
REPORT DIGEST

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND COUNCIL

COMPLIANCE EXAMINATION

For the Year Ended:
June 30, 2009

Summary of Findings:

Total this examination 1
Total last examination 3
Repeated from last examination
1

Release Date:
May 18, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- Council member appointments or reappointments had not been made as required by statute.

{Receipts, Disbursements and Activity Measures are summarized on the next page.}

DRYCLEANER ENVIRONMENTAL RESPONSE
TRUST FUND COUNCIL
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2009

STATISTICS	FY 2009	FY 2008
DRYCLEANER ENVIRONMENTAL RESPONSE		
TRUST FUND		
RECEIPTS:		
License Fees Collected	\$2,233,509	\$2,405,450
Solvent Taxes Collected	719,435	850,972
Insurance Premiums Collected	883,400	1,024,100
Late Payment Fees and Miscellaneous	<u>49,421</u>	<u>50,928</u>
Net Fees Collected for Council.....	\$3,855,765	\$4,331,450
Interest Income.....	<u>128,977</u>	<u>245,086</u>
Net Receipts	<u>\$4,014,742</u>	<u>\$4,576,536</u>
EXPENDITURES:		
Contractual Services.....	\$ 800,966	\$ 771,694
Travel.....	2,841	4,267
Refunds	20,650	34,955
Awards and Grants (Claims Payments)	<u>2,832,222</u>	<u>2,754,704</u>
Total Disbursements	<u>\$3,656,679</u>	<u>\$3,565,620</u>

The above information was obtained from agency and Comptroller records and includes that portion of the receipts reported by the Illinois Department of Revenue and the Office of the Treasurer. License fees and solvent taxes collected are reported net of a 4% collection fee charged by the Department of Revenue.

ACTIVITY MEASURES (Not Examined)	FY 2009	FY 2008
License applications received.....	1,135	1,217
Licenses in force	1,128	1,197
Insurance applications received	613	685
Insurance policies in force.....	611	674
Eligible remedial and insurance claims filed	699	699
Eligible remedial and insurance claims closed.....	326	254
Cost per eligible claim filed.....	\$343	\$312

COUNCIL CHAIRMAN
During Examination Period: John Polak
Currently: John Polak

INTRODUCTION

The Drycleaner Environmental Response Trust Fund Council (Council) oversees the licensure of all retail drycleaning facilities in the State of Illinois. The Council also reimburses drycleaner facilities for costs of remedial action for solvent releases, which occurred in fiscal years 1998 through 2006. The Council offers insurance to facilities to insure against solvent release cleanup costs subsequent to fiscal year 2006. The Council has contracted with a third party administrator to conduct daily operations and fiscal and administrative duties, under the oversight of the Council.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

EXPIRED COUNCIL MEMBER APPOINTMENTS

**100% of Council member
appointments had expired**

During fiscal year 2009, the appointed terms had expired for seven of seven (100%) Council members. The appointed terms had been expired for one to three years as of June 30, 2009. (Finding 1, Page 9)

We recommended the Council direct all interested persons to apply online for appointment. Further, we recommended the Council continue to work with the Governor's Office to obtain current appointments.

Council representatives stated council members have applied for reappointment. Representatives further stated that beyond continued contacts with the Governor's Office, the appointments are outside the Council's control.

We will review the Council's progress toward implementing our recommendations in our next examination.

AUDITORS' OPINION

We conducted a compliance examination of the Drycleaner Environmental Response Trust Fund Council as required by the Illinois State Auditing Act. We have not audited any financial statements of the Council for the purpose of expressing an opinion because the agency does not, nor is it required to, prepare financial statements.

WILLIAM G. HOLLAND, Auditor General

WGH:LW

AUDITORS ASSIGNED

This examination was conducted by staff of the Office of the Auditor General.