OFFICE OF THE INDEPENDENT INSPECTOR GENERAL
Tirrell J. Paxton, Inspector General
69 West Washington Street | Suite 1160 | Chicago, IL 60602 | (312) 603- 0350

June 30, 2026

Re: Public Release of OIIG Report No. IIG25-0034 (Cook County Assessor's Office – Homeowner Exemption)

Pursuant to Sections 2-289(c)(2) and 2-289(d) of the Independent Inspector General Ordinance, Cook County, Illinois, Ordinance No. 07-O-52 (2007), attached hereto are the following:

- OIIG Report No. IIG25-0034 (Cook County Assessor's Office) dated June 15, 2026.
- Cook County Assessor's Response to OIIG Report IIG25-0034 dated June 30, 2026.

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June 15, 2026

Confidential Transmittal via email only

Hon. Fritz Kaegi
Cook County Assessor's Office
118 North Clark Street, Room 320
Chicago, Illinois 60602

Re: OIIG Public Statement - IIG25-0034 (Homeowner Exemption)

Dear Assessor Kaegi:

This letter is written in accordance with Sections 2-289(c)(2) and 2-289(d) of the Independent Inspector General (OIIG) Ordinance, Cook County, Ill., Ordinances 07-O-05 (2007) (the "OIIG Ordinance"), relative to a review initiated by this office concerning the Cook County Assessor's Office's administration of the General Homestead Exemption ("Homeowner Exemption"). This letter is written to apprise you of the results of this review, and it will be issued as a public statement along with any response to it you may have.

Background

The OIIG received information from a media source alleging a former government official unlawfully claimed the Homeowner Exemption. The media source further alleged that the granting of the Homeowner Exemption was so erroneous that the CCAO has probably made many more violations. Accordingly, this office initiated a limited scope review of the CCAO's Homeowner Exemption program to identify potential indicators of noncompliance or control gaps.

Section 15-175 of the Illinois Property Tax Code (35 ILCS 200/15-175) establishes the Homeowner Exemption, which reduces the taxable value of an owner-occupied primary residence. In Cook County, the exemption allows a reduction of up to $10,000 in equalized assessed value for qualifying properties.

To receive the exemption, the homeowner must:

1) own or have a contract (legal/leasehold interest) that makes them responsible for the real estate taxes of the residential property; and

2) occupy the property as their principal place of residence as of January 1 of the tax year.

The homeowner must notify the CCAO by March 1 if their property is no longer their primary residence by submitting a required form. The CCAO automatically renews Homeowner Exemptions for properties that were not sold to new owners the previous year.

OIIG Review

Scope

The OIIG obtained a list of taxpayers who were eligible and received the Homeowner Exemption for tax years 2022 and 2023. Our analysis of the list revealed the following:

1) For tax year 2022, there were 1,010,623 properties identified by property identification numbers ("PINs") with an assessed value totaling $30,558,259,031 that received a Homeowner Exemption.

2) For tax year 2023, there were 1,000,590 PINs with an assessed value totaling $32,204,222,774 that received a Homeowner Exemption.

Objectives

The OIIG's primary objectives were:

1) Identify potential noncompliance with the Homeowner Exemption; and

2) Evaluate internal controls with the administration of the Homeowner Exemption program.

Methodology

The OIIG focused on anomalies that may suggest ineligible or duplicate Homeowner Exemptions. Our review covered Homeowner Exemption records for tax years 2022 and 2023. The OIIG conducted limited audit procedures for the records within our scope that contained anomaly characteristics. Specifically, the OIIG selected records that appeared to be either 1) duplicates or 2) uncommon names appearing across multiple properties. Additionally, the OIIG interviewed CCAO personnel with administrative and oversight responsibility for Homeowner Exemption application processing.

Homeowner Exemption Administration

First Step: Identification of Eligible Homeowners

The OIIG interviewed a CCAO official regarding the process for reviewing and granting the Homeowner Exemption. The CCAO official said the CCAO does not automatically grant the exemption. The eligible homeowners must submit an exemption application.

A CCAO manager told us that the CCAO reviews sales from the prior tax year to ascertain which homeowners may qualify as "potential new homeowners" eligible to receive the exemption. The CCAO obtains the sales information for residential properties from the Cook County Clerk's Office. The sales files are spot-checked as part of a quality assurance check. The information received is verified on a sample basis to ensure "the data aligns" and to ensure the mailer is sent to the correct taxpayer on file. Based on the sales information, the CCAO sends out "mailers" to homeowners advising them to review the list of available exemptions, including the Homeowner Exemption, on the CCAO's website. The homeowner is advised to complete the exemption application enclosed in the mailer if they deem themselves eligible for a tax exemption, including the Homeowner Exemption.

Step 2: Homeowner Exemption Application

Taxpayers have several methods of submitting an exemption application. Those methods include the U.S. mail, in-person, or online. Taxpayer Information ("TPI") Specialists are assigned to review exemption applications to "proof" them. Proofing an application are the steps the CCAO takes to verify eligibility for tax exemptions. Proofing can include checking whether the application was signed and/or conducting ownership and residency verification.

The applications are deemed approved after the Specialists have reviewed and vetted the information. The Specialists' approval is final and there is no supervisory review. The Specialists manually enter the information into the CCAO's database. Conversely, when a Specialist determines that the information is incomplete and/or missing, the application for the exemption is returned to the homeowner. The initial vetting process is important because it establishes the foundation to grant automatic renewals for subsequent tax years.

Step Three: Identify Missing Eligible Homeowner Exemptions

The CCAO has a "secondary method" to identify possible missing Homeowner Exemptions. The CCAO uses a mailer to contact residential homeowners who have not received a Homeowner Exemption for more than two years. The purpose is to obtain information to ascertain whether they are eligible for the Homeowner Exemption.

The CCAO uses property sales to determine when to remove Homeowner Exemptions. All exemptions are removed from each residential property one year after a sale has been recorded. As an example, if a sale is recorded in tax year 2023, then those properties are subject to removal of applicable tax exemptions in tax year 2024. Then, the sold properties are made part of the mailer notification process for "new" homeowners. These new homeowners are encouraged to review and apply for qualifying tax exemptions. The mailer system allows the CCAO to ascertain if the residential property is used as a primary residence or a rental property.

If the CCAO determines that a residential property is being used for anything other than a primary residence, the Homeowner Exemption is disallowed. If a homeowner fails to respond to a CCAO mailer, the CCAO assumes that the property is being used for purposes other than a primary

residence. Accordingly, property owners that are non-responsive to the mailers are considered ineligible for a Homeowner Exemption.

Step Four: Erroneous Homeowner Exemptions

The CCAO relies on whistleblowers to report individuals receiving erroneous Homeowner Exemptions. The CCAO also relies on homeowners to self-report when they are no longer eligible to receive a Homeowner Exemption. The CCAO includes a notice on its website advising homeowners to contact the CCAO when they are no longer eligible to receive the exemption.

The CCAO utilizes a vendor to conduct annual audits of all exemptions that were granted. The vendor reviews exemptions that were granted the previous year and compares those exemptions to certain "resources" that are available to it. The vendor has the ability to verify certain records, including but not limited to, death record registries and whether a homeowner has a Homeowner Exemption in other jurisdictions. The vendor provides an Excel file to the CCAO detailing properties that were identified as potentially ineligible for a Homeowner Exemption based on the results of their annual audit. The CCAO contacts the homeowners identified by the vendor. Additionally, the CCAO conducts additional reviews of the homeowner's information to ascertain the validity of exemptions granted.

Other: Standard Operating Procedures

The CCAO is in the process of documenting standard operating procedures related to the administration of the exemption. A CCAO manager told us in June 2026 that the process was still underway.

Review of Homeowner Exemptions

As part of the OIIG's review, we analyzed the list of Homeowner Exemptions for tax years 2022 and 2023. We examined the data set to determine how many properties contained the same homeowner's name. Our analysis revealed the following:

1) 164,059 properties had the same homeowner name for tax year 2022 (duplicate); and

2) 157,172 properties had the same homeowner's name for tax year 2023 (duplicate).

From these lists of duplicate Homeowner Exemptions, the OIIG selected 25 records for each tax year (2022 and 2023) for a total sample size of 50 for further review. To distinguish between taxpayers who might simply share a name, we selected individuals with uncommon names from the Homeowner's Exemption list provided by the CCAO. We compared names and mailing addresses to information from deeds on file with the Cook County Clerk's Office, plus Personally Identifying Information contained in proprietary databases to determine whether ownership aligned with Homeowner Exemption eligibility requirements, including whether the same individual owned multiple properties receiving the exemption.

Our analysis determined that for tax year 2022, for 7 of 25 (28%) properties reviewed, the homeowner owned multiple properties concurrently and claimed multiple Homeowner Exemptions. Additionally, for tax year 2023, for 11 of 25 (44%) of the properties reviewed, the homeowner owned multiple properties concurrently and claimed multiple Homeowner Exemptions.

OIIG Findings and Conclusion

The OIIG's review of Homeowner Exemption data determined that conditions exist which may allow ineligible or duplicate Homeowner Exemptions to be granted or remain undetected. Furthermore, the results of our limited review suggest opportunities to strengthen internal controls related to the identification and review of Homeowner Exemptions.

Further, the CCAO relied on a third-party vendor to identify and monitor erroneous Homeowner Exemptions; however, the vendor's controls were not effective based on ineligible exemptions on multiple properties noted during our review.

The OIIG had an exit conference with CCAO officials on June 11, 2026, during which the OIIG discussed its proposed findings. While the officials acknowledged the issue of property owners claiming multiple homeowner's exemptions is an important one, they said taxpayers who are found to have been granted exemptions erroneously may be back billed for four preceding tax years. The officials said the erroneous exemption process is one remedy they use for the issues identified by the OIIG.

The CCAO officials said their implementation of Standard Operating Procedures for the administration of the homeowner's exemption was still underway. The officials said they would provide any other steps they are taking to improve their administration of the homeowner's exemption in their written response to the OIIG.

The CCAO officials said their office discontinued their relationship with the third-party vendor they had used in 2025 and now use a new vendor to vet exemption applications. The officials said it was their opinion that the new vendor's performance was superior to that of its predecessor.

The CCAO officials said there are approximately 1.2 million homeowners in Cook County who receive the homeowner's exemption. The officials said they are limited in their ability to review homeowner's, and other types of exemption applications, by their personnel count. The officials said they are also limited in their ability to acquire documents enabling their evaluation of whether a property owner is submitting multiple homeowner's exemptions because the CCAO does not have subpoena power, for example.

OIIG Recommendation

Based upon the foregoing, the OIIG respectfully recommends the following:

1. The CCAO should continue its efforts to develop and formalize comprehensive policies and standard operating procedures surrounding the administration of the Homeowner Exemption program that ensures clear eligibility requirements, standardized application review processes, and defined approval controls.

2. While we are aware that the CCAO has contracted with a new vendor, the CCAO should continue to evaluate the vendor's performance and strengthen vendor oversight to ensure vendor's controls are working as intended to appropriately identify ineligible and/or erroneous Homeowner Exemptions.

3. The CCAO should conduct an expanded review of the Homeowner Exemption program to assess the extent of potential noncompliance related to exemptions granted.

Finally, in accordance with Section 2-289(d)(3) of the OIIG ordinance, we respectfully request that any response to this report be submitted to this office within 10 business days. Thank you for your consideration of this issue. Of course, please do not hesitate to contact me if you have questions regarding this or any other matter.

Very truly yours,



Tirrell J. Paxton
Independent Inspector General

cc: Honorable Toni Preckwinkle
Lanetta Haynes Turner, Chief of Staff, Office of the President
Laura Lechowicz Felicione, General Counsel – Deputy Chief of Staff, Government, and Legislative Affairs
Tatia Gibbons, Chief Legal Counsel, CCAO

COOK COUNTY
ASSESSOR'S OFFICE
Fritz Kaegi, Assessor

June 30, 2026

Transmittal via email only
Tirrell J. Paxton
Inspector General
Office of the Independent
Inspector General
69 W. Washington, 22nd Floor
Chicago, Illinois 60602

Re: OIIG Public Statement - IIG25-0034 Homeowner Exemption

Dear Inspector General Paxton:

The Cook County Assessor (CCAO) submits this response to a Public Statement issued by the Independent Inspector General (OIIG) in accordance with Section 2-289 of the OIIG Ordinance, Cook County Ordinances (2007) regarding the CCAO's administration of general Homestead Exemptions ("Homeowner Exemption") on residential properties in 2022 and 2023.

OIIG Review and CCAO Response

The OIIG obtained a list of properties that received the Homeowner Exemption for tax years 2022 and 2023. Based on their research 1,010,623 properties identified by property identification numbers ("PINs") received a Homeowner Exemptions in 2022 and 1,000,590 PINs received the Exemption for 2023. Of the more than 2,000,000 properties obtained, the OIIG selected a sample of 25 records for each tax year, 2022 and 2023, where a property owner received exemptions on more than one property with common ownership. They determined that for tax year 2022, for 7 of 25 properties reviewed, the taxpayer of record owned multiple properties concurrently and claimed multiple Homeowner Exemptions. For tax year 2023, 11 of 25 of the properties reviewed included taxpayers who owned or were listed as taxpayer of record on multiple properties that received Homeowner Exemptions.

The Statement did not address some factors that may account for an owner receiving a Homeowner Exemption on more than one property in the same year, such as a recent or subsequent sale, and did not acknowledge the statutory remedy for correcting improper exemptions. Following a mid-year transfer, a property will reflect the prior taxpayer of record until the subsequent year or until a new homeowner applies for the Homeowner's Exemption or updates taxpayer of record information. After a sale, the CCAO removes the exemption in a subsequent tax year if a new owner does not apply for a homeowner's exemption. The timing of the sale and upload of sales data may impact the timing of this removal. Of the OIIG sample properties, seven (7) sold within a short time of the tax year in question. Thirteen of the parcels were researched by the CCAO and found to be primary residences of the taxpayers that qualified for the homeowner's exemption while seventeen of the remaining parcels have been billed already, or, are in the process of being billed for erroneous exemptions in accordance with state law. (35 ILCS 200/9-275). Two of the

properties identified with common ownership did not receive a Homeowner's Exemption. Thus, the OIIG's Statement raises issues on certain PINs that the CCAO had discovered, or, that do not result in improper Homeowner's Exemptions.

The CCAO acknowledges that owners claiming multiple Homeowner's Exemptions is an important issue but notes that the complexity in ownership and timing of transfers impact an owner's right to a homeowner's exemption. An annual review of exemptions by name does not provide sufficient information to ensure homeowners qualify or do not qualify for Homeowners Exemptions. Mid-year property transfers, ownership of property in Trust, and properties that straddle more than one PIN complicate this effort and require extensive research. Research, data, and property transfer records assist the CCAO in the determination of exemption eligibility. The CCAO uses annual sales data to prompt action based on transfers. That said, the CCAO also must timely review and apply homeowner's exemptions along with other applicable exemptions for more than a million residential parcels within a short window of time. Ensuring this process happens in a timely manner allows property owners to receive appropriate savings in their second-installment property tax bills.

As a remedy, the legislature provided the erroneous exemption statute as a way to identify and bill property owners who improperly received tax exemptions. 35 ILCS 200/9-275. On a regular basis, the CCAO reviews exemptions, property sales, and helpful information to determine whether properties failed to qualify for exemptions. In those cases, the CCAO bills responsible parties for the property taxes, which are then collected and distributed to local governmental entities.

While the Statement noted that a third-party vendor who assisted the CCAO in verifying exemption eligibility for 2022 and 2003 fell short, the CCAO already discontinued their relationship with the third-party vendor after a final transaction for the 2024 assessment year. The CCAO is working with another vendor to vet ownership and eligibility data moving forward.

The CCAO follows statutory requirements for implementation of homeowner's exemptions and instructs staff on these eligibility requirements. The CCAO is documenting standard operating procedures and will ensure those are consistently followed as well.

OIIG Recommendation

1. The CCAO should continue its efforts to develop and formalize comprehensive policies and standard operating procedures surrounding the administration of the Homeowner Exemption program that ensures clear eligibility requirements, standardized application review processes, and defined approval controls.

Response: The CCAO instructs employees on evidentiary requirements when reviewing exemption applications, including Homeowner's Exemptions, trains employees, and takes steps to ensure staff follow requirements. The CCAO also is documenting steps required when determining Homeowner Exemption eligibility and plans to implement those operating procedures in the next several months.

2. While we are aware that the CCAO has contracted with a new vendor, the CCAO should continue to evaluate the vendor's performance and strengthen vendor oversight to ensure vendor's controls are working as intended to appropriately identify ineligible and/or erroneous Homeowner Exemptions.

Response: As noted, the CCAO discontinued a relationship with a vendor used for prior tax years, including those addressed in this report, a sampling of 2022 and 2023. The CCAO plans to continue to monitor its process for vetting exemptions and consider a new vendor's data, controls, and performance in evaluating the effectiveness of these processes with regard to Homeowner Exemption eligibility.

3. The CCAO should conduct an expanded review of the Homeowner Exemption program to assess the extent of potential noncompliance related to exemptions granted.

Response: The CCAO is reviewing the homeowners' exemption process and continuing to research exemptions while considering ways to improve verification of eligibility for Homeowner Exemptions. The CCAO will continue to use internal and external sources to verify the accuracy of qualifications and to discover and prevent improper Homeowner Exemptions moving forward.

We appreciate the OIIG's information and investigation. Please do not hesitate to contact us if you have questions regarding this matter.

Very truly yours,



Fritz Kaegi
Cook County Assessor

cc: Honorable Toni Preckwinkle
Lanetta Haynes Turner, Chief of Staff, Office of the President
Laura Lechowicz Felicione, General Counsel – Deputy Chief of Staff, Government, and Legislative Affairs
Scott Smith, Chief Deputy Assessor
Tatia Gibbons, Chief Legal Counsel - Assessor