**Section 995.160 Suspension, Termination and Recovery of Grant Awards**

a) If a grantee fails to comply with this Part or the terms of the grant agreement, the Department, after notice and opportunity for hearing, shall suspend or revoke the grant or recover any grant funds previously disbursed to the grantee.

b) Hearings will be conducted in accordance with the Department's Rules of Practice and Procedure in Administrative Hearings.

c) Pursuant to the Grant Funds Recovery Act, any grant funds that are misspent or are being improperly held may be recovered by the Department, after notice and opportunity for hearing, or alternatively by the Illinois Attorney General (see Section 995.80).

d) If the Department believes that a grant should be suspended, terminated or recovered due to a grantee's failure to comply with this Part or the terms of the grant agreement, the grantee shall have the opportunity for at least one informal hearing before the Department or the Department's designee to determine the facts and issues and to resolve any conflicts as amicably as possible before any formal recovery action is taken.

e) If, based on the outcome of the informal hearing, the Department believes that a grant should be suspended, terminated or recovered due to a grantee's failure to comply with this Part or the terms of the grant agreement, then written notice of the proposed action shall be given to the grantee identifying the action to be taken and specific facts that permit the action. The grantee shall have 35 days after the receipt of the notice to request a hearing to show why recovery is not justified or proper.

f) If a grantee requests a hearing pursuant to subsection (d) of this Section, then:

1) The Department shall hold a hearing at which the grantee (or the grantee's representative) is permitted to present evidence and witnesses to show why the action should not be taken; and

2) After the conclusion of the hearing, the Department shall issue a written final order setting forth its findings of fact and decision. A copy of the order shall be sent to the grantee.

g) A grantee may seek judicial review of any final order pursuant to the provisions of the Administrative Review Law.

h) The Department may suspend payment of grants at any time. If a grantee requests a hearing pursuant to subsection (d), the Department may not take any action of recovery until at least 35 days after the Department has issued a final recovery order pursuant to subsection (e). If a grantee does not request a hearing as permitted in subsection (d), the Department may proceed with recovery of the grant funds identified in the notice at any time after the expiration of the 35-day request period established in subsection (e).

i) Any notice or mailing required or permitted by this Part shall be deemed received five days after the notice or mailing is deposited in the United States mail, properly addressed with the grantee's current business address and with sufficient U.S. postage affixed.