**Section 729.610 Failure to File Financial Reports**

a) This Section applies to an emergency telephone system board or qualified governmental entity that receives funds from the Wireless Service Emergency Fund, and that fails to file the 9-1-1 system financial reports as required under Section 27 of the Act [50 ILCS 751/27(d)]. Such an emergency telephone system board or qualified governmental entity is referred to in the remainder of this Section as a "noncompliant provider".

b) The Staff of the Commission shall review the financial statements reported to the Commission under Section 27(b) of the Act to determine whether an emergency telephone system board or qualified governmental entity that receives funds from the Wireless Service Emergency Fund has failed to file the 9-1-1 system financial reports as required under Section 27 of the Act, or has 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)]. Staff shall present to the Commission a verified report concerning each allegedly noncompliant provider.

c) When the Commission receives a verified Staff Report concerning an allegedly noncompliant provider and determines that the Staff Report establishes a basis to proceed, it shall enter an Order on its own motion that initiates a formal show‑cause proceeding. The Order shall also provide for the withholding of monthly grants as follows:

1) If the Staff Report establishes that the noncompliant provider has not filed a report at all, the Order shall direct that the monthly grants otherwise payable to the allegedly noncompliant provider under Section 25 of the Act be suspended and withheld until the Commission determines that the noncompliant provider is substantially in compliance with Section 27 of the Act and has filed the report in the form and manner prescribed by the Commission's Manager of Accounting, or until the grants have been withheld for 12 months or more and provided to compliant providers, as provided in subsection (d); or

2) If the Staff Report states that the noncompliant provider has made an effort to file a report, but the report is not substantially in a form and manner as prescribed by the Commission's Manager of Accounting, the Order shall direct that the monthly grants otherwise payable to the allegedly noncompliant provider under Section 25 of the Act will be suspended beginning 30 days after the date of the Order, and withheld until the Commission determines that the noncompliant provider is substantially in compliance with Section 27 of the Act and has filed the report in the form and manner prescribed by the Commission's Manager of Accounting, or until the grants have been withheld for 12 months or more and provided to compliant providers, as provided in subsection (d).

d) The formal proceeding shall be heard as is provided in 83 Ill. Adm. Code 200, and the Commission shall determine on the basis of the record, no later than 12 months after the initiation of the proceeding, whether the grants should continue to be suspended and withheld under Section 27 of the Act. Any monthly grants that have been withheld for 12 months or more shall, without further order of the Commission, be forfeited by the emergency telephone system board or qualified governmental entity and shall be distributed proportionally by the Illinois Commerce Commission to compliant emergency telephone system boards and qualified governmental entities that receive funds from the Wireless Service Emergency Fund [50 ILCS 751/27(d)]. The Commission's Order shall specify the date as of which the monthly grants shall begin to be forfeited as provided in this Section. A grant is deemed to be "withheld" as of the date on which Commission personnel responsible for forwarding direction to the Comptroller to pay monthly proportional grants to providers under Section 25 of the Act exclude the noncompliant provider from the list of providers forwarded to the Comptroller. Nothing in this Section precludes a provider from seeking a rehearing of the Commission's order or other relief under Section 10-113 of the Public Utilities Act [220 ILCS 5/10-113]. When Staff determines that a provider previously found by the Commission to be noncompliant has come into compliance, Staff shall immediately inform the Commission personnel responsible for forwarding direction to the Comptroller to pay monthly proportional grants to providers under Section 25 of the Act, and shall recommend, at the next available open meeting of the Commission, that the Order directing the withholding and redistribution of that provider's monthly grants be rescinded, to the extent that the grants have not already been forfeited pursuant to Section 27(d) of the Act.

e) The payment of any monthly proportional grant to an emergency telephone system board or qualified governmental entity shall not constitute acknowledgment by the Commission or its Manager of Accounting that the emergency telephone system board or qualified governmental entity has filed a 9‑1-1 system financial report as required under Section 27 of the Act, or has filed a report that is in a form and manner prescribed by the Illinois Commerce Commission's Manager of Accounting.