has been fraud, waste, mismanagement, misconduct, nonfeasance, misfeasance, or malfeasance." (Emphasis added.)

Illinois courts have declined to find a difference between probable cause, on the one hand, and reasonable cause, on the other, at least in the context of searches and seizures. See, e.g., *People v. Wassell*, 119 Ill. App. 3d 15, 19, 455 N.E.2d 1100, 1104 (1983) ("Without deciding, as we need not in this case, whether there is a qualitative difference between probable cause needed for a search warrant and reasonable cause needed for an eavesdropping device, it is our opinion that the record here sustains neither burden."). It would seem to follow that the substantive showing required under both standards is identical. Given that the Illinois Office of Attorney General declined to proceed against either CSOS, as an entity, or Dr. Dajnowski, as an individual, under the probable cause standard, the OEIG's finding of reasonable cause to believe misconduct on the part of CSOS is open to serious challenge and appears untenable.
Adam Sheppard
Sheppard Law Firm, P.C.
180 N. LaSalle, Suite 2510
Chicago, IL 60601
(312) 443-1233
adam@sheppardlaw.com
IL Bar No. 1
EXHIBIT A
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

The Parties to this contract are the Illinois Conservation Foundation, the Illinois Department of Natural Resources (collectively the “State”) and Conservation of Sculpture & Objects Studio, Inc. (the “Vendor”) (collectively the “Parties”). This contract, consisting of the numbered sections listed below, the signature page and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract. This contract supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts and signature may be electronic or digital upon agreement of the Parties.

1. DESCRIPTION OF SUPPLIES AND SERVICES
2. PRICING
3. TERM AND TERMINATION
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. STANDARD CERTIFICATIONS

-BALANCE OF PAGE INTENTIONALLY LEFT BLANK-

We must note that limited parties are identified in this contract. Additional parties should be subject to rules and regulations that must be identified to CSOS, Inc in writing.
1. DESCRIPTION OF SUPPLIES AND SERVICES

1.1 SUPPLIES AND/OR SERVICES REQUIRED:

We went above and beyond the scope of work designated below. Additional items should be included in a written amendment to this contract.

Vendor plans to treat and repair the Eternal Indian Statue (aka: the Blackhawk Statue) located in Lowden State Park, Oregon, Illinois. Vendor, in the course of doing the above, shall:

1. Create molds of the most damaged areas (arms and vertical fold at the proper left leg) of the statue. Negatives of the areas will be created on-site;
2. Use molds made on-site to cast and re-create the damaged sections of the statue. Item 2 will take place in Vendor's studio. Positive plaster representation of the damaged areas will be created in Item 2;
3. Re-create the missing details in the plaster. Work in Item 3 will be done during the winter months in Vendor's studio;
4. Create a new set of molds after the re-creation of missing details of the statue. The new molds will be used on-site during the reconstruction of the missing details. The new molds shall be strong enough to support concrete being poured into them;
5. Open the epoxy injected water outlets on the inside of the statue. The epoxy treatment prevented water from escaping from the shell of the statue and resulted in accelerated deterioration of the surface of the statue. Item 5 will require precise drilling into the injection ports;
6. Remove loose material (that cannot be consolidated or that will be practically impossible to consolidate) from the damaged areas of the statue;
7. Test cleaning processes before executing the cleaning of the statue. Vendor proposes the use of steam and chemicals or perhaps laser cleaning. The most effective process will be selected after testing;
8. Clean the surface of the statue;
9. Consolidate the deteriorated areas wherever possible;
10. Fill the small losses with material matching the original material of the statue;
11. Fill in the areas where the cores were drilled;
12. Re-create the missing/damaged areas of the statue by casting them in place using molds. Item 12 will provide Vendor with a final, restored shape of the statue;
13. Remove molds and finish the surface wherever needed;
14. Evaluate the condition of the metal hatch at the top of the statue. The remedies to any problems encountered can only be addressed after a personal, up close evaluation on the scaffolding and
15. Provide scaffolding.

1.2 SUBCONTRACTING

Subcontractors are not allowed.

For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. If subcontractors will be utilized, Vendor must identify below the names and addresses of all subcontractors it will be entering into a contractual agreement with a total value of $50,000 or more in the performance of this Contract, together with a description of the work to be
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

The Parties to this contract are the Illinois Conservation Foundation, the Illinois Department of Natural Resources (collectively the “State”) and Conservation of Sculpture & Objects Studio, Inc. (the “Vendor”) (collectively the “Parties”). This contract, consisting of the numbered sections listed below, the signature page and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract. This contract supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts and signature may be electronic or digital upon agreement of the Parties.

1. DESCRIPTION OF SUPPLIES AND SERVICES
2. PRICING
3. TERM AND TERMINATION
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. STANDARD CERTIFICATIONS

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STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract.

1.2.1 Will subcontractors be utilized?  ☐ Yes  ☒ No

1.2.2 if at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. Any subcontracts entered into prior to award of the Contract are done at the Vendor’s and subcontractor’s risk.

1.3 WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise disclosed in this section all services shall be performed in the United States. If the Vendor performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor.

Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

* Location where services will be performed: Lowden State Park and/or Vendor’s office and/or an outside laboratory of Vendor’s choosing, if applicable.

1.4 AVAILABILITY OF APPROPRIATION: This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor decreases the Department’s funding by reserving some or all of the Department’s appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly, or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

We would have to be notified in writing. A clause or option of 30 days in advance would be preferred.

2 PRICING

2.1 FORMAT OF PRICING:
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS
STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT
LOWDEN STATE PARK

2.1.1 Vendor has provided pricing below in Section 2.4.1, based on the terms and conditions set forth
in Section 1 of this Contract.

2.2 EXPENSES ALLOWED: Expenses ☒ are not allowed ☐ are allowed.

2.3 TAXES: Pricing shall not include any taxes unless accompanied by proof the State is subject to the tax. If
necessary, Vendor may request the applicable agency's Illinois tax exemption number and federal tax
exemption information.

2.4 VENDOR’S PRICING: Attach additional pages if necessary or if the format of pricing specified above in
Section 2.1 requires additional pages.

2.4.1 Vendor’s price for the term of this contract based on the terms and conditions set forth in
Section 1 of this Contract is: $600,000. This amount is broken down as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>2</td>
<td>$45,000.00</td>
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<tr>
<td>3</td>
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<td>9</td>
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</tr>
<tr>
<td>10</td>
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</tr>
<tr>
<td>11</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>12</td>
<td>$90,000.00</td>
</tr>
<tr>
<td>13</td>
<td>$15,500.00</td>
</tr>
<tr>
<td>14</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>15</td>
<td>$79,300.00</td>
</tr>
</tbody>
</table>

As there are additional items added to the scope of the project as
should be additional pricing.

2.5 FUNDING: A majority (51% or greater) of the money used to fund this project was raised from private
donations by the Friends of Blackhawk Statue. As stated in 30 ILCS 500/20-95, “[n]othing in the Procurement Code or in the rules promulgated under the Procurement Code shall prevent any State agency from complying with the terms and conditions of any grant, gift, or bequest that calls for the procurement of a particular good or service or the use of a particular contractor, provided that the grant, gift, or bequest provides majority funding for the contract.”

3. TERM, TERMINATION AND AMENDMENT

3.1 TERM OF THIS CONTRACT: This contract has an initial term of one (1) year. The one (1) term shall
commence upon the last dated signature of the Parties and terminate one (1) year after the last dated
signature, unless the State terminates earlier as permitted herein by Sections 3.2 and 3.3.
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

3.1.1 In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

3.1.2 Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract.

3.2 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract. (b) is important. Careful wording what we can and can’t do and abide to the fine line between safety of the monument, and surrounding persons.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

3.3 TERMINATION FOR CONVENIENCE: The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor. The Parties may agree in writing to waive the 30 day notice period.

30 day cancellation notification I stated earlier.

3.4.1 This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason. 30 ILCS 500/20-60.

3.4.2 The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

Both supplies and services can be billed. Let's not be shy.

3.4 AMENDMENT: This contract may be amended, in writing, by the Parties prior to the expiration of the initial term.

4. STANDARD BUSINESS TERMS AND CONDITIONS
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

4.1 PAYMENT TERMS AND CONDITIONS:

4.1.1 Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, if applicable, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Department of Labor and are available on the Department's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting the Illinois Department of Labor to ensure understanding of prevailing wage requirements at 217-782-6206 or (http://www.state.il.us/agency/dol/index.htm).

4.1.2 Invoicing: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.

4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency/University state tax exemption number and federal tax exemption information.

4.1.6.2 Vendor shall invoice at the completion of the contract unless invoicing is tied in the contract to milestones, deliverables, or other invoicing requirements agreed to in the contract.

Send Invoices to:

<table>
<thead>
<tr>
<th>Agency/University:</th>
<th>Illinois Conservation Foundation c/o Illinois Department of Natural Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attn:</td>
<td>Jim Elzinga</td>
</tr>
<tr>
<td>Address:</td>
<td>One Natural Resources Way</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>Springfield, Illinois 62702</td>
</tr>
</tbody>
</table>

4.2 ASSIGNMENT: This contract may not be assigned, transferred in whole or in part by Vendor without the prior written consent of the State.

4.3 SUBCONTRACTING: For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. Vendor must receive prior written approval before use...
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontract within 15 days after execution of this contract. Vendor shall notify the State of any additional or substitute subcontractors hired during the term of this contract. If required, Vendor shall provide the State a copy of all such subcontracts within 15 days after execution of the subcontract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Subcontractor Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor must promptly notify, by written amendment to the Contract.

4.4 AUDIT/RETENTION OF RECORDS: Vendor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State pursuant the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency/University, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor’s books and records. 30 ILCS 500/20-65: Must keep a record of all goods services bought and performed, and billing information.

4.5 TIME IS OF THE ESSENCE: Time is of the essence with respect to Vendor’s performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.

4.6 NO WAIVER OF RIGHTS: Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party’s right to exercise or enforce that or other rights in the future.

4.7 FORCE MAJEURE: Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

4.8 CONFIDENTIAL INFORMATION: Each Party, including its agents and subcontractors, to this contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party’s possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party’s confidential information.

4.9 INDEMNIFICATION AND LIABILITY: The Vendor shall indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys’ fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss claimed to result in whole or in part from Vendor’s negligent performance; or (c) any negligent act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents. Neither Party shall be liable for incidental, special, consequential or punitive damages.

4.10 INSURANCE: Vendor shall, at all time during the term and any renewals maintain and provide a Certificate of insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability occurrence form in amount of $1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and $2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of $1,000,000 per occurrence; and (c) Worker’s Compensation Insurance in amount required by law. Insurance shall not limit Vendor’s obligation to indemnify, defend, or settle any claims.

4.11 INDEPENDENT CONTRACTOR: Vendor shall act as an independent contractor and not an agent or employee of, or joint venture with the State. All payments by the State shall be made on that basis.
4.12 Solicitation and Employment: Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency’s director if Vendor solicits or intends to solicit State employees to perform any work under this contract.

4.13 Compliance with the Law: The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

4.14 Background Check: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor’s and subcontractors officers, employees or agents. Vendor or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background check.

4.15 Applicable Law: This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights’ Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any and all claims against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legislation/ilcs/ilcs.asp).

4.16 Anti-Trust Assignment: If Vendor does not pursue any claim or cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State rights, title and interest in and to the claim or cause of action.

4.17 Contractual Authority: The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract.

4.18 Notices: Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

4.19 Modifications and Survival: Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

4.20 PERFORMANCE RECORD / SUSPENSION: Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.

4.21 FREEDOM OF INFORMATION ACT: This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act (FOIA) (50 ILCS 140) notwithstanding any provision to the contrary that may be found in this contract.

4.22 SCHEDULE OF WORK: Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

4.23 WARRANTIES FOR SUPPLIES AND SERVICES:

4.23.1 Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing in accordance with the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

4.24 REPORTING, STATUS AND MONITORING SPECIFICATIONS:

4.24.1 Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the contract.

5. STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this subsection in its entirety for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this subsection in its entirety, and is under a continuing obligation to remain in compliance and report any non-compliance.
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

This subsection, in its entirety, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Subcontractor Certification form provided by the State.

If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect. The state has till July 1st, 2016 to submit additional work revisions. Assuming this contract started in July 2015 if the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

5.1 As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

5.2 Vendor certifies it and its employees will comply with applicable provisions of the United States Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, and applicable rules in performance of this contract.

5.3 Vendor certifies that it is a legal entity authorized to do business in Illinois prior to submission of a bid, offer, or proposal. 30 ILCS 500/1.15.8, 20-43.

5.4 Drug Free Workplace

5.4.1 If Vendor employs 25 or more employees and this contract is worth more than $5,000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.

5.4.2 If Vendor is an individual and this contract is worth more than $5000, Vendor certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the contract. 30 ILCS 580.

5.5 Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States. 720 ILCS 5/33 E-3, E-4.
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

5.6 Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, which include providing equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies. 775 ILCS 5/2-105.

5.7 Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club." 775 ILCS 25/2.

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STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown below.

**CONTRACT SIGNATURES**

<table>
<thead>
<tr>
<th>VENDOR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conservation of Sculpture &amp; Objects Studio, Inc.</strong></td>
<td>Address: 900 South Des Plaines Ave., Forest Park, Illinois 60130</td>
</tr>
<tr>
<td><strong>Signature of Officer:</strong></td>
<td><strong>Email:</strong> <a href="mailto:adajnowski@cososinc.com">adajnowski@cososinc.com</a></td>
</tr>
<tr>
<td><strong>Printed Name of Officer:</strong></td>
<td><strong>Phone:</strong> 773-594-1451; Fax: 773-594-0583</td>
</tr>
<tr>
<td><strong>Title:</strong></td>
<td><strong>Date:</strong> 03-04-2015</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STATE OF ILLINOIS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Agency:</strong> Illinois Conservation Foundation</td>
<td><strong>Phone:</strong> 217-785-2003; Fax: 217-785-8405</td>
</tr>
<tr>
<td><strong>Street Address:</strong> One Natural Resources Way</td>
<td></td>
</tr>
<tr>
<td><strong>City, State ZIP:</strong> Springfield, Illinois 62702</td>
<td></td>
</tr>
<tr>
<td><strong>Representative's Signature:</strong></td>
<td><strong>Date:</strong></td>
</tr>
<tr>
<td><strong>Printed Name:</strong> Eric Schmidt</td>
<td></td>
</tr>
<tr>
<td><strong>Title:</strong> Executive Director</td>
<td></td>
</tr>
</tbody>
</table>

---BALANCE OF PAGE INTENTIONALLY LEFT BLANK---
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown below.

**CONTRACT SIGNATURES**

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>STATE OF ILLINOIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Officer:</td>
<td>Phone: 217-785-2003, Fax: 217-785-8405</td>
</tr>
<tr>
<td>Printed Name of Officer:</td>
<td>Street Address: One Natural Resources Way</td>
</tr>
<tr>
<td>Title:</td>
<td>City: Springfield, Illinois 62702</td>
</tr>
<tr>
<td>Date:</td>
<td>Representative's Signature:</td>
</tr>
<tr>
<td></td>
<td>Date: 3/6/15</td>
</tr>
<tr>
<td></td>
<td>Name: Eric Schmidt</td>
</tr>
<tr>
<td></td>
<td>Title: Executive Director</td>
</tr>
</tbody>
</table>

---BALANCE OF PAGE INTENTIONALLY LEFT BLANK---
STATE OF ILLINOIS

A CONTRACT BETWEEN THE ILLINOIS CONSERVATION FOUNDATION, THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF SCULPTURE & OBJECTS STUDIO, INC. FOR THE REPAIR AND RESTORATION OF THE ETERNAL INDIAN STATUE AT LOWDEN STATE PARK

<table>
<thead>
<tr>
<th>State Agency: Illinois Department of Natural Resources</th>
<th>Phone: 217-785-0075, Fax: 217-785-9236</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Address: One Natural Resources Way</td>
<td></td>
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<tr>
<td>City, State ZIP: Springfield, Illinois 62702</td>
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</tr>
<tr>
<td>Representative's Signature:</td>
<td>Date: 3/9/15</td>
</tr>
<tr>
<td>Printed Name: Wayne A. Rosenthal</td>
<td></td>
</tr>
<tr>
<td>Title: Director</td>
<td></td>
</tr>
<tr>
<td>IDNR General Counsel's Signature:</td>
<td>Date: 3/15/15</td>
</tr>
<tr>
<td>Printed Name: Brent R. Krebs</td>
<td></td>
</tr>
<tr>
<td>IDNR Chief Fiscal Officer's Signature:</td>
<td>Date: 3/16/15</td>
</tr>
<tr>
<td>Printed Name:</td>
<td></td>
</tr>
</tbody>
</table>

APPROVED FOR EXECUTION
Date 3/15/15
Legal Counsel

--BALANCE OF PAGE INTENTIONALLY LEFT BLANK--
TAXPAYER IDENTIFICATION NUMBER

ATTACHMENT “A”

I certify that the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

I certify that I am a U.S. person (including a U.S. resident alien).

• If you are an individual, then enter your name and Social Security Number (SSN) as it appears on your Social Security Card.

• If you are a sole proprietor, then enter the owner’s name on the name line followed by the name of the business and the owner’s SSN or Employer Identification Number (EIN).

• If you are a single-member LLC that is disregarded as an entity separate from its owner, then enter the owner’s name on the name line and the D/B/A on the business name line and enter the owner’s SSN or EIN.

• If the LLC is a corporation or partnership, then enter the entity’s business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).

• For all other entities, enter the name of the entity as used to apply for the entity’s EIN and the EIN.

Name: [Signature]

Business Name: [Company Name]

Taxpayer Identification Number: [SSN or EIN]

Social Security Number: [SSN]

Or

Employer Identification Number: [EIN]

Legal Status (check one):

☐ Individual
☐ Sole Proprietor
☐ Partnership
☐ Legal Services Corporation
☐ Tax-exempt
☐ Corporation providing or billing medical and/or health care services
☐ Corporation NOT providing or billing medical and/or health care services

☐ Governmental
☐ Nonresident alien
☐ Estate or trust
☐ Pharmacy (Non-Corp.)
☐ Pharmacy/Funeral Home/Cemetery (Corp.)
☐ Limited Liability Company

(select applicable tax classification)

☐ D = disregarded entity
☐ C = corporation
☐ P = partnership

Signature and Title of Authorized Vendor’s Representative: [Signature]

Date: 03-05-15
EXHIBIT B
August 5, 2014

Mr. James Elzinga
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
One Natural Resources Way
Springfield, Illinois 62702

Scope of services to be provided by CSOS for treatment of the Eternal Indian Statue, Lowden State Park, Oregon, IL:

Treatment plan:
1. Make molds of the most damaged areas (arms and vertical fold at the proper left leg). Negatives of the areas will be created on site.
2. Using molds made on site cast / recreate the damaged sections of the sculpture in CSOS studio. Positive plaster representation of the damaged areas will be created in this step.
3. Recreate the missing details in the plaster. This is a very important step, because we will sculpt in plaster the missing details of the surface. This work will be done during winter in CSOS studio.
4. After recreation of missing details of the sculpture we will need to make new sets of molds. The new molds will be used during reconstruction of missing details on site. They have to be strong enough to support concrete being poured into them.
5. Open the epoxy injected water outlets (by WUTA) on the inside of the sculpture. WUTA treatment prevented water escape from the shell of the sculpture and resulted in accelerated deterioration of the surface of the sculpture. This treatment step will require precise drilling into the injection ports.
6. Remove the loose material (that can not be or will be practically
impossible to consolidate) from the damaged areas.
7. Test cleaning processes before executing the cleaning of the sculpture. We propose use of steam and chemicals or perhaps laser cleaning. The most effective process will be selected after testing. We own a few lasers and can bring them to the project at any time.
8. Clean the surface of the sculpture.
9. Consolidate the deteriorated areas where possible.
10. Fill the small losses with material matching the original.
11. Fill in the areas where the cores were drilled.
12. Recreate the missing / damaged areas by casting them in place (using molds). This step will provide us with final restored shape of the sculpture.
13. Remove molds and finish the surface where needed.
14. Evaluate the condition of the metal hatch at the top of the sculpture. The solutions to the problems found there can be found only after up close evaluation. This treatment step will be addressed after examination from the scaffolding.
15. Test and evaluate possibility of application of surface sealers. We do not have treatment recommendation at this point.
16. Optional. Restore the surface of the limestone below the sculpture. Recreation of the limestone planter is not recommended, because it was not original to the sculpture and could cause water accumulation in the lower sections of the sculpture.

**Treatment cost:**
Step 1 - $50,000.00
Step 2 - $45,000.00
Step 3 - $119,000.00
Step 4 - $67,500.00
Step 5 - $12,000.00
Step 6 - $12,000.00
Step 7 - $4,000.00
Step 8 - $35,000.00
Step 9 - $25,000.00
Step 10 - $40,000.00
Step 11 - $1,200.00
Step 12 - $90,000.00
Step 13 - $15,000.00
Step 14 - $5,000.00
Step 15 - optional
Step 16 – optional
Scaffolding $79,300.00 under separate contract, but in this budget

Cost of above work - $600,500.00

This is a very important sculpture with serious problems. The above proposal is prepared based on visual examination of the surface and tests of the core samples. Any unforeseen conditions will be addressed after discussion of possible treatment steps with the owner’s representative. It might be necessary to revise the proposed treatment after more detailed evaluation of the sculpture from the scaffolding is performed.

CSOS representatives will attend all necessary construction and progress meetings during the duration of the project.

Please contact CSOS Inc. with any questions that you might have.

Sincerely,

Andrzej Dajnowski, Ph.D.
Director of CSOS Inc.
EXHIBIT C
conservation of sculpture &
objects studio, inc.

Invoice

Bill To:
Mrs. Amy Lamb Woods, P.E.
Associate
Thornton Tomasetti
330 N. Wabash Ave, Suite 1500
Chicago, IL 60611

Invoice #:
#1-2014

Invoice Date:
05-17-2014

Customer ID:
Blackhawk

Ship To:
Andrzej Dajnowski, Ph.D.
Director of CSOS Inc.
900 S. Des Plaines Ave.
Forest Park, IL 60130

<table>
<thead>
<tr>
<th>Date</th>
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<th>F.S. Project#</th>
<th>Account#</th>
<th>Contract date</th>
<th>Ship Via</th>
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<tr>
<td>1</td>
<td>Sample taking / core drilling (15 hours per person x 2 people)</td>
<td>$3,600.00</td>
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<td>2</td>
<td>Materials</td>
<td>$400.00</td>
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Total contract $14,400.00
Previously paid $0.00
This Invoice $4,000.00
Balance due $10,400.00

CSOS Inc.
900 South Des Plaines Avenue
Forest Park, Illinois
phone: 773.594.1451
facimile: 773.594.0583
e-mail: info@csosinc.com

The invoiced amount is payable within 30 days.
After 30 days 5% interest will be charged for every month.

www.WeSaveArt.com
**Invoice**

**Bill To:**
Mr. Peter W. Dillon, President
Dillon Foundation
P.O. Box 537
Sterling, IL 61081

**Ship To:**
Andrzej Dajnowski, Ph.D.
Director of CSOS Inc.
900 S. Des Plaines Ave.
Forest Park, IL 60130

<table>
<thead>
<tr>
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<tr>
<td>1</td>
<td>Removal of limestone wall surrounding the sculpture (41 hrs x 3 people = 123 x $100)</td>
<td>$12,300.00</td>
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<td>2</td>
<td>Travel &amp; tools</td>
<td>$800.00</td>
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| Total contract | $13,100.00 |
| Previously paid | $0.00 |
| This invoice | $13,100.00 |
| Balance due | $0.00 |

CSOS Inc.
900 South Des Plaines Avenue
Forest Park, Illinois
phone: 773.594.1451
facsimile: 773.594.0583
e-mail: info@csosinc.com

The invoiced amount is payable within 30 days. After 30 days 5% interest will be charged for every month.

www.WeSaveArt.com
**Invoice**

**Bill To:**
Mr. Peter W. Dillon, President  
Dillon Foundation  
P.O. Box 537  
Sterling, IL 61081

**Ship To:**
Andrzej Dajnowski, Ph.D.  
Director of CSOS Inc.  
900 S. Des Plaines Ave.  
Forest Park, IL 60130

<table>
<thead>
<tr>
<th>Date</th>
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<tr>
<td>1</td>
<td>Scaffolding rental from Nov 25th to April 30 at $75.00 per day for 157 days</td>
<td>$11,775.00</td>
<td>$11,775.00</td>
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**Total contract** $79,300.00  
**Previously paid** $59,650.00  
**This invoice** $11,775.00  
**Balance due** $27,850.00

The invoiced amount is payable within 30 days.  
After 30 days 5% interest will be charged for every month.

www.WeSaveArt.com
# Invoice

**Invoice #:** #2-2015  
**Invoice Date:** 07-25-2015  
**Customer ID:** Blackhawk

---

**Bill To:**  
Mr. Peter W. Dillon, President  
Dillon Foundation  
P.O. Box 537  
Sterling, IL 61081

**Ship To:**  
Andrzej Dajnowski, Ph.D.  
Director of CSOS Inc.  
900 S. Des Plaines Ave.  
Forest Park, IL 60130

---

<table>
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<tr>
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<tr>
<td>1</td>
<td>Scaffolding rental from April 30 to July 25 at $75.00 per day for 86 days</td>
<td>$6,450.00</td>
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<td>Previously paid $13,450.00 for invoiced $11,775.00. Overpaid $1,675.0</td>
<td>Less $1,675</td>
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<tr>
<td></td>
<td>Amount due after deduction of over payment</td>
<td></td>
<td>$4,775.00</td>
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**Total contract** $79,300.00  
**Previously paid** $53,100.00  
**This invoice** $4,775.00  
**Balance due** $21,425.00

---

The invoiced amount is payable within 30 days.  
After 30 days 5% interest will be charged for every month.

---

**CSOS Inc.**  
900 South Des Plaines Avenue  
Forest Park, Illinois  
phone: 773.594.1451  
fax: 773.594.0583  
e-mail: info@csosinc.com

---

**www. WeSaveArt.com**
## Invoice

### Bill To:
Mr. Peter W. Dillon, President  
Dillon Foundation  
P.O. Box 537  
Sterling, IL 61081

### Ship To:
Andrzej Dajnowski, Ph.D.  
Director of CSOS Inc.  
900 S. Des Plaines Ave.  
Forest Park, IL 60130

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<tr>
<td>1</td>
<td>Two days of work 3 people 3 x 8 x 2 x $100.00 = $4,800.00</td>
<td>$4,800.00</td>
<td>$4,800.00</td>
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<tr>
<td>2</td>
<td>One day two people 2 x 8 x $100.00 = $1,600.00</td>
<td>$1,600.00</td>
<td>$1,600.00</td>
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<td>3</td>
<td>Materials and transport</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
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| Total contract | $7,400.00 |
| Previously paid | 0.00      |
| This invoice   | $7,400.00 |
| Balance due    |           |

CSOS Inc.  
900 South Des Plaines Avenue  
Forest Park, Illinois  
phone: 773.594.1451  
facimile: 773.594.0583  
e-mail: info@csosinc.com

The invoiced amount is payable within 30 days.  
After 30 days 5% interest will be charged for every month.

www. WeSaveArt.com
# Invoice

**Invoice #:** #5-2015  
**Invoice Date:** 12-17-2015  
**Customer ID:** Blackhawk

**Bill To:**  
Mr. Peter W. Dillon, President  
Dillon Foundation  
P.O. Box 537  
Sterling, IL 61081

**Ship To:**  
Andrzej Dajnowski, Ph.D.  
Director of CSOS Inc.  
900 S. Des Plaines Ave.  
Forest Park, IL 60130

<table>
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<th>Contract date</th>
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<th>Description</th>
<th>Price</th>
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<tbody>
<tr>
<td>1</td>
<td>Rental from Sept 24 to Dec 17 – 83 x $75.00 = $6,225.00</td>
<td>$6,225.00</td>
<td>$6,225.00</td>
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</table>

**Total contract** $6,225.00  
**Previously paid** 0.00  
**This invoice** $6,225.00  
**Balance due**

---

CSOS Inc.  
900 South Des Plaines Avenue  
Forest Park, Illinois  
phone: 773.594.1451  
facsimile: 773.594.0583  
e-mail: info@csosinc.com

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www.WeSaveArt.com
Invoice

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Mr. Peter W. Dillon, President
Dillon Foundation
P.O. Box 537
Sterling, IL 61081

Ship To:
Andrzej Dajnowski, Ph.D.
Director of CSOS Inc.
900 S. Des Plaines Ave.
Forest Park, IL 60130

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<tr>
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<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Scaffolding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Rental from Dec 17 – April 08, 2016 = 113 x $75.00 = $6,225.00</td>
<td>$8,475.00</td>
<td>$8,475.00</td>
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<tr>
<td>2 Rent that state did not pay for August and September</td>
<td>$1,800.00</td>
<td>$1,800.00</td>
</tr>
<tr>
<td>3 Monthly difference between CSOS charges and DCS rental cost from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014 to April 2016 = 18 months x $196.00</td>
<td>$3,528.00</td>
<td>$3,528.00</td>
</tr>
</tbody>
</table>

Total contract $13,803.00
Previously paid 0.00
This Invoice $13,803.00
Balance due

CSOS Inc.
900 South Des Plaines Avenue
Forest Park, Illinois
phone: 773.594.1451
facsimile: 773.594.0583
e-mail: info@cosinc.com

The invoiced amount is payable within 30 days.
After 30 days 5% interest will be charged for every month.

www. WeSaveArt.com
# Invoice

**Bill To:**
Mr. Peter W. Dillon, President
Dillon Foundation
P.O. Box 537
Sterling, IL 61081

**Ship To:**
Andrzej Dajnowski, Ph.D.
Director of CSOS Inc.
900 S. Des Plaines Ave.
Forest Park, IL 60130

<table>
<thead>
<tr>
<th>Date</th>
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<tbody>
<tr>
<td>1</td>
<td>Rental from April 08 – June 5, 2016 = 65 x $75.00</td>
<td>$4,875.00</td>
<td>$4,875.00</td>
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<td>2</td>
<td>Monthly difference between CSOS charges and DCS rental cost from April to June 6, 2016 = 3 months x $196.00</td>
<td>$588.00</td>
<td>$588.00</td>
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**Total contract** $5,463.00

**Previously paid** 0.00

**This invoice** $5,463.00

**Balance due**

CSOS Inc.
900 South Des Plaines Avenue
Forest Park, Illinois
phone: 773.594.1451
facsimile: 773.594.0583
e-mail: info@csosinc.com

The invoiced amount is payable within 30 days.
After 30 days 5% interest will be charged for every month.

www.WeSaveArt.com
#8-2016
06-03-2016
Blackhawk

<table>
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<tr>
<th>Date</th>
<th>Contract #</th>
<th>F.S. Project#</th>
<th>Account#</th>
<th>Contract date</th>
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<th>Terms</th>
<th>CSOS Tax ID</th>
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<tr>
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<td>Dismantling</td>
<td>$17,000.00</td>
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Total contract $17,000.00
Previously paid 0.00
This invoice $17,000.00
Balance due

CSOS Inc.
900 South Des Plaines Avenue
Forest Park, Illinois
phone: 773.594.1451
facimile: 773.594.0583
e-mail: info@csosinc.com

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