**Section 1329.510 Noncompliance – Financial Reports**

a) This Section applies to a 9-1-1 Authority that receives monies from the Fund and fails to file the 9-1-1 system financial reports required:

1) by Section 27 of the Wireless Emergency Telephone Safety Act [50 ILCS 751/27] through December 31, 2015, applicable to reports due October 1, 2015; or

2) beginning January 1, 2016, by ETSA Section 40.

b) A 9-1-1 Authority that fails to file the reports required by subsection (a) is referred to in the remainder of this Section as a "noncompliant provider".

c) Department Review of Financial Statements

1) The financial statements required under subsection (a) shall be reviewed to determine whether a 9-1-1 Authority that receives funds from the Wireless Service Emergency Fund has:

A) filed an amount equal to the average monthly wireline and VoIP surcharge revenue attributable to the most recent 12‑month period that is erroneous;

B) failed to file the 9-1-1 system financial reports as required by law; or

C) filed a report that is not *in a form and manner prescribed by the Illinois Commerce Commission's Manager of Accounting* [50 ILCS 751/27(b)], in the case of reports due October 1, 2015, or has filed a report that is not *in a form and manner prescribed by the Department* [50 ILCS 750/40(b)], in the case of reports due October 1, 2016 and after.

2) The Department shall contact each allegedly noncompliant provider in writing and request a response regarding its noncompliance with the Act.

d) The noncompliant provider shall have 30 days to respond in writing. Upon receipt of the response, the Department shall prepare and present the Administrator with a verified report concerning the allegedly noncompliant provider. When the noncompliant provider has failed to file the required form or has not filed it in the form and manner prescribed by law, the Department shall withhold monthly surcharge disbursements as follows:

1) If the verified report establishes that the noncompliant provider has not filed a report at all, the monthly surcharge disbursements otherwise payable to the allegedly noncompliant provider under ETSA Section 30 shall be suspended and withheld until the Department determines that the noncompliant provider is substantially in compliance with the statute and in the form and manner prescribed by applicable law, or until the surcharge disbursements have been withheld for 12 months or more and provided to compliant providers, as provided in subsection (e); or

2) If the verified report states that the noncompliant provider has made an effort to file a report, but the report is not substantially in the form and manner prescribed by law, the monthly surcharge disbursements otherwise payable to the allegedly noncompliant provider under ETSA Section 30 shall be suspended beginning 30 days after the date of the verified report and withheld until the Department determines that the noncompliant provider is substantially in compliance with the statute and has filed the report in the form and manner prescribed by applicable law, or until the surcharge disbursements have been withheld for 12 months or more and provided to compliant providers, as provided in subsection (e).

e) When the noncompliant provider has filed an amount equal to the average monthly wireline and VoIP surcharge revenue attributable to the most recent 12‑month period that the Department finds to be erroneous, the Department will first request that the noncompliant provider agree to amend the report. If the noncompliant provider will not amend the report within 30 days after notice from the Department, the Department will suspend further surcharge disbursements under ETSA Section 30(b)(2)(A)(i) of disputed amounts and file a petition with the Commission seeking to adjust the number by order under Article X of the Public Utilities Act, so that the monthly amount paid accurately reflects one-twelfth of the aggregate wireline and VoIP surcharge revenue properly attributable to the most recent 12-month period reported.

f) If a noncompliant provider disputes the validity of the suspension of surcharge disbursements, the noncompliant provider may petition the Administrator for a hearing to appeal the suspension.

g) When the Administrator receives a petition for appeal, or a verified staff report concerning a noncompliant provider whose surcharge disbursements have been suspended for 12 months or more, the Administrator shall determine whether a hearing is necessary. If the Administrator determines a hearing is necessary, the following shall apply:

1) The Administrator shall determine the date, time and location of any hearing and shall make reasonable efforts to hold the hearing at a date, time and location convenient to all parties.

2) The Administrator shall appoint an administrative law judge (ALJ) to preside over the hearing.

A) Any testimony requested or permitted shall be under oath or affirmation, which will be administered by the ALJ.

B) Hearings shall be open to the public; however, only those members of the public who have filed a witness slip and have been acknowledged will be permitted to speak during the hearing.

3) The procedures for admissibility of evidence shall be as described in Section 10-40 of the Illinois Administrative Procedure Act [5 ILCS 100/10-40] and as ordered by the presiding ALJ.

4) A transcript of the recorded hearing shall be provided to the applicant upon written request.

A) The cost of transcription shall be the responsibility of the applicant.

B) Fees shall not exceed the actual cost for the preparation of the transcript.

C) The record need not be transcribed unless the Board receives a written request and fee from the applicant in accordance with this Section.

5) Regardless of whether a hearing is called, all disputes shall be resolved by a final order of the Administrator.

h) The payment of any monthly proportional grant to a 9-1-1 Authority shall not constitute acknowledgment that ETSB or the qualified governmental entity has filed a 9‑1-1 system financial report as required under ETSA Section 40, or has filed a report that is in a form and manner prescribed by the Department.

i) Any proceeding initiated by the Commission before January 1, 2016, under 83 Ill. Adm. Code 729.610 and Section 27 of the Wireless Emergency Telephone Safety Act [50 ILCS 751/27], shall continue to completion under those provisions after January 1, 2016, as provided in ETSA Section 75(c).