



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND COUNCIL

Compliance Examination
 For the Year Ended June 30, 2018

Release Date: July 9, 2019

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2007			18-01
Category 2:	0	0	0				
Category 3:	0	1	1				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 1							

SYNOPSIS

- (18-01) The Council has several members serving on expired terms.

OTHER MATTERS

- During Fiscal Year 2018, the Council’s financial projections for the period of July 1, 2018, through the Fund’s sunset date of January 1, 2020, indicated the Fund had program deficits of approximately \$16,283,310 based on program assumptions as of July 1, 2018.
- Senate Bill 171 passed both houses of the General Assembly on May 27, 2019.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND COUNCIL
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2018**

EXPENDITURE STATISTICS	2018	2017
Total Expenditures.....	\$ 2,462,097	\$ 2,146,806
OPERATIONS TOTAL.....	\$ 2,462,097	\$ 2,146,806
% of Total Expenditures.....	100.0%	100.0%
Total Council Receipts.....	\$ 475,594	\$ 499,876

SELECTED ACTIVITY MEASURES (Not Examined)	2018	2017
License applications received.....	737	787
Licenses in force.....	731	783
Insurance applications received.....	399	432
Insurance policies in force.....	396	428
Open insurance claims.....	0	1
Insurance claims with payments made.....	1	1
Eligible remedial and insurance claims filed.....	700	700
Eligible remedial and insurance claims closed.....	549	537
Open remedial claims.....	151	162
Remedial claims with payments made.....	678	678
Cost per license application.....	\$111	\$108
Cost per insurance application.....	\$110	\$109
Cost per eligible claim filed.....	\$933	\$605

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

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

EXPIRED COUNCIL MEMBER APPOINTMENTS

The Drycleaner Environmental Response Trust Fund Council (Council) has several members serving on expired terms.

Six members had expired terms

During testing, we noted Council member appointments or reappointments had not been made as required by the Drycleaner Environmental Trust Fund Act for six of the seven Council member positions (86%). The following chart depicts the amount of time passed as of June 30, 2018, after each noted Council member’s term expired or became vacant:

Member #1	Term Expired May 1, 2015	1,156 Days
Member #2	Term Expired May 1, 2016	790 Days
Member #3	Term Expired May 1, 2007	4,078 Days
Member #4	Term Expired May 1, 2008	3,712 Days
Member #5	Resigned March 20, 2018	102 Days
Member #6	Term Expired May 1, 2018	60 Days

Subsequent to June 30, 2018, we noted the following:

- The Governor reappointed members 3 and 6 above;
- The Governor appointed a member to fill the vacancy left after Member 5 resigned; and,
- The Council position of Member 1 became vacant. (Finding 1, pages 7-8) **This finding has been repeated since 2007.**

We recommended the Council continue to work with the Governor’s Office to obtain current Council member appointments as soon as possible.

Council management agrees

Council management stated the Council’s members have applied for reappointment directly and online and that the Council will continue to make contacts with the Governor’s Office to secure appointments for the terms that have expired. (For the previous Council response, see Digest Footnote #1.)

OTHER MATTERS

Anticipated deficit of approximately \$16.28 million

- During Fiscal Year 2018, the Council’s financial projections for the period of July 1, 2018, through the Fund’s sunset date of January 1, 2020, indicated the Fund had program deficits of approximately \$16,283,310 based on program assumptions as of July 1, 2018 (page 14).

Senate Bill 171 has passed both houses of the General Assembly

- Senate Bill 171 passed both houses of the General Assembly on May 27, 2019. This bill, if enacted into law, would:
 - 1) transfer the Council’s powers, duties, rights, and responsibilities to the Environmental Protection Agency;
 - 2) limit administrative costs paid from the Drycleaner Environmental Response Trust Fund (Fund);
 - 3) require the prioritization of expenditures from the Fund in accordance with rules to be adopted by the Pollution Control Board;
 - 4) establish an additional administrative assessment fee;
 - 5) establish criminal penalties for false statements;
 - 6) abolish the Council on July 1, 2020;
 - 7) prohibit the Council from extending the Administrator’s contract beyond June 30, 2020; and,
 - 8) extend the sunset date of the Fund to January 1, 2030 (page 14).

ACCOUNTANT’S OPINION

The accountants conducted a compliance examination of the Council for the year ended June 30, 2018, as required by the Illinois State Auditing Act. The accountants stated the Council complied, in all material respects, with the requirements described in the report.

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

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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DIGEST FOOTNOTES

#1 – Expired Council Member Appointments

Council members have applied for reappointment directly and online. The Council has and will continue to make contacts with the Governor’s Office to secure appointments for the terms that have expired.