**Section 593.160 Grant Funds Recovery**

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

b) If the Department believes that a grant should be suspended, terminated or recovered due to a grantee's failure to comply with this Subpart 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.* (Section 7 of the Illinois Grant Funds Recovery Act)

c) If, based on the outcome of the informal hearing, the Department believes that a grant should be suspended, terminated and/or recovered due to a grantee's failure to comply with this Subpart 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 calendar days after the receipt of the notice to request a formal hearing (see 77 Ill. Adm. Code 100) to show why recovery is not justified or proper.

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

1) The Department shall hold a hearing at which the grantee (or the grantee's lawful 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.

e) A grantee may seek appropriate judicial review of any final order pursuant to applicable State law.

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

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

(Source: Added at 35 Ill. Reg. 4591, effective March 2, 2011)