

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

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STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

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AGENCY OFFICIALS

Attorney General	The Honorable Lisa Madigan
Chief of Staff	Ann Spillane
Chief Deputy Attorney General (effective 12/27/10)	Brent Stratton
Chief Deputy Attorney General (through 12/23/10)	Alan Rosen
Deputy Chief of Staff, Administration	Melissa Mahoney
Chief Fiscal Officer	David Boots
Director of Accounting	Josiah Small
Chief Internal Auditor	Lesslie Morgan
Inspector General	Diane Saltoun

Executive offices are located at:

500 South Second Street
Springfield, IL 62706



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Lisa Madigan
ATTORNEY GENERAL

December 27, 2012

Doehring, Winders & Co, LLP
1601 Lafayette Avenue
Mattoon, Illinois 61938

Ladies and Gentlemen:

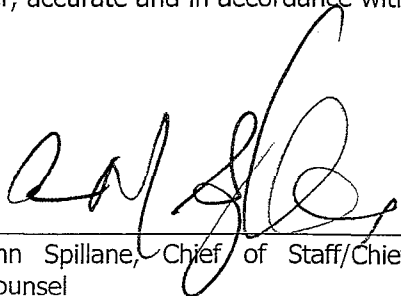
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Office of the Attorney General. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Office of the Attorney General's compliance with the following assertions during the two-year period ended June 30, 2012. Based on this evaluation, we assert that during the years ended June 30, 2012 and June 30, 2011, the Office of the Attorney General has materially complied with the assertions below.

- A. The Office of the Attorney General has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office of the Attorney General has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Office of the Attorney General has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office of the Attorney General are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the Office of the Attorney General have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Office of the Attorney General


Honorable Lisa Madigan, Attorney General


Ann Spillane, Chief of Staff/Chief Legal Counsel


David Boots, Chief Fiscal Officer

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

COMPLIANCE REPORT - SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	1	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Details of findings are presented in a separate section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
12-1	8	Misallocation of Whistleblower Settlements	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

COMPLIANCE REPORT - SUMMARY (Continued)

EXIT CONFERENCE

The finding and recommendation appearing in this report was discussed with the Office's personnel at an exit conference on December 11, 2012. Attending were:

Office of the Attorney General

Ann Spillane, Chief of Staff
Lesslie Morgan, Chief Internal Auditor
Brent Stratton, Chief Deputy Attorney General
Roger Flahaven, Deputy Attorney General Civil Litigation
Michael Luke, Counsel to the Attorney General
Lynn Patton, Division Chief, Public Access and Opinions
Melissa Mahoney, Deputy Chief of Staff Administration
David Boots, Chief Fiscal Officer
Josiah Small, Director of Accounting
Laura Mehan, Director of Human Resources
Lora McDonald, Chief Technology Officer
Rocco LaSalvia, Director of Office Services

Office of the Auditor General

Lisa K. Warden, Manager

Doehring, Winders & Co. LLP

Robert E. Arnholt, Partner
Matthew B. Clarkson, Supervisor

The response to the recommendation was provided by Lesslie Morgan in an email dated December 27, 2012.

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*

1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

Independent Accountants' Report on State Compliance,
on Internal Control over Compliance, and on
Supplementary Information for State Compliance Purposes

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Office of the Attorney General's (the Office) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2012. The management of the Office is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. However, the results of our procedures disclosed an instance of noncompliance with the requirements, which is required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which is described in the accompanying schedule of findings as item 12-1.

Internal Control

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Office's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as item 12-1. *A significant deficiency in an entity's internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The Office's response to the finding identified in our examination is described in the accompanying schedule of findings. We did not examine the Office's response and, accordingly, we express no opinion on the response.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2012 and June 30, 2011 in Schedules 1 through 12 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 12. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedule 3, Schedules 6 through 9, Schedule 11, and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and Office management, and is not intended to be and should not be used by anyone other than these specified parties.

Doehring, Winders & Co. LLP

December 27, 2012

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

CURRENT FINDINGS – STATE COMPLIANCE

12-1 MISALLOCATION OF WHISTLEBLOWER SETTLEMENTS

During the two years ended June 30, 2012, the Office of the Attorney General (Office) did not properly allocate some funds from the State's Whistleblower Reward and Protection Fund (Whistleblower Fund) in accordance with the Illinois False Claims Act (Act) (740 ILCS 175/8).

The Office is responsible for allocating court ordered settlements awarded to the State of Illinois that are deposited into the Whistleblower Fund under the Act. The Act requires those deposits be allocated one-sixth to the Office, one-sixth to the Department of State Police (Department), and the remaining two-thirds for awards to whistleblowers, with any remainder to the General Revenue Fund. For most of the deposits made into the Whistleblower Fund, the State did not receive any amounts that were to be paid to whistleblowers because they were usually paid directly by defendants per a court order. During fiscal years 2011 and 2012, 56 settlements totaling \$55,642,666 were allocated from the State Whistleblower Fund.

We noted that beginning in May 2012, the Office changed their statutory interpretation and used a new calculation methodology to allocate the proceeds received into the Whistleblower Fund. At that time, the Office began to consider the amounts paid to whistleblowers directly by defendants as part of the amount to be allocated in the manner described above. This change resulted in the Office and Department receiving larger allocations, and the General Revenue Fund receiving respectively smaller allocations. The new allocation method also resulted in noncompliance with the Act, since the whistleblower amounts that were not deposited into the Whistleblower Fund were considered part of the monies to be allocated. Prior to May 2012, the Office did not consider the amounts paid to whistleblowers directly by defendants as part of the amount to be allocated from the Whistleblower Fund.

We tested all 9 of the fiscal year 2012 allocations that were calculated using the new methodology, totaling \$906,316 in deposits. Based on our testing, we determined that the Office and the Department each received \$37,686 in additional allocations from the Whistleblower Fund, and the General Revenue Fund received \$75,372 less in allocations from the Whistleblower Fund as a result of using the new methodology.

Although management was notified of the planned change in legal interpretation and allocation in a May 3, 2012 memo prior to implementation, Office management stated the change in allocation formulas was made without approval from the Office's Chief of Staff. Office management also stated the complexity and lack of clarity in the Act required multiple layers of legal review, research and analysis. Office management further stated that transfers back to the proper funds were completed to fully correct the misallocations on October 18, 2012.

Inaccurate allocation of whistleblower settlements results in differences between the actual and mandated payments to the Office, the Department, and the General Revenue Fund. (Finding Code No. 12-1)

RECOMMENDATION

We recommend the Office ensure Whistleblower Fund deposits are allocated in accordance with the Act or seek statutory changes.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

CURRENT FINDINGS – STATE COMPLIANCE (continued)

12-1 MISALLOCATION OF WHISTLEBLOWER SETTLEMENTS (continued)

AGENCY RESPONSE

We agree and have fully implemented corrective action. The Attorney General's Office (AGO) froze the funds in question, carefully reviewed the allocation provisions of section 8 of the Illinois False Claims Act, and then, based on that analysis, offset the Illinois State Police's and the Attorney General's Illinois False Claim Act distributions and transferred \$75,372 to the General Revenue Fund. Further, the AGO has put in place a policy requiring that any change in the allocation of funds must be approved in advance by the Chief of Staff.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

PRIOR FINDINGS NOT REPEATED

No material findings were reported in the compliance examination of the State of Illinois Office of the Attorney General for the two years ended June 30, 2010.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

CURRENT STATUS OF PERFORMANCE AUDIT RECOMMENDATIONS

As part of the compliance examination of the Office of the Attorney General (Office) for the two years ended June 30, 2012, we followed up on the status of the following recommendations from the Illinois Office of the Auditor General's Management Audit of the Workers' Compensation Program As It Applies To State Employees (released April 2012). Three recommendations from the management audit applied to the Office. Those recommendations, along with the current status of each, are presented below.

Recommendation #12 - Negotiating Settlement Contracts

The Department of Central Management Services and the Attorney General should ensure that all settlement contract negotiations for cases in which the employee has legal representation are conducted by the Attorney General's Office.

Status: Implemented

Based on this recommendation, the Office began placing additional emphasis in their communications with attorneys representing employees and with Central Management Services Risk Management Supervisors that all future communications regarding the case should be directed to the Office.

Recommendation #15 - Communication

The Department of Central Management Services and the Attorney General should work to improve communications regarding workers' compensation claims and cases.

Status: Implemented

Based on this recommendation, in order to ensure that Central Management Services is aware of cases before the Workers' Compensation Commission, the Office began sending carbon copies of letters to Central Management Services. The Office previously sent these letters only to agency workers' compensation coordinators after the Office received notice of an Adjustment of Claim from the Worker's Compensation Commission.

Recommendation #21 - Fraud Referral Policies and Procedures

The Commission and the Attorney General should establish specific policies and procedures regarding referrals for fraud investigations.

Status: Implemented

The Office updated their Government Representation Division Litigation Policy Manual in August 2012 to specifically mention and establish a chain of communication for referrals of potential workers' compensation fraud to the Department of Insurance Fraud Unit or other law enforcement agency.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally-Held Funds
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Significant Account Balances
 - Analysis of Accounts Receivable
- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Memorandums of Understanding (Not Examined)
 - Schedule of Indirect Cost Reimbursements (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2012 and June 30, 2011 supplementary information in Schedules 1 through 12. However, the accountants do not express an opinion on the supplementary information. The accountants' report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 1

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

Appropriations for Fiscal Year Ended 2012
Fourteen Months Ended August 31, 2012

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2012	Approximate		
			Lapse Period Expenditures July 1 to August 31, 2012	Total Expenditures	Balances Lapsed
<u>Public Act 97-0056, 97-0642</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND 001</u>					
General Support and Operations					
Operational expenses	\$ 30,705,700	\$ 30,648,940	\$ 54,655	\$ 30,703,595	\$ 2,105
Operational expenses, awards, grants, etc.	1,887,500	1,873,964	13,536	1,887,500	-
Sub-Total Fund 001	32,593,200	32,522,904	68,191	32,591,095	2,105
<u>ILLINOIS GAMING LAW ENFORCEMENT FUND 085</u>					
Lump sum, operations	1,300,000	1,186,921	18,022	1,204,943	95,057
<u>ASBESTOS ABATEMENT FUND 224</u>					
Asbestos Litigation					
Personal services	1,443,000	1,371,696	-	1,371,696	71,304
State employees retirement system	509,600	469,970	-	469,970	39,630
Social security	109,300	101,241	-	101,241	8,059
Group insurance	379,800	371,397	-	371,397	8,403
Contractual services	470,000	369,092	1,349	370,441	99,559
Travel	45,000	9,911	750	10,661	34,339
Operational expenses	60,000	4,999	493	5,492	54,508
Sub-Total Fund 224	3,016,700	2,698,306	2,592	2,700,898	315,802
<u>MARRIED FAMILIES DOMESTIC VIOLENCE FUND 499</u>					
Awards and grants	400,000	303,440	96,560	400,000	-
<u>STATEWIDE GRAND JURY PROSECUTION FUND 525</u>					
Lump sums and other purposes	50,000	-	-	-	50,000
<u>ATTORNEY GENERAL TOBACCO FUND 533</u>					
Lump sums and other purposes	3,500,000	205,320	128,025	333,345	3,166,655
<u>ATTORNEY GENERAL COURT ORDERED AND VOLUNTARY COMPLIANCE PAYMENTS PROJECT FUND 542</u>					
Lump sums and other purposes	7,750,000	7,196,269	113,601	7,309,870	440,130
<u>ILLINOIS CHARITY BUREAU FUND 549</u>					
Lump sums and other purposes	1,600,000	1,566,802	5,491	1,572,293	27,707
<u>ATTORNEY GENERAL WHISTLEBLOWER REWARD AND PROTECTION FUND 600</u>					
Lump sums and other purposes	10,700,000	8,158,960	517,459	8,676,419	2,023,581
<u>TOBACCO SETTLEMENT RECOVERY FUND 733</u>					
Lump sums and other purposes	1,050,000	1,049,924	-	1,049,924	76
<u>CHILD SUPPORT ADMINISTRATIVE FUND 757</u>					
Lump sum, operations	320,000	212,502	831	213,333	106,667
<u>STATE PROJECTS AND COURT ORDERED DISTRIBUTION FUND 801</u>					
Awards and grants, lump sum and other purposes	4,350,000	2,331,027	13,700	2,344,727	2,005,273
<u>ATTORNEY GENERAL'S GRANT FUND 901</u>					
Lump sums and other purposes	5,000	-	-	-	5,000

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 1

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES - CONTINUED

Appropriations for Fiscal Year Ended 2012
Fourteen Months Ended August 31, 2012

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2012	Approximate		
			Lapse Period Expenditures July 1 to August 31, 2012	Total Expenditures	Balances Lapsed
<u>Public Act 96-0056, 097-0642</u>					
<u>VIOLENT CRIME VICTIMS ASSISTANCE</u>					
<u>FUND 929</u>					
Violent Crime Victims Assistance					
Personal services	1,029,300	1,002,859	5	1,002,864	26,436
State employees retirement system	363,500	343,182	1	343,183	20,317
Social security	75,500	73,325	1	73,326	2,174
Group insurance	320,500	319,818	-	319,818	682
Lump sum, operations	150,000	14,795	13,867	28,662	121,338
Automated victim notification	800,000	673,081	-	673,081	126,919
Awards and grants	6,000,000	4,324,779	54,626	4,379,405	1,620,595
Sub-Total Fund 929	8,738,800	6,751,839	68,500	6,820,339	1,918,461
<u>ATTORNEY GENERAL FEDERAL GRANT</u>					
<u>FUND 988</u>					
Lump sums and other purposes	2,750,000	2,357,083	190,940	2,548,023	201,977
TOTAL APPROPRIATED FUNDS	<u>\$ 78,123,700</u>	66,541,297	1,223,912	67,765,209	<u>\$ 10,358,491</u>
<u>NON-APPROPRIATED FUNDS</u>					
<u>STATE WHISTLEBLOWER REWARD AND</u>					
<u>PROTECTION FUND 703</u>					
Payment of 1/6 to Attorney General & State Police		3,188,841	-	3,188,841	
Awards to Qui Tam plaintiffs		236,135	-	236,135	
<u>STATE PROJECTS AND COURT ORDER</u>					
<u>DISTRIBUTION FUND 801</u>					
Awards and grants		315,825	-	315,825	
TOTAL NON-APPROPRIATED FUNDS		3,740,801	-	3,740,801	
GRAND TOTAL ALL FUNDS FISCAL YEAR 2012		<u>\$ 70,282,098</u>	<u>\$ 1,223,912</u>	<u>\$ 71,506,010</u>	

Note 1: All appropriations, expenditures and lapsed balances were obtained from Office records and have been reconciled to the records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 2

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

Appropriations for Fiscal Year Ended 2011
Eighteen Months Ended December 31, 2011

<u>Public Act 96-0956, 96-0957</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through June 30, 2011</u>	<u>Lapse Period Expenditures July 1 to December 31, 2011</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND 001</u>					
General Support and Operations					
Operational expenses	\$ 30,705,700	\$ 30,662,870	\$ 42,712	\$ 30,705,582	\$ 118
Operational expenses, awards, grants, etc.	1,887,500	1,872,709	14,791	1,887,500	-
Sub-Total Fund 001	32,593,200	32,535,579	57,503	32,593,082	118
<u>ILLINOIS GAMING LAW ENFORCEMENT FUND 085</u>					
Lump sum, operations	1,300,000	1,219,476	399	1,219,875	80,125
<u>ASBESTOS ABATEMENT FUND 224</u>					
Asbestos Litigation					
Personal services	1,443,000	1,440,994	-	1,440,994	2,006
State employees retirement system	436,600	403,048	-	403,048	33,552
Social security	109,300	105,940	-	105,940	3,360
Group insurance	349,800	337,616	-	337,616	12,184
Contractual services	500,000	399,695	2,761	402,456	97,544
Travel	45,000	12,124	1,717	13,841	31,159
Operational expenses	60,000	6,239	568	6,807	53,193
Sub-Total Fund 224	2,943,700	2,705,656	5,046	2,710,702	232,998
<u>MARRIED FAMILIES DOMESTIC VIOLENCE FUND 499</u>					
Awards and grants	400,000	323,428	-	323,428	76,572
<u>STATEWIDE GRAND JURY PROSECUTION FUND 525</u>					
Lump sums and other purposes	50,000	-	-	-	50,000
<u>ATTORNEY GENERAL COURT ORDERED AND VOLUNTARY COMPLIANCE PAYMENTS PROJECT FUND 542</u>					
Lump sums and other purposes	7,750,000	6,977,782	108,866	7,086,648	663,352
<u>ILLINOIS CHARITY BUREAU FUND 549</u>					
Lump sums and other purposes	1,600,000	1,574,710	7,155	1,581,865	18,135
<u>ATTORNEY GENERAL WHISTLEBLOWER REWARD AND PROTECTION FUND 600</u>					
Lump sums and other purposes	10,700,000	5,616,300	579,684	6,195,984	4,504,016
<u>CAPITAL LITIGATION TRUST FUND 614</u>					
Lump sums and other purposes	900,000	492,515	1,816	494,331	405,669
<u>TOBACCO SETTLEMENT RECOVERY FUND 733</u>					
Lump sums and other purposes	1,050,000	815,968	41,743	857,711	192,289
<u>CHILD SUPPORT ADMINISTRATIVE FUND 757</u>					
Lump sum, operations	320,000	285,471	4,958	290,429	29,571
<u>STATE PROJECTS AND COURT ORDERED DISTRIBUTION FUND 801</u>					
Awards and grants, lump sums and other purposes	4,350,000	2,293,899	17,811	2,311,710	2,038,290
<u>ATTORNEY GENERAL'S GRANT FUND 901</u>					
Lump sum, operations	5,000	-	-	-	5,000

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 2

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES - CONTINUED

Appropriations for Fiscal Year Ended 2011
Eighteen Months Ended December 31, 2011

<u>Public Act 96-0956, 96-0957</u>	Appropriations (Net After Transfers)	Expenditures Through June 30, 2011	Lapse Period Expenditures July 1 to December 31, 2011	Total Expenditures	Balances Lapsed
<u>VIOLENT CRIME VICTIMS ASSISTANCE</u>					
<u>FUND 929</u>					
Violent Crime Victims Assistance					
Personal services	\$ 1,031,000	\$ 1,030,118	\$ -	\$ 1,030,118	\$ 882
State employees retirement system	311,400	288,477	-	288,477	22,923
Social security	76,300	75,727	-	75,727	573
Group insurance	318,000	268,212	-	268,212	49,788
Lump sum, operations	150,000	18,759	3,711	22,470	127,530
Automated victim notification	800,000	617,546	56,091	673,637	126,363
Awards and grants	7,000,000	5,991,800	-	5,991,800	1,008,200
Sub-Total Fund 929	9,686,700	8,290,639	59,802	8,350,441	1,336,259
<u>ATTORNEY GENERAL FEDERAL GRANT</u>					
<u>FUND 988</u>					
Lump sums and other purposes	2,750,000	2,366,490	233,551	2,600,041	149,959
TOTAL APPROPRIATED FUNDS	<u>\$ 76,398,600</u>	65,497,913	1,118,334	66,616,247	<u>\$ 9,782,353</u>
<u>NON-APPROPRIATED FUNDS</u>					
<u>STATE WHISTLEBLOWER REWARD AND</u>					
<u>PROTECTION FUND 703</u>					
Payment of 1/6 to Attorney General & State Police		15,429,919	-	15,429,919	
Awards to Qui Tam plaintiffs		55,814	-	55,814	
<u>STATE PROJECTS AND COURT ORDER</u>					
<u>DISTRIBUTION FUND 801</u>					
Awards and grants		744,325	-	744,325	
TOTAL NON-APPROPRIATED FUNDS		16,230,058	-	16,230,058	
GRAND TOTAL ALL FUNDS FISCAL YEAR 2011		<u>\$ 81,727,971</u>	<u>\$ 1,118,334</u>	<u>\$ 82,846,305</u>	

Note 1: All appropriations, expenditures and lapsed balances were obtained from Office records and have been reconciled to the records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 3

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2012	2011	2010
	PA 97-0642 PA 97-0056	PA 96-0956 PA 96-0957	PA 96-0042
<u>APPROPRIATED FUNDS</u>			
<u>General Revenue Fund 001</u>			
Appropriations (net after transfers)	\$ 32,593,200	\$ 32,593,200	\$ 32,593,200
Expenditures			
Personal services – bargaining	-	-	8,825,117
Personal services – non-bargaining	-	-	15,530,490
Social security – bargaining	-	-	614,891
Social security – non-bargaining	-	-	1,131,690
Operational expenses, awards, grants, etc.	1,887,500	1,887,500	1,887,372
Operational expenses	30,703,595	30,705,582	4,537,910
Total Expenditures	<u>32,591,095</u>	<u>32,593,082</u>	<u>32,527,470</u>
Lapsed Balances	<u>\$ 2,105</u>	<u>\$ 118</u>	<u>\$ 65,730</u>
<u>Illinois Gaming Law Enforcement Fund 085</u>			
Appropriations (net after transfers)	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Lump sum, operations	<u>1,204,943</u>	<u>1,219,875</u>	<u>1,276,965</u>
Lapsed Balances	<u>\$ 95,057</u>	<u>\$ 80,125</u>	<u>\$ 23,035</u>
<u>Asbestos Abatement Fund 224</u>			
Appropriations (net after transfers)	\$ 3,016,700	\$ 2,943,700	\$ 2,916,600
Expenditures			
Personal services	1,371,696	1,440,994	1,453,195
State employees retirement system	469,970	403,048	412,756
Social security	101,241	105,940	107,000
Group insurance	371,397	337,616	322,758
Contractual services	370,441	402,456	396,683
Travel	10,661	13,841	11,113
Operational expenses	5,492	6,807	14,120
Total Expenditures	<u>2,700,898</u>	<u>2,710,702</u>	<u>2,717,625</u>
Lapsed Balances	<u>\$ 315,802</u>	<u>\$ 232,998</u>	<u>\$ 198,975</u>
<u>Married Families Domestic Violence Fund 499</u>			
Appropriations (net after transfers)	\$ 400,000	\$ 400,000	\$ 400,000
Awards and grants	<u>400,000</u>	<u>323,428</u>	<u>138,850</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 76,572</u>	<u>\$ 261,150</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 3

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2012	2011	2010
	PA 97-0642 PA 97-0056	PA 96-0956 PA 96-0957	PA 96-0042
<u>Statewide Grand Jury Prosecution Fund 525</u>			
Appropriations (net after transfers)	\$ 50,000	\$ 50,000	\$ 50,000
Lump sums and other purposes	-	-	-
Lapsed Balances	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<u>Attorney General Tobacco Fund 533</u>			
Appropriations (net after transfers)	\$ 3,500,000	\$ -	\$ -
Lump sums and other purposes	333,345	-	-
Lapsed Balances	<u>\$ 3,166,655</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Attorney General Court Ordered and Voluntary Compliance Payments Project Fund 542</u>			
Appropriations (net after transfers)	\$ 7,750,000	\$ 7,750,000	\$ 7,750,000
Lump sums and other purposes	7,309,870	7,086,648	5,946,486
Lapsed Balances	<u>\$ 440,130</u>	<u>\$ 663,352</u>	<u>\$ 1,803,514</u>
<u>Illinois Charity Bureau Fund 549</u>			
Appropriations (net after transfers)	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Lump sums and other purposes	1,572,293	1,581,865	1,587,093
Lapsed Balances	<u>\$ 27,707</u>	<u>\$ 18,135</u>	<u>\$ 12,907</u>
<u>Attorney General Whistleblower Reward and Protection Fund 600</u>			
Appropriations (net after transfers)	\$ 10,700,000	\$ 10,700,000	\$ 9,700,000
Lump sums and other purposes	8,676,419	6,195,984	8,736,463
Lapsed Balances	<u>\$ 2,023,581</u>	<u>\$ 4,504,016</u>	<u>\$ 963,537</u>
<u>Capital Litigation Trust Fund 614</u>			
Appropriations (net after transfers)	\$ -	\$ 900,000	\$ 900,000
Lump sums and other purposes	-	494,331	339,950
Lapsed Balances	<u>\$ -</u>	<u>\$ 405,669</u>	<u>\$ 560,050</u>
<u>Tobacco Settlement Recovery Fund 733</u>			
Appropriations (net after transfers)	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000
Lump sums and other purposes	1,049,924	857,711	729,615
Lapsed Balances	<u>\$ 76</u>	<u>\$ 192,289</u>	<u>\$ 320,385</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 3

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2012	2011	2010
	PA 97-0642 PA 97-0056	PA 96-0956 PA 96-0957	PA 96-0042
<u>Child Support Administrative Fund 757</u>			
Appropriations (net after transfers)	\$ 320,000	\$ 320,000	\$ 320,000
Lump sum, operations	213,333	290,429	286,085
Lapsed Balances	<u>\$ 106,667</u>	<u>\$ 29,571</u>	<u>\$ 33,915</u>
<u>State Projects and Court Ordered Distribution Fund 801</u>			
Appropriations (net after transfers)	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000
Awards and grants, lump sums and other purposes	2,344,727	2,311,710	2,646,574
Lapsed Balances	<u>\$ 2,005,273</u>	<u>\$ 2,038,290</u>	<u>\$ 1,703,426</u>
<u>Attorney General's Grant Fund 901</u>			
Appropriations (net after transfers)	\$ 5,000	\$ 5,000	\$ 5,000
Lump sums and other purposes	-	-	-
Lapsed Balances	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
<u>Violent Crime Victims Assistance Fund 929</u>			
Appropriations (net after transfers)	\$ 8,738,800	\$ 9,686,700	\$ 10,667,400
Expenditures			
Personal services	1,002,864	1,030,118	329,086
State employees retirement system	343,183	288,477	93,403
Social security	73,326	75,727	24,163
Group insurance	319,818	268,212	78,941
Lump sum, operations	28,662	22,470	2,498
Automated victim notification	673,081	673,637	682,725
Awards and grants	4,379,405	5,991,800	7,589,829
Total Expenditures	<u>6,820,339</u>	<u>8,350,441</u>	<u>8,800,645</u>
Lapsed Balances	<u>\$ 1,918,461</u>	<u>\$ 1,336,259</u>	<u>\$ 1,866,755</u>
<u>Attorney General Federal Grant Fund 988</u>			
Appropriations (net after transfers)	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
Lump sums and other purposes	2,548,023	2,600,041	2,676,441
Lapsed Balances	<u>\$ 201,977</u>	<u>\$ 149,959</u>	<u>\$ 73,559</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 3

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2012	2011	2010
	PA 97-0642 PA 97-0056	PA 96-0956 PA 96-0957	PA 96-0042
<u>Total Appropriated Funds</u>			
Appropriations (net after transfers)	\$ 78,123,700	\$ 76,398,600	\$ 76,352,200
Expenditures	67,765,209	66,616,247	68,410,262
Lapsed Balances	<u>\$ 10,358,491</u>	<u>\$ 9,782,353</u>	<u>\$ 7,941,938</u>
<u>NON-APPROPRIATED FUNDS</u>			
<u>State Whistleblower Reward and Protection Fund 703</u>			
Expenditures			
Payment of 1/6 to Attorney General & State Police	\$ 3,188,841	\$ 15,429,919	\$ 7,827,817
Awards to Qui Tam plaintiffs	236,135	55,814	15,966
<u>State Projects and Court Ordered Distribution Fund 801</u>			
Awards and grants	315,825	744,325	2,969,600
Total expenditures	<u>\$ 3,740,801</u>	<u>\$ 16,230,058</u>	<u>\$ 10,813,383</u>
<u>GRAND TOTAL, ALL FUNDS</u>			
Total Expenditures	<u>\$ 71,506,010</u>	<u>\$ 82,846,305</u>	<u>\$ 79,223,645</u>
Attorney General's salary	<u>\$ 156,541</u>	<u>\$ 149,344</u>	<u>\$ 156,541</u>

Note: Fiscal Year 2012 and Fiscal Year 2010 expenditures and lapsed balances do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 4

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS

For the Year Ended June 30

	Petty Cash Funds		Special Advance Funds		Consumer Trust Fund	Total
	Chicago	Springfield	Chicago	Springfield		
Cash Balance as of July 1, 2010	\$ 123	\$ 836	\$ 1,498	\$ 5,065	\$ 209,501	\$ 217,023
Cash Receipts	10,002	6,583	18,423	28,960	2,839,107	2,903,075
Cash Disbursements	<u>8,747</u>	<u>6,632</u>	<u>17,565</u>	<u>18,985</u>	<u>1,655,285</u>	<u>1,707,214</u>
Cash Balance as of June 30, 2011	1,378	787	2,356	15,040	1,393,323	1,412,884
Cash Receipts	3,598	3,895	19,290	18,612	353,226	398,621
Cash Disbursements	<u>4,190</u>	<u>4,006</u>	<u>17,360</u>	<u>21,125</u>	<u>1,170,201</u>	<u>1,216,882</u>
Cash Balance as of June 30, 2012	<u>\$ 786</u>	<u>\$ 676</u>	<u>\$ 4,286</u>	<u>\$ 12,527</u>	<u>\$ 576,348</u>	<u>\$ 594,623</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 5

SCHEDULE OF CHANGES IN STATE PROPERTY

For the Year Ended June 30
(in thousands)

	<u>Springfield</u>	<u>Regional Offices</u>	<u>Chicago</u>	<u>Carbondale</u>	<u>Totals</u>
Balance as of July 1, 2010	\$ 9,555	\$ 1,060	\$ 5,817	\$ 121	\$ 16,553
Additions					
Purchases					
Property	82	114	436	1	633
Library books	35	-	55	-	90
Office transfers in	242	184	711	17	1,154
Total additions	359	298	1,202	18	1,877
Deductions					
Deletions					
Property	6	149	67	-	222
Library books	80	-	57	-	137
Office transfers out	449	190	931	12	1,582
Total deductions	535	339	1,055	12	1,941
Balance as of June 30, 2011	9,379	1,019	5,964	127	16,489
Additions					
Purchases					
Property	208	58	462	20	748
Library books	20	-	11	-	31
Office transfers in	507	38	561	46	1,152
Total additions	735	96	1,034	66	1,931
Deductions					
Deletions					
Property	20	234	14	-	268
Library books	117	-	227	-	344
Office transfers out	422	61	763	61	1,307
Total deductions	559	295	1,004	61	1,919
Balance as of June 30, 2012	\$ 9,555	\$ 820	\$ 5,994	\$ 132	\$ 16,501

Note: Information was obtained from Office records and reconciled to property reports submitted to the Office of the Comptroller and the Department of Central Management Services.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 6

COMPARATIVE SCHEDULE OF CASH RECEIPTS

For the Year Ended June 30

	2012	2011	2010
<u>General Revenue Fund 001</u>			
Penalties	\$ 177,260	\$ 57,003	\$ 90,786
Franchise fees	306,975	293,025	318,450
Recoveries - Violent Crime Victims	237,310	92,448	121,408
Proceeds from court settlements	2,212,049	384,375	34,463,018
Miscellaneous receipts	17,836	10,629	21,043
Jury duty, phone calls	1,699	1,511	3,523
Recovery of investigative costs	-	71	123
	2,953,129	839,062	35,018,351
<u>Illinois Gaming Law Enforcement Fund 085</u>			
Miscellaneous receipts, jury duty, phone calls	17	-	-
Total receipts - Fund 085	17	-	-
<u>Asbestos Abatement Fund 224</u>			
Miscellaneous receipts, jury duty, phone calls	120	17	91
Asbestos Abatement Recoveries	107,466	701,435	5,137,668
Total receipts - Fund 224	107,586	701,452	5,137,759
<u>Attorney General Court Ordered and Voluntary Compliance Payments Project Fund 542</u>			
Miscellaneous receipts, jury duty, phone calls	17,407	688	-
Damages awarded the state pursuant to civil suits	8,953,340	3,582,554	2,406,946
Total receipts - Fund 542	8,970,747	3,583,242	2,406,946
<u>Illinois Charity Bureau Fund 549</u>			
Miscellaneous receipts, jury duty, phone calls	72	115	100
Licenses, fees or registration	1,399,265	1,504,710	1,523,590
Fines, penalties or violations	-	504	33,997
Total receipts - Fund 549	1,399,337	1,505,329	1,557,687

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 6

COMPARATIVE SCHEDULE OF CASH RECEIPTS - CONTINUED

For the Year Ended June 30

	2012	2011	2010
<u>Attorney General Whistleblower Reward and Protection Fund 600</u>			
Miscellaneous receipts, jury duty, phone calls	\$ 8,596	\$ 3,374	\$ 193
Whistleblower awards	1,594,421	7,714,960	3,913,908
Total receipts - Fund 600	1,603,017	7,718,334	3,914,101
<u>State Whistleblower Reward and Protection Fund 703</u>			
Awards	14,200,212	46,283,687	23,516,366
<u>Tobacco Settlement Recovery Fund 733</u>			
Court settlement forfeiture/New York Attorney General	200,136	-	-
Miscellaneous receipts, jury duty, phone calls	817	800	34,441
Total receipts - Fund 733	200,953	800	34,441
<u>State Project and Court Ordered Distribution Fund 801</u>			
Miscellaneous receipts, jury duty, phone calls	122	123	131
Court and Antitrust Distribution	8,797,551	8,819,163	353,303
Court Distributions/Charitable Trust	5,501	3,000	3,000
Court Distribution/Environment	775	114,285	128,961
Grants from EPA Trust Fund Commission	500,000	725,000	800,000
Traffic/Crime Conviction Surcharge	61,250	382,726	61,250
Total receipts - Fund 801	9,365,199	10,044,297	1,346,645
<u>Violent Crime Victims Assistance Fund 929</u>			
Miscellaneous receipts, jury duty, phone calls	8,147	11,299	39,480
Restitutions	79,103	30,816	40,469
Total receipts - Fund 929	87,250	42,115	79,949
<u>Attorney General Sex Offender Awareness, Training, and Education Fund 958</u>			
Sex offender registration fees	63,497	4,701	-

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 6

COMPARATIVE SCHEDULE OF CASH RECEIPTS - CONTINUED

For the Year Ended June 30

	2012	2011	2010
<u>Attorney General Federal Grant Fund 988</u>			
Miscellaneous receipts, jury duty, phone calls	\$ 746	\$ -	\$ 17
Department of Justice	886,708	1,319,122	863,889
Department of the Treasury	-	72,000	-
Criminal Justice Trust Fund	117,022	252,622	162,869
Health and Human Services	1,201,761	1,192,159	1,123,581
Federal IEMA - US Department of Commerce	-	25,000	-
Federal pass-through	244,565	158,058	670,208
Federal Homeland Security	-	4,485	26,014
	2,450,802	3,023,446	2,846,578
Total receipts - Fund 988	2,450,802	3,023,446	2,846,578
Total receipts - all Funds	\$ 41,401,746	\$ 73,746,465	\$ 75,858,823

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 7

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER

For the Year Ended June 30

	2012	2011	2010
General Revenue Fund 001			
Deposit per Office records	\$ 2,953,129	\$ 839,062	\$ 35,018,351
Plus: Deposits in transit	8,150	2,423	24,274
Less: Deposits in transit end of year	12,155	8,150	2,423
Deposits per Comptroller	2,949,124	833,335	35,040,202
Illinois Gaming Law Enforcement Fund 085			
Deposit per Office records	17	-	-
Plus: Deposits in transit	-	-	-
Less: Deposits in transit end of year	-	-	-
Deposits per Comptroller	17	-	-
Asbestos Abatement Fund 224			
Deposit per Office records	107,586	701,452	5,137,759
Plus: Deposits in transit	-	2,500,000	-
Less: Deposits in transit end of year	-	-	2,500,000
Deposits per Comptroller	107,586	3,201,452	2,637,759
Attorney General Court Ordered & Voluntary Compliance Payments Project Fund 542			
Deposit per Office records	8,970,747	3,583,242	2,406,946
Plus: Deposits in transit	1,000	375	55,375
Less: Deposits in transit end of year	165,826	1,000	375
Deposits per Comptroller	8,805,921	3,582,617	2,461,946
Illinois Charity Bureau Fund 549			
Deposit per Office records	1,399,337	1,505,329	1,557,687
Plus: Deposits in transit	54,965	29,260	37,035
Less: Deposits in transit end of year	56,490	54,965	29,260
Deposits per Comptroller	1,397,812	1,479,624	1,565,462
Attorney General Whistleblower Reward and Protection Fund 600			
Deposit per Office records	1,603,017	7,718,334	3,914,101
Plus: Deposits in transit	2	84	-
Less: Deposits in transit end of year	506	2	84
Deposits per Comptroller	1,602,513	7,718,416	3,914,017

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 7

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER - CONTINUED

For the Year Ended June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>
State Whistleblower Reward and Protection Fund 703			
Deposit per Office records	\$ 14,200,212	\$ 46,283,687	\$ 23,516,366
Plus: Deposits in transit	-	-	-
Less: Deposits in transit end of year	<u>75,923</u>	<u>-</u>	<u>-</u>
Deposits per Comptroller	14,124,289	46,283,687	23,516,366
Tobacco Settlement Recovery Fund 733			
Deposit per Office records	200,953	800	34,441
Plus: Deposits in transit	-	-	-
Less: Deposits in transit end of year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits per Comptroller	200,953	800	34,441
State Project and Court Ordered Distribution Fund 801			
Deposit per Office records	9,365,199	10,044,297	1,346,645
Plus: Deposits in transit	-	15	250
Less: Deposits in transit end of year	<u>250</u>	<u>-</u>	<u>15</u>
Deposits per Comptroller	9,364,949	10,044,312	1,346,880
Violent Crime Victims Assistance Fund 929			
Deposit per Office records	87,250	42,115	79,949
Plus: Deposits in transit	650	-	986
Less: Deposits in transit end of year	<u>1,394</u>	<u>650</u>	<u>-</u>
Deposits per Comptroller	86,506	41,465	80,935
Attorney General Sex Offender Awareness, Training, and Education Fund 958			
Deposit per Office records	63,497	4,701	-
Plus: Deposits in transit	270	-	-
Less: Deposits in transit end of year	<u>899</u>	<u>270</u>	<u>-</u>
Deposits per Comptroller	62,868	4,431	-
Attorney General Federal Grant Fund 988			
Deposit per Office records	2,450,802	3,023,446	2,846,578
Plus: Deposits in transit	-	-	1,550
Less: Deposits in transit end of year	<u>83,520</u>	<u>-</u>	<u>-</u>
Deposits per Comptroller	2,367,282	3,023,446	2,848,128

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 7

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER - CONTINUED

For the Year Ended June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total - All Funds			
Deposit per Office records	\$ 41,401,746	\$ 73,746,465	\$ 75,858,823
Plus: Deposits in transit	65,037	2,532,157	119,470
Less: Deposits in transit end of year	<u>396,963</u>	<u>65,037</u>	<u>2,532,157</u>
Deposits per Comptroller	<u>\$ 41,069,820</u>	<u>\$ 76,213,585</u>	<u>\$ 73,446,136</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 8

ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES

The following are explanations for expenditures which differed by at least \$250,000 and by more than 20 percent from the previous year for fiscal years 2012 and 2011 for the General Revenue Fund; \$270,000 and \$260,000 and by more than 20 percent from the previous year for fiscal year 2012 and fiscal year 2011 respectively, for the Special Revenue Funds; and \$38,000 and \$130,000 and by more than 20 percent from the previous year for fiscal year 2012 and fiscal year 2011 respectively, for the Fiduciary Funds.

<u>Fund, Account (if Applicable) and Explanation</u>	Fiscal Year		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>General Revenue Fund 001</u>			
Personal Services – bargaining	\$ -	\$ -	\$ 8,825,117
Personal Services – non-bargaining	-	-	15,530,490
Social Security – bargaining	-	-	614,891
Social Security – non-bargaining	-	-	1,131,690
Beginning in fiscal year 2011, individual Personal Services (1120) and Social Security (1170) appropriation lines were combined into one Operational Expense lump sum (1910) appropriation.			
Operational expenses	30,703,595	30,705,582	4,537,910
Beginning in fiscal year 2011, the Operational Expense lump sum was increased as a result of adding the Personal Services and Social Security appropriation amounts into this one lump sum appropriation line.			
<u>Special Revenue Funds</u>			
Attorney General Tobacco Fund 533			
Lump sums and other purposes	333,345	-	-
Fiscal year 2012 represented the first year of appropriation authority from this Fund.			
Attorney General Whistleblower Reward and Protection Fund 600			
Lump sums and other purposes	8,676,419	6,195,984	8,736,463
Fiscal year 2011 expenditures fell substantially primarily due to a decision to reallocate personal services expenditures to the General Revenue Fund, partially offset by other operating expenses reallocated from the General Revenue Fund. However, the other operating expenses expended from the fund in fiscal year 2011 were not as high as anticipated which led to the substantial overall decrease in fund 600 expenditures. Since there was a substantial amount of unspent appropriations in fund 600 in fiscal year 2011, additional personal services were paid out of this fund in fiscal year 2012, resulting in a substantial increase in fund 600 expenditures.			
Capital Litigation Trust Fund 614			
Lump sums and other purposes	-	494,331	339,950
There was no appropriation requested in fiscal year 2012 due to the death penalty being abolished and the Capital Crimes Litigation Act being repealed as a result of Public Act 96-1543.			

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 8

ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable) and Explanation</u>	Fiscal Year		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Violent Crime Victims Assistance Fund 929			
Personal services	\$ 1,002,864	\$ 1,030,118	\$ 329,086
As a result of cash flow difficulties, headcount was significantly reduced in fiscal year 2010 to 6 employees. However, as a result of spending reductions primarily in awards and grants, average headcount was increased to 19 in fiscal year 2011, which is approximate to the fiscal year 2009 headcount.			
Awards and grants	4,379,405	5,991,800	7,589,829
Due to continuing cash flow concerns in this Fund, the grant appropriations line was reduced by \$1 million in fiscal year 2011 and by another \$1 million in fiscal year 2012. Consequently, grant awards and the grant spending were subsequently decreased.			
 <u>Fiduciary Funds</u>			
State Whistleblower Reward and Protection Fund 703			
Payment of 1/6 to Attorney General	3,188,841	15,429,919	7,827,817
These expenditures are amounts paid into the Attorney General Whistleblower Fund (600) and State Police Whistleblower Fund (705) per 740 ILCS 175/8. The amount of payments is a function of the amount of and timing of receipts from settlements deposited into the State Whistleblower Reward and Protection Fund (703) in each fiscal year.			
Awards to Qui Tam plaintiffs	236,135	55,814	15,966
These expenditures are amounts paid to other parties involved in a case and can vary from settlement to settlement. In fiscal year 2011, there were 4 cases involving a payment of this nature, with the largest payment being \$28,503. In fiscal year 2012, there were 3 cases, including one with a payment of \$166,360.			
 <u>Non-Appropriated Funds</u>			
State Projects and Court Ordered Distribution Fund 801			
Awards and grants	315,825	744,325	2,969,600
These spending amounts represent non-appropriated cy pres distributions. Cy pres distributions are class action settlements that are distributed to entities that promote the interest of the class rather than to the individual class members. The payment of cy pres amounts is dependent on when the funds are received and when the allocation has been determined. In fiscal year 2010, there were parts of three settlements distributed, while in fiscal year 2011 and fiscal year 2012 there were subsequent payments from two of the same distributions initiated in fiscal year 2010.			

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 9

ANALYSIS OF SIGNIFICANT VARIATIONS
IN RECEIPTS

The following are explanations for receipts which differed by at least \$250,000 and by more than 20 percent from the previous fiscal year for fiscal years 2012 and 2011 for the General Revenue Fund; \$270,000 and \$260,000 and by more than 20 percent from the previous year for fiscal year 2012 and fiscal year 2011 respectively, for the Special Revenue Funds; and \$38,000 and \$130,000 and by more than 20 percent from the previous year for fiscal year 2012 and fiscal year 2011 respectively, for the Fiduciary Funds.

<u>Fund, Account (if Applicable) and Explanation</u>	<u>Fiscal Year</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i>General Revenue Funds</i>			
General Revenue Fund 001			
Proceeds from court settlements	\$ 2,212,049	\$ 384,375	\$34,463,018
<p>Proceeds from court settlements vary from year to year based on the number and size of cases settled. In fiscal year 2010, the three largest cases settled totaled \$34.1 million. In fiscal year 2011, there was only one settled case and a total of \$.4 million was received. In fiscal year 2012, the largest case settled totaled \$1.7 million.</p>			
<i>Special Revenue Funds</i>			
Asbestos Abatement Fund 224			
Asbestos Abatement Recoveries	107,466	701,435	5,137,668
<p>In fiscal year 2010, the remaining \$5.0 million from a debt owed to the 224 fund was received. In fiscal year 2011 and fiscal year 2012, large dollar Asbestos Abatement recovery cases related to the 224 fund dropped significantly.</p>			
Attorney General Court Ordered and Voluntary Compliance Payments Project Fund 542			
Damages awarded the state pursuant to civil suits	8,953,340	3,582,554	2,406,946
<p>Damages awarded the state pursuant to civil suits vary from year to year based on the number and size of cases settled. For fiscal year 2010, \$2.2 million was received from the five largest cases settled. For fiscal year 2011, \$3.0 million was received from the six largest cases settled. For fiscal year 2012, \$8.5 million was received from the four largest cases settled.</p>			
Attorney General Whistleblower Reward and Protection Fund 600			
Whistleblower awards	1,594,421	7,714,960	3,913,908
<p>These receipts are a result of settlement payments paid into the 703 fund pursuant to the False Claims Act. The Office of the Attorney General is entitled to one-sixth of the monies deposited into the 703 fund, subject to timing of distributions to fund 600. The 703 receipt amounts were \$23.5 million in fiscal year 2010, \$46.3 million in fiscal year 2011, and \$14.2 million in fiscal year 2012.</p>			

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 9

ANALYSIS OF SIGNIFICANT VARIATIONS
IN RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable) and Explanation</u>	<u>Fiscal Year</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i><u>Special Revenue Funds (continued)</u></i>			
State Project and Court Ordered Distribution Fund 801			
Traffic/Crime Conviction Surcharge	\$ 61,250	\$ 382,726	\$ 61,250
The fluctuation each fiscal year is due to timing differences in the receipt of grant funds. The actual grant award remained the same each fiscal year indicated.			
Court and Antitrust Distribution	8,797,551	8,819,163	353,303
Court and antitrust distributions vary from year to year based on the number and size of cases settled. For fiscal year 2010, \$.1 million was received from the largest case settled. For fiscal year 2011, \$8.5 million was received from the four largest cases settled. For fiscal year 2012, \$8.7 million was received from the four largest cases settled.			
Attorney General Federal Grant Fund 988			
Department of Justice	886,708	1,319,122	863,889
In fiscal year 2011, there was a large increase in the collection of Federal Asset Forfeiture program funds. The Office of the Attorney General receives a portion of these funds generated by the Department of Justice through sales of seized property.			
Federal Pass-through	244,565	158,058	670,208
The fluctuations are due to the change in award amounts from year to year.			
<i><u>Fiduciary Funds</u></i>			
State Whistleblower Reward and Protection Fund 703			
Awards	14,200,212	46,283,687	23,516,366
Whistleblower rewards vary from year to year based on the number and size of cases settled. For fiscal year 2010, \$23.1 million was received from the 10 largest cases settled. For fiscal year 2011, \$46.0 million was received from the 16 largest cases settled. For fiscal year 2012, \$13.8 million was received from the 14 largest cases settled.			

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 10

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2012

The following are explanations for fiscal year 2012 line items in which more than 20 percent and at least \$20,000 of the total expenditures were made during lapse period.

Expenditure Item	Fund	Total Expenditures	Lapse Period Expenditures	Percent	Explanation of Significant Lapse Period Expenditures
Awards and grants	499	\$ 400,000	\$ 96,560	24%	The grants unit approved the final four fiscal year 2012 grant payments during lapse period that were legally obligated as of June 30, 2012. In addition, there were only five fiscal year 2012 grants recorded in Fund 499.
Lump sums and other purposes	533	333,345	128,025	38%	Fund 533 did not receive its first official deposit until April 25, 2012. Therefore, a large percentage of the spending would occur during lapse period. The lapse period spending was for goods ordered and services received as of June 30, 2012.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 10

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2011

There were no funds for fiscal year 2011 in which more than 20 percent and at least \$20,000 of the total expenditures were made during lapse period.

ANALYSIS OF SIGNIFICANT
ACCOUNT BALANCES

For the Two Years Ended June 30, 2012

The significant account balances for the Office of the Attorney General include Accounts Receivable and Locally Held Funds.

The Locally Held Funds (non-treasury held funds) represent funds collected for and disbursed from the Consumer Trust Fund 1106, Special Advance Fund 1108, and petty cash funds. The Consumer Trust Fund is used as a holding account for litigation awards collected on behalf of and payable to different consumer groups. The Special Advance Fund is used for instances where items must be purchased or paid for immediately. Examples of these expenditures would be when an investigator purchases evidence, court fees that must be paid up front, or witness fees that must be paid up front. The Special Advance Fund is used in the same manner as the petty cash funds. As amounts are expended from the fund, the fund is reimbursed through the Comptroller. The petty cash funds are used when items must be paid for or purchased immediately. These are imprest funds of the Treasury held funds.

Included on the following pages are explanations for significant variations in the significant account balances.

ANALYSIS OF SIGNIFICANT
ACCOUNT BALANCES

For the Two Years Ended June 30, 2012

The following are explanations for local fund cash balances and net receivables which differed by at least \$250 thousand and by more than 20 percent from the previous fiscal year for fiscal years 2012 and 2011 for the General Revenue Fund; \$270 thousand and \$260 thousand and by more than 20 percent from the previous year for fiscal year 2012 and fiscal year 2011 respectively, for the Special Revenue Funds; and \$38 thousand and \$130 thousand and by more than 20 percent from the previous year for fiscal year 2012 and fiscal year 2011 respectively, for the Fiduciary Funds; and \$18 thousand and \$23 thousand and by more than 20 percent from the previous year for the fiscal year 2012 and fiscal year 2011 respectively, for the Locally Held Funds.

<u>Fund, Account (if Applicable) and Explanation</u>	<u>Fiscal Year</u>		
	<u>2012</u>	<u>(in thousands)</u> <u>2011</u>	<u>2010</u>
<i><u>General Revenue Fund</u></i>			
General Revenue Fund 001			
Net Receivables	\$ 1,461	\$ 682	\$ 549
There were increased cases settled during fiscal year 2012 which resulted in much larger debt owed to the General Revenue Fund from defendants as of June 30, 2012.			
<i><u>Special Revenue Funds</u></i>			
Asbestos Abatement Fund 224			
Net Receivables	-	-	526
There was a \$.5 million debt owed to the Office of the Attorney General on June 30, 2010, and this amount was fully paid in fiscal year 2011.			
Attorney General Tobacco Fund 533			
Net Receivables	40,000	-	-
The 533 fund was created in fiscal year 2012 at the Comptroller's Office. The receivable amount at June 30, 2012 represents funds earmarked for the 533 fund from the tobacco Master Settlement Agreement proceeds that were due to the State of Illinois as of June 30, 2012.			
Attorney General Court Ordered and Voluntary Compliance Project Fund 542			
Net Receivables	251	2,454	36
The large change in fiscal year 2011 is mainly due to a \$2.4 million debt owed on June 30, 2011 relating to one case in which the money was received on July 21, 2011 .			

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 11

ANALYSIS OF SIGNIFICANT
ACCOUNT BALANCES

For the Two Years Ended June 30, 2012

<u>Fund, Account (if Applicable) and Explanation</u>	Fiscal Year (in thousands)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i><u>Special Revenue Funds (continued)</u></i>			
State Projects and Court Ordered Distribution Fund 801			
Net Receivables	\$ 22,172	\$ 201	\$ 434
Two large cases were settled during the year ended June 30, 2012 and resulted in a \$21.5 million debt owed to the 801 fund as of June 30, 2012.			
<i><u>Fiduciary Funds</u></i>			
State Whistleblower Reward Protection Fund 703			
Net Receivables	16,176	35	417
Five cases were settled during the year ended June 30, 2012 and resulted in a \$15.9 million debt owed to the 703 fund as of June 30, 2012. Three cases in the amount of \$417.0 thousand were previously settled and resulted in a \$417.0 thousand debt owed to the 703 fund as of June 30, 2010.			
<i><u>Locally Held Fund</u></i>			
Consumer Trust Fund Fund 1106			
Cash	576	1,393	210
During fiscal year 2011, a settlement of \$1.0 million was received in the 1106 fund which was distributed to consumers during fiscal year 2012.			
Net Receivables	2,781	1,160	725
There were increased cases settled during fiscal years 2011 and 2012 which resulted in much larger debt owed on June 30, 2011 and 2012, respectively.			

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 12

ANALYSIS OF ACCOUNTS RECEIVABLE

For the Two Years Ended June 30, 2012

The Office of the Attorney General (Office) collects monies for the use of the State as well as monies to be used by the Office. These receivables may be received by the Office as the result of judicial awards derived from civil suits filed on behalf of the State; fines imposed upon defendants in legal actions; negotiated settlement of claims by the State; recovery of illegal, improper or erroneous expenditures of State funds; recovery of investigative costs; franchise fees; expense recoveries through the sale of photocopies; fees from charitable organizations and professional fund raisers; and similar or related sources.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 12

ANALYSIS OF ACCOUNTS RECEIVABLE - CONTINUED

June 30, 2012
(in thousands)

Fund Name	Current Receivables	Aged Accounts Receivable					Total Receivables	Allowance for Doubtful Accounts
		1 - 30 Days	31 -90 Days	91 - 180 Days	181 Days - 1 Year	Over 1 Year		
<u>Balances at June 30, 2012</u>								
General Revenue Fund 001	\$ 382	\$ 203	\$ 310	\$ 64	\$ 502	\$ 3,086	\$ 4,547	\$ 3,086
Asbestos Abatement Fund 224	-	-	-	-	-	-	-	-
Attorney General Tobacco Fund 533	35,000	-	5,000	-	-	-	40,000	-
Elderly Victim Fund 541	-	-	10	-	-	40	50	40
Attorney General Court Ordered and Voluntary Compliance Payments Project Fund 542	1	225	-	-	25	45	296	45
Illinois Charity Bureau Fund 549	-	-	-	-	26	20	46	20
State Whistleblower Reward and Protection Fund 703	15,892	284	-	-	-	-	16,176	-
State Projects and Court Ordered Distribution Fund 801	19,714	458	-	-	2,000	772	22,944	772
Attorney General Federal Grant Fund 988	130	-	-	-	-	-	130	-
Consumer Trust Fund 1106	510	41	632	8	1,590	3,696	6,477	3,696
Total	\$ 71,629	\$ 1,211	\$ 5,952	\$ 72	\$ 4,143	\$ 7,659	\$ 90,666	\$ 7,659

Note: Receivables are collected by the Office of the Attorney General. Delinquent accounts are referred to the Comptroller's Offset System and private collection firms.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE 12

ANALYSIS OF ACCOUNTS RECEIVABLE - CONTINUED

June 30, 2011
(in thousands)

Fund Name	Current Receivables	Aged Accounts Receivable					Total Receivables	Allowance for Doubtful Accounts
		1 - 30 Days	31 - 90 Days	91 - 180 Days	181 Days - 1 Year	Over 1 Year		
<u>Balances at June 30, 2011</u>								
General Revenue Fund 001	\$ 368	\$ 54	\$ 55	\$ 54	\$ 151	\$ 3,050	\$ 3,732	\$ 3,050
Asbestos Abatement Fund 224	-	-	-	-	-	-	-	-
Attorney General Tobacco Fund 533	-	-	-	-	-	-	-	-
Elderly Victim Fund 541	-	-	-	-	-	40	40	40
Attorney General Court Ordered and Voluntary Compliance Payments Project Fund 542	2,452	1	1	-	-	59	2,513	59
Illinois Charity Bureau Fund 549	-	-	-	-	-	20	20	20
State Whistleblower Reward and Protection Fund 703	17	-	-	18	-	-	35	-
State Projects and Court Ordered Distribution Fund 801	56	-	140	5	-	693	894	693
Attorney General Federal Grant Fund 988	158	-	-	-	-	-	158	-
Consumer Trust Fund 1106	605	296	28	58	173	3,667	4,827	3,667
Total	\$ 3,656	\$ 351	\$ 224	\$ 135	\$ 324	\$ 7,529	\$ 12,219	\$ 7,529

Note: Receivables are collected by the Office of the Attorney General. Delinquent accounts are referred to the Comptroller's Offset System and private collection firms.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2012

The Attorney General is Illinois' chief legal officer and is responsible for protecting the public interest of the state and its residents. As an advocate on behalf of state government and in the interest of the public, the Attorney General works to protect consumers, help crime victims, safeguard communities, advocate for older citizens, preserve the environment, ensure an open and honest government, and defend the rights of the citizens of Illinois. In addition, the Attorney General works with the Legislature to strengthen the law to better protect Illinois residents.

During the examination period, the Attorney General was The Honorable Lisa Madigan, sworn into office January 13, 2003.

The main locations of the Office of the Attorney General (Office) are the James R. Thompson Center, 100 West Randolph, Chicago, Illinois, 500 South Second Street, Springfield, Illinois and 601 South University Avenue, Carbondale, Illinois. There are four regional offices and two satellite offices located throughout the State of Illinois.

Office Functions

Functionally, the activities of the Office are divided into three areas: administrative programs, legal and service programs, and policy and legislative affairs. The administrative programs provide the structure, framework and support necessary for the efficient and effective delivery of legal and service programs. The legal and service programs represent those end results services, which are the reason for the existence of the Office. The policy and legislative affairs area provides the Office's policy support and legislative assistance.

Administrative programs of the Office include Fiscal Affairs, Human Resources, Attorney Recruitment and Professional Development, Information Technology, Internal Audit, Law Library Support, and Office Services.

Legal and service programs, and policy and legislative affairs activities include Protecting Consumers, Keeping Communities Safe, Representing the State of Illinois, Helping Crime Victims, Preserving the Environment, Defending Citizen's Rights, Advocating for Women, Older Citizens, and Children, Agriculture, Ensuring Open and Honest Government, Strategic Communications, and Legislative Affairs.

Regional Offices

The Office currently has four regional office locations and two satellite office locations. Each office has at least one attorney and a legal secretary. The offices, as well as providing assistance to attorneys in Springfield, Chicago and Carbondale, work with citizens to assist them in the areas of consumer and senior citizen problems, disability and veteran's problems, opinions and criminal violence work. The offices are also involved in public education through an outreach program designed to educate the public on the Office's functions and services.

The four regional office are located in Belleville (Metro-East), Rockford, Urbana, and Quincy.

The two satellite offices are the Chicago West Regional Office and the Chicago South Regional Office.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AGENCY FUNCTIONS AND PLANNING PROGRAM - CONTINUED
(NOT EXAMINED)

For the Two Years Ended June 30, 2012

Advisory Groups

Following is a listing of Advisory Councils/Commissions providing assistance to the Office:

- Violent Crime Victims Advisory Commission (725 ILCS 240/4)
- Franchise Advisory Board (815 ILCS 705/21)
- Charitable Advisory Council (225 ILCS 460/23)
- Crime Victim and Witness Notification Advisory Committee (725 ILCS 120/8.5(g))

Management Structure

The Office management structure consists of the Attorney General and a Chief of Staff who is responsible for the Office oversight. Reporting to the Chief of Staff is the Chief Deputy Attorney General who is responsible for all of the legal functions of the Office, a Deputy Chief of Staff who is responsible for all administrative functions of the Office and a Deputy Chief of Staff who is responsible for the policy and communications functions of the Office. The Deputy Chief of Staff of Policy and Legislative Affairs is responsible for the legislative affairs function of the Office. There are three Deputy Attorney Generals and a Solicitor General who supervise divisions that are further divided into bureaus.

Relationship with the Illinois Violence Prevention Authority, the Sex Offender Management Board and the Social Security Number Protection Task Force

According to statute, the Attorney General and the Director of the Illinois Department of Public Health serve as the co-chairs of the Illinois Violence Prevention Authority (IVPA), a separate State agency. Each organizational unit provides the IVPA with in-kind functional support to assure efficient and effective operation of the Authority. The Office provides IVPA with support of administrative functions including purchasing and payroll while Illinois Department of Public Health (IDPH) provides office space, equipment and other similar assistance. Through December 31, 2011, the Office provided all administrative support to the Sex Offender Management Board (SOMB), a separate State agency chaired by a representative of the Office. SOMB has no employees and relied upon the Office for in-kind support of daily operations, including voucher processing, accounting, and office space. As of January 1, 2012, the Illinois Department of Corrections assumed these responsibilities on behalf of SOMB. In addition, the Office administers the activities of the Social Security Number Protection Task Force (Task Force), a task force created within the Office by statute. The Task Force was created to examine procedures used by the State to protect individuals from having their social security numbers compromised and to explore technical and procedural changes necessary to implement a unique identification number system. The chairperson of the Task Force represents the Office and was appointed by the Attorney General. The Office provides administrative support to the Task Force in order to help fulfill its mission.

Funding provided to the Illinois Equal Justice Foundation

The Office has a Memorandum of Understanding with the Illinois Equal Justice Foundation (IEJF) to provide funding for their programs. The IEJF, a not-for-profit organization, is governed by the Illinois Equal Justice Act (30 ILCS 765/1 et seq.). The IEJF provides financial support to other organizations who provide legal aid services to the public. The IEJF is allowed to keep up to 5% of State funds received for costs of administering grants and distributing State funds to other entities. For fiscal years 2011 and 2012, funding of \$1.75 million was passed through the Office's general revenue fund lump sum appropriation to the IEJF.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AGENCY FUNCTIONS AND PLANNING PROGRAM - CONTINUED
(NOT EXAMINED)

For the Two Years Ended June 30, 2012

Funding provided to the Illinois Equal Justice Foundation, continued

The Office stated it does not monitor the expenditure of these funds because the appropriations are received by the Office only as a disbursing authority, the funds are not deemed to constitute a grant under the Grant Funds Recovery Act, the Office lacks specific statutory authority to monitor IEJF expenditures, and explicit oversight and reporting to the General Assembly is specified in the statute. Further, Office management concluded that monitoring activities could potentially create conflicts of interest with legal aid organizations which receive funding from IEJF and who at times may oppose the Office in legal matters.

Office Planning Program

According to management, the Office's planning program is a four part, continuous process that includes establishing, budgeting, accomplishing, and monitoring the Office's goals and objectives.

In establishing the Office's goals and objectives, on an annual and ongoing basis, the Attorney General and Senior Management meet to determine and prioritize goals and objectives for the upcoming year. Once established, the goals and objectives are communicated to senior staff and incorporated into the Office's annual plan. The goals and objectives of the Office are primarily influences through the development of new policy proposals, legislative initiatives, and programmatic changes from senior staff and other stakeholders.

After the Office's goals and objectives have been established, the financial impact of programmatic changes and new initiatives is determined by Fiscal Affairs through a review of current spending. The results of the review by Fiscal Affairs are reviewed by senior staff and incorporated into the Office's Budget Request. After the Budget Request is reviewed and approved by the Attorney General and Chief of Staff, it is submitted to the Governor's Office of Management and Budget for inclusion in the Governor's annual budget book and appropriation by the General Assembly.

Office goals and objectives are generally accomplished through three types of activities: litigation, legislation, and policy initiatives and program development. Each of these areas interacts with one another, and this interaction may impact the direction and implementation of the Office's goals and objectives. The Office achieves its litigation goals and objectives through enforcement of state statutes as well as furthering the definitions of public policy through civil and criminal litigation. In accomplishing goals and objectives related to legislation, the Office sets an annual legislative agenda to modify existing laws and/or create new laws that advance the implementation of the Office's goals and objectives and accomplish the mandates of the Office. In order to accomplish goals and objectives related to policy initiatives and program development, the Office develops new policy initiatives and programs through research, review and assessment of current policies and programs, and responses to public issues.

Throughout the year, senior staff from the Office of the Attorney General monitor the status of the Office's goals and objectives through feedback from staff and the public and by gathering and synthesizing data that reflects the progress of new policy initiatives. Also, management and staff meetings are conducted on regular basis to determine the progress of and to provide feedback on the Office's goals and objectives.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AVERAGE NUMBER OF EMPLOYEES
(NOT EXAMINED)

Years Ended June 30, 2012, 2011 and 2010

The following schedule was prepared from Office records and presents the average number of employees on a full-time equivalent basis for the fiscal years ended June 30, 2012, 2011 and 2010.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Attorney General:	1	1	1
Assistant to Attorney General	4	4	5
Office of the Inspector General	<u>2</u>	<u>2</u>	<u>3</u>
Sub-Total	7	7	9
Chief of Staff:	2	2	2
Counsel to the Attorney General	1	1	-
Internal Audit	<u>3</u>	<u>3</u>	<u>3</u>
Sub-Total	6	6	5
Deputy Chief of Staff:-Policy & Legislative:	2	2	1
Communications/Press	1	1	-
Constituent Services	2	2	1
Legislative Affairs	3	3	3
Government & Community Relations	9	9	-
Press Office	4	4	3
Strategic Comm/Policy	<u>11</u>	<u>12</u>	<u>25</u>
Sub-Total	32	33	33
Deputy Chief of Staff-Administration:	2	2	2
Fiscal Affairs	1	1	2
Accounting	11	11	11
Human Resources	6	6	7
Support Services	10	10	7
Citizen and Intake Referral Center	10	10	10
Office Services	23	25	26
Information Technology	12	13	13
Library Services	2	2	2
Budget/Fiscal	<u>3</u>	<u>4</u>	<u>4</u>
Sub-Total	80	84	84
Chief Deputy Attorney General:	2	2	2
Attorney Recruitment and Professional Development	3	3	3
Public Integrity	4	4	4
Medical Director	<u>1</u>	<u>1</u>	<u>1</u>
Sub-Total	10	10	10

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AVERAGE NUMBER OF EMPLOYEES - CONTINUED
(NOT EXAMINED)

Years Ended June 30, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Deputy Attorney General-Civil Litigation:	2	2	2
Government Representation	2	2	2
General Law	108	102	97
Worker's Compensation	36	29	23
Revenue Litigation	26	24	24
Consumer Protection	3	3	4
Consumer Fraud	73	70	72
Franchise	7	6	5
Health Care Fraud	11	12	12
Charitable Trust	24	25	26
Veterans Rights	2	3	2
Antitrust	5	5	5
Public Interest	4	3	2
Public Utilities	6	5	5
Civil Rights	4	4	3
Disability Rights	8	7	8
Environmental/Asbestos Litigation	2	1	3
Asbestos Litigation	-	-	4
Environmental Law	31	32	32
Special Litigation	18	16	16
Public Access and Opinions	27	25	18
Land Acquisition	2	2	1
Tobacco	7	7	2
Regional Counsel	1	1	1
Champaign Regional Office	2	2	2
Chicago South Regional Office	2	2	2
Chicago West Regional Office	3	2	3
Metro East Regional Office	3	3	3
Metro - Chicago PA	-	1	1
Quincy Regional Office	2	2	2
Rockford Regional Office	2	2	2
Carbondale Regional Office	-	-	1
Sub-Total	<u>423</u>	<u>400</u>	<u>385</u>
Solicitor General:	2	2	2
Civil Appeals	30	29	28
Criminal Appeals	28	26	24
Sub-Total	<u>60</u>	<u>57</u>	<u>54</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AVERAGE NUMBER OF EMPLOYEES - CONTINUED
(NOT EXAMINED)

Years Ended June 30, 2012, 2011 and 2010

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Child Support Enforcement:			
Child Support Enforcement:	2	2	3
Sub-Total	<u>2</u>	<u>2</u>	<u>3</u>
Deputy Attorney General-Criminal Justice:			
Crime Victim Services	1	1	1
Crime Victim Services	3	4	5
Crime Victim Comp	27	27	23
Violent Crimes Victim Assistance	7	7	6
Statewide Victim Witness	1	1	1
Criminal Enforcement	3	4	2
Special Prosecutions	3	3	5
Statewide Grand Jury	5	5	5
Environmental Crimes	4	4	3
Criminal Prosecutions	11	11	13
Sexually Violent Persons	11	10	10
Investigations	17	20	21
Financial Crimes	4	4	4
Medicaid Fraud	10	11	10
High Tech Crimes	8	7	7
Sub-Total	<u>115</u>	<u>119</u>	<u>116</u>
Office Totals	<u><u>735</u></u>	<u><u>718</u></u>	<u><u>699</u></u>

Note: Employee groupings are based on organizational structure as of June 30, 2012.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

AVERAGE NUMBER OF EMPLOYEES - CONTINUED
(NOT EXAMINED)

Years Ended June 30, 2012, 2011 and 2010

The following schedule was prepared from Office records and presents the average number of employees on a full-time equivalent basis for the fiscal years ended June 30, 2012, 2011 and 2010. The Office employs these individuals; however, they are paid by their respective agencies.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Agency and Office Bureau:			
Department of Child and Family Services - Child Welfare Litigation	9	9	8
Department of Healthcare and Family Services - Child Support Enforcement	59	59	62
Illinois Department of Employment Security - Financial Crimes	1	-	-
Illinois Department of Employment Security - Unemployment Insurance	13	13	12
Department of Health and Family Services - Welfare Litigation	12	13	13
Illinois Department of Human Services - Workers Compensation	-	1	1
Illinois Department of Revenue - Revenue Prosecution	2	2	2
Illinois Department of Revenue - Special Prosecution	5	5	3
Illinois Department of Revenue - Revenue Litigation	8	7	6
Illinois Department of Transportation - Land Acquisition	3	3	2
Illinois State Toll Highway	11	11	9
Illinois Student Assistant Commission	-	-	1
Total	<u>123</u>	<u>123</u>	<u>119</u>

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUMS OF UNDERSTANDING
(NOT EXAMINED)

For the Two Years Ended June 30, 2012

The following Memorandums of Understanding (MOU) were effective during the engagement period:

The Office of the Attorney General (Office) was a party to Memorandums of Understanding with the Illinois Equal Justice Foundation (IEJF) to provide funding for their programs during the engagement period. The IEJF, a not-for-profit organization, is governed by the Illinois Equal Justice Act (30 ILCS 765/1 et seq.). The IEJF provides financial support to other organizations who provide legal aid services to the public. The IEJF is allowed to keep up to 5% of State funds received for costs of administering grants and distributing State funds to other entities. For fiscal years 2011 and 2012, funding of \$1.75 million per year was passed through the Office's general fund lump sum appropriation to the IEJF.

The Office was a party to 15 Memorandums of Understanding with local law enforcement agencies in Illinois as presented in the schedule below. The MOU's were originally for the Office to loan to the law enforcement agencies, equipment and software that were purchased with funding from the U.S. Department of Justice, Office of Juvenile Justice Delinquency Prevention, *Internet Crimes Against Children* grant. Upon receipt of the equipment and proper training, the local law enforcement agencies, also known as affiliate agencies, are to conduct digital forensic examinations using the equipment and are to report to the Office on a monthly basis, data regarding the examinations conducted. During the engagement period, the Moline Police Department was the only additional law enforcement agency which received equipment based on the terms on the Memorandum of Understanding in July 2010. On June 1, 2011, each of these MOU's was amended to designate ownership of any equipment and software to the local law enforcement agencies on the date it was received by each covered agency. These MOU's with affiliate local law enforcement agencies are ongoing until termination by either the law enforcement agency or the Office.

Law Enforcement Agencies with MOU's

Decatur Police Department
Elgin Police Department
Felony Investigation Assistance Team
Granite City Police Department
Kane County State's Attorney Office
Lake County State's Attorney Office
Macomb Police Department
Moline Police Department
Mt. Vernon Police Department
Naperville Police Department
Quincy Police Department
Rochelle Police Department
Urbana Police Department
Waterloo/Alton Police Departments
Will County Sheriff's Department

The Office was a party to a Memorandum of Understanding with Loyola University Chicago, Rape Victim Advocates, and the YWCA Evanston/North Shore to provide collaborative services on a U.S. Department of Justice, Office on Violence Against Women *Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus Program* grant. The Memorandum of Understanding is effective during the anticipated grant period from September 1, 2009 through August 31, 2012. During the engagement period, Loyola University Chicago was the lead agency for the grant and the Office received no compensation for their service provided under the grant.

STATE OF ILLINOIS
OFFICE OF THE ATTORNEY GENERAL

SCHEDULE OF INDIRECT COST REIMBURSEMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2012

According to Attachment A to Office of Management and Budget Circular A-87, "Cost Principles for State and Local Governments", rates can be established for use by agencies in allocating indirect costs to federal programs. The grants awarded to the Office of the Attorney General do not have any indirect cost components and are program specific, covering all costs of the program. Therefore, there were no indirect costs in which to seek reimbursement.