**Section 760.790 Estimation**

a) *If a person subject to examination does not retain the records required by the* Act*, the administrator may determine the value of property due using a reasonable method of estimation based on all information available to the administrator, including extrapolation and use of statistical sampling when appropriate and necessary.*

b) *A payment made based on estimation under this Section is a penalty for failure to maintain the records required by the Act and does not relieve a person from an obligation to report and deliver property to a state in which the holder is domiciled.* [765 ILCS 1026/15-1006]

c) Unless agreed to by a person subject to examination, estimation should be used only when there has been a violation of Section 15-404 of the Act. The ability of the administrator to use estimation is intended as a deterrent to the intentional or negligent destruction of records that would be used in an unclaimed property examination to identify unclaimed property.

d) An auditor may not use estimation in an examination unless:

1) the person subject to examination agrees in writing to the use of estimation as part of an audit resolution agreement; or

2) the administrator approves in writing the use of estimation in the examination.

e) Estimation by the administrator should reasonably approximate the amount of unclaimed property that should have been reported to Illinois if all reports had been filed and records had been maintained as required by the Act. Thus, estimation should attempt to determine the amount of unclaimed property that should have been reported to Illinois under Sections 15-301, 15-302, and 15-303 (addressed property) and 15-304 (unaddressed property when the holder is domiciled in Illinois).

f) Prior to approving the use of estimation in an examination, the administrator shall:

1) notify the person subject to examination, in writing, that the administrator is considering the use of estimation because of a failure to maintain the records required by Section 15-404 of the Act;

2) after considering any evidence submitted by the auditor and the person subject to examination, make a written determination that the person subject to examination has failed to maintain the records required by Section 15-404 of the Act;

3) provide an opportunity for the person subject to examination to submit written objections, including, but not limited to:

A) submitting evidence that the person subject to examination has maintained sufficient records to perform the examination for some or all of the years during the time period covered by the examination; or

B) proposing an estimation methodology;

4) notify in writing the person subject to examination of:

A) the estimation methodology to be used; and

B) for which years during the time period covered by the examination estimation will be used.