



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

OFFICE OF THE ATTORNEY GENERAL

COMPLIANCE EXAMINATION
For the Two Years Ended: June 30, 2012

Release Date: February 6, 2013

Summary of Findings:

Total this audit:	1
Total last audit:	0
Repeated from last audit:	0

SYNOPSIS

- The Office did not properly allocate funds from the State's Whistleblower Reward and Protection Fund in accordance with the Illinois False Claims Act.

{Expenditures and Activity Measures are summarized on the reverse page.}

**OFFICE OF THE ATTORNEY GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012**

EXPENDITURE STATISTICS	2012	2011	2010
Total Expenditures.....	\$ 71,506,010	\$ 82,846,305	\$ 79,223,645
OPERATIONS TOTAL.....	\$ 63,829,918	\$ 73,419,228	\$ 65,862,826
% of Total Expenditures.....	89.3%	88.6%	83.1%
AWARDS AND GRANTS.....	\$ 7,676,092	\$ 9,427,077	\$ 13,360,819
% of Total Expenditures.....	10.7%	11.4%	16.9%
Total Receipts.....	\$ 41,401,746	\$ 73,746,465	\$ 75,858,823
Average Number of Employees.....	735	718	699

SELECTED ACTIVITY MEASURES	2012	2011	2010
Total Accounts Receivable (In Thousands)	\$ 90,666	\$ 12,219	\$ 10,966
Total Allowance for Doubtful Accounts (In Thousands)	\$ 7,659	\$ 7,529	\$ 8,099

ATTORNEY GENERAL
During Examination Period: Honorable Lisa Madigan Currently: Honorable Lisa Madigan

FINDING, CONCLUSION, AND RECOMMENDATION

MISALLOCATION OF WHISTLEBLOWER SETTLEMENTS

The 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).

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 Office changed their statutory interpretation used to allocate funds

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. This change resulted in the Office and the Department of State Police each receiving \$37,686 in additional allocations from the Whistleblower Fund, and the General Revenue Fund receiving \$75,372 less in allocations from the Whistleblower Fund during May and June 2012.

\$75,372 was allocated to the Office and another agency instead of the General Revenue Fund

Office management 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. (Finding 1, Pages 8-9)

Management stated transfers back to the proper funds were subsequently completed

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

Office management agrees with Auditors

Office management agreed with the recommendation and stated they have fully implemented corrective action.

AUDITORS' OPINION

We conducted a compliance examination of the Office of the Attorney General as required by the Illinois State Auditing Act. The Office has no funds that require an audit leading to an opinion on financial statements.



WILLIAM G. HOLLAND
Auditor General

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AUDITORS ASSIGNED

Doehring, Winders & Co. LLP were our Special Assistant Auditors for this examination.