

2005

Annual Report



Lisa Madigan
Illinois Attorney General

Table of Contents

ABOUT US	1
BIOGRAPHY	2
PROTECTING CONSUMERS	4
Consumer Fraud Efforts	
Legislative Initiatives	
Health Care Assistance	
Public Utilities	
Antitrust & Non-Antitrust Settlements	
Protecting Businesses	
Building Better Charities	
KEEPING COMMUNITIES SAFE	16
Sex Offender Legislation	
Sex Offender Registry	
Sex Offender Enforcement Actions	
Sexually Violent Persons Enforcement	
Criminal Prosecutions & Trial Assistance	
Financial Crimes	
Criminal Revenue Prosecutions Unit	
High Tech Crimes	
Prosecuting Medicaid Fraud	
Statewide Grand Jury Prosecutions	
CURBING THE USE OF METHAMPHETAMINE	24
Legislation	
Public Awareness	
ADVOCATING FOR WOMEN AND CHILDREN	25
Short Form Order of Protection	
Domestic Violence Information Tear Sheets	
HELPING CRIME VICTIMS	26
Illinois Crime Victims Compensation Program	
Violent Crime Victims Assistance Program (VCVA)	
Automated Victim Notification Program (AVN)	
Illinois Victim Assistance Academy (IVAA)	
Illinois Sexual Assault Nurse Examiner (IL SANE) Program	
Statewide Victim Assistance Program	

ADVOCATING FOR OLDER CITIZENS	30
Advisory Council on Older Citizens' Issues	
Elderly Service Officer Training and Officer of the Year Award	
Senior Sleuths and Senior Medicare Patrols (SMPs)	
 SAFEGUARDING CHILDREN	 31
Child Support Enforcement	
Illinois Youth Court Association (IYCA)	
Children's Product Safety Act	
Meth Education Youth Leadership Projects	
 DEFENDING YOUR RIGHTS	 33
Civil Rights	
Disability Rights	
Veterans Rights	
Labor and Employment	
 PRESERVING THE ENVIRONMENT	 36
Environmental Enforcement-Asbestos Litigation Division	
Asbestos Litigation	
Environmental Crimes	
 AGRICULTURE	 39
Agriculture Advisory Council	
Methamphetamine and Agriculture	
Legislation	
Cases	
Gas Prices	
Livestock Odor Control Research	
 COMMUNITY OUTREACH	 42
Bilingual Outreach	
Mobile Office Unit	
Web Site	
Immigrant Assistance Program	
 ENSURING OPEN AND HONEST GOVERNMENT	 43
Model Ethics Ordinance	
Public Access Counselor	

REPRESENTING THE STATE 44

Government Representation Division

Civil Appeals Division

Criminal Appeals Division

2005 LEGISLATIVE HIGHLIGHTS 46

Consumer Protection

Domestic Violence

Identity Theft

Labor Rights

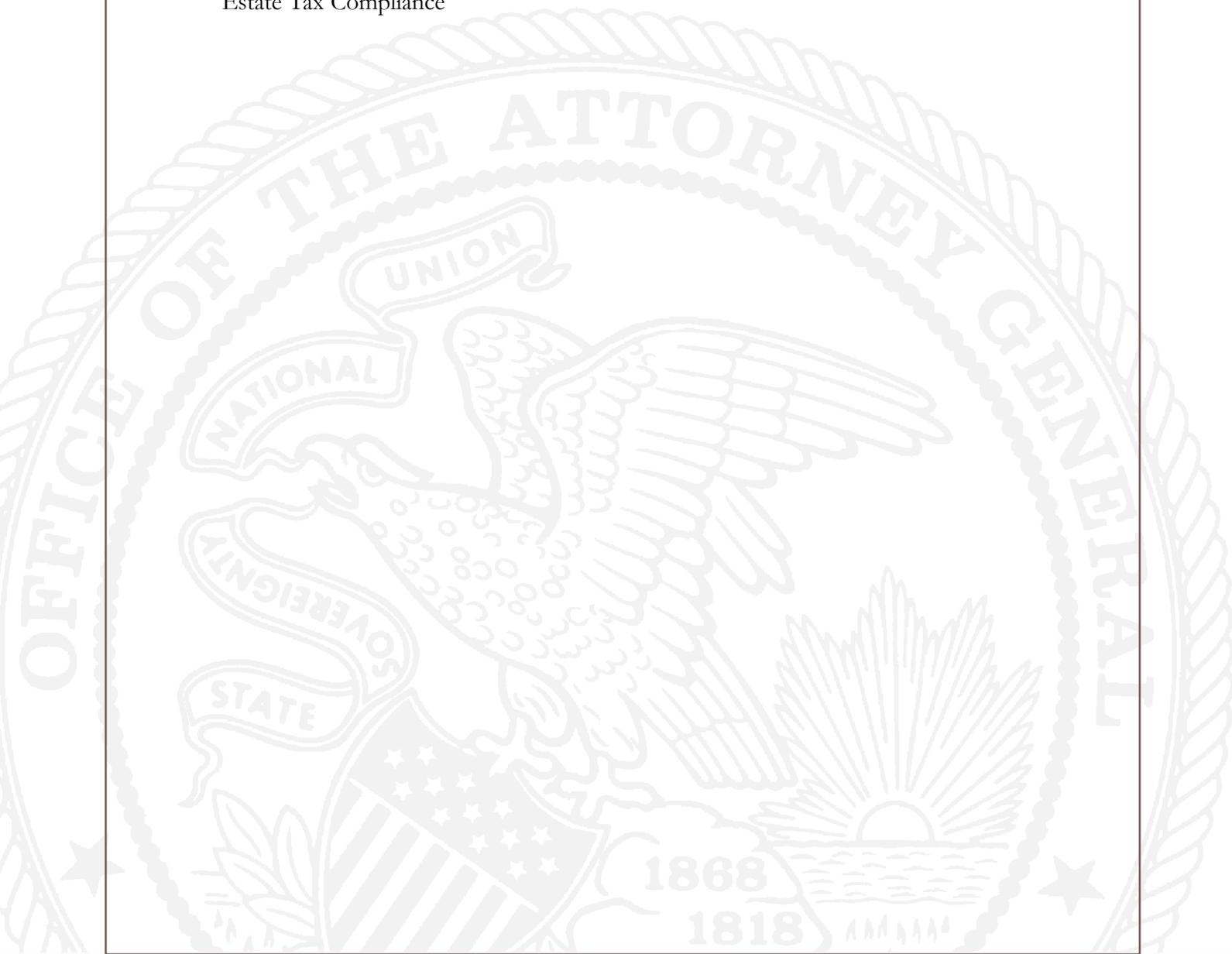
Methamphetamine

Public Utilities

Sex Offenders

Tobacco Enforcement

Estate Tax Compliance



About Us

About Us

The Attorney General is Illinois' chief legal officer and is responsible for protecting the interests of the state and its residents. As an advocate for state government and the public interest, Attorney General Madigan works to protect consumers, help crime victims, safeguard our communities, advocate for older citizens, preserve the environment, ensure an open and honest government, and defend the rights of the citizens of Illinois. She also works with the Legislature to strengthen the laws so she may better protect Illinois residents.

The job of the Attorney General is to:

- Advocate on behalf of all of the people of Illinois;
- Propose new legislation to strengthen Illinois laws;
- Litigate to ensure the enforcement of state laws; and
- Represent state government, officers, and employees in litigation.

The Attorney General provides services that cover a broad range of issues, reaching every corner of Illinois.

At A Glance

In 2005, the Office of Attorney General Lisa Madigan:

- Received 26,652 consumer complaints;
- Collected \$829,988,387 on behalf of the State of Illinois;
- Successfully mediated 690 health care coverage complaints for consumers;
- Assisted in the prosecution of more than 560 criminal cases;
- Regulated the more than 25,000 charities that operate in Illinois;
- Analyzed and recommended that approximately 3,714 compensation claims be awarded to victims of violent crimes (FY 2005);
- Handled more than 270 environmental protection cases;
- Represented state government in over 24,000 cases; and
- Received more than 14,600 case referrals from state government agencies and constitutional officers.



Biography

Biography

Lisa Madigan (Democrat) was elected the 41st Attorney General of Illinois on November 5, 2002. She is the first woman to hold this position.

As the state's chief legal officer, Madigan is an advocate for the People of Illinois and for the State, protecting the public interest, safeguarding communities, and preserving our environment. Since being sworn into office, Madigan has led efforts to restore integrity to Illinois' gaming industry, better protect Illinois women and children from sex offenders, stop the spread of methamphetamine, and fight for consumers and businesses.



Working to ensure that Illinois communities are safe, Madigan created a statewide team of law enforcement agencies to focus on improving the state's sex offender registry and enforcing the registry laws. Leading this team, Madigan has successfully proposed legislation to improve Illinois' sex offender registry and because of her work, Illinois is one of only a handful of states to require lifetime supervision of the most dangerous sexual predators. Madigan also has spearheaded efforts to locate and charge unregistered sex offenders.

Madigan has made fighting the spread of methamphetamine a priority. Working closely with law enforcement agencies throughout Illinois, Madigan has created a training program for prosecutors and crafted successful legislative initiatives to crack down on criminals who endanger children when producing methamphetamine and to curb the spread of this dangerous drug by cutting off supplies of the ingredients needed to make it. Most recently, Madigan proposed and successfully secured passage of a bill that deters meth makers from buying the ingredients they need to make their drug by requiring customers to sign a logbook and show an ID when purchasing cold and allergy medicines used to make the drug. The logbook is available to local law enforcement, which can spot suspicious purchases.

In another effort to improve the effectiveness of law enforcement in Illinois, Madigan argued a critical Fourth Amendment case, *Illinois v. Caballes*, before the U.S. Supreme Court on November 10, 2004. In January 2005, the court ruled 6-2 in Illinois' favor, giving Illinois law enforcement agencies a critical victory in their work to reduce the trafficking of illegal drugs through the use of canine units.

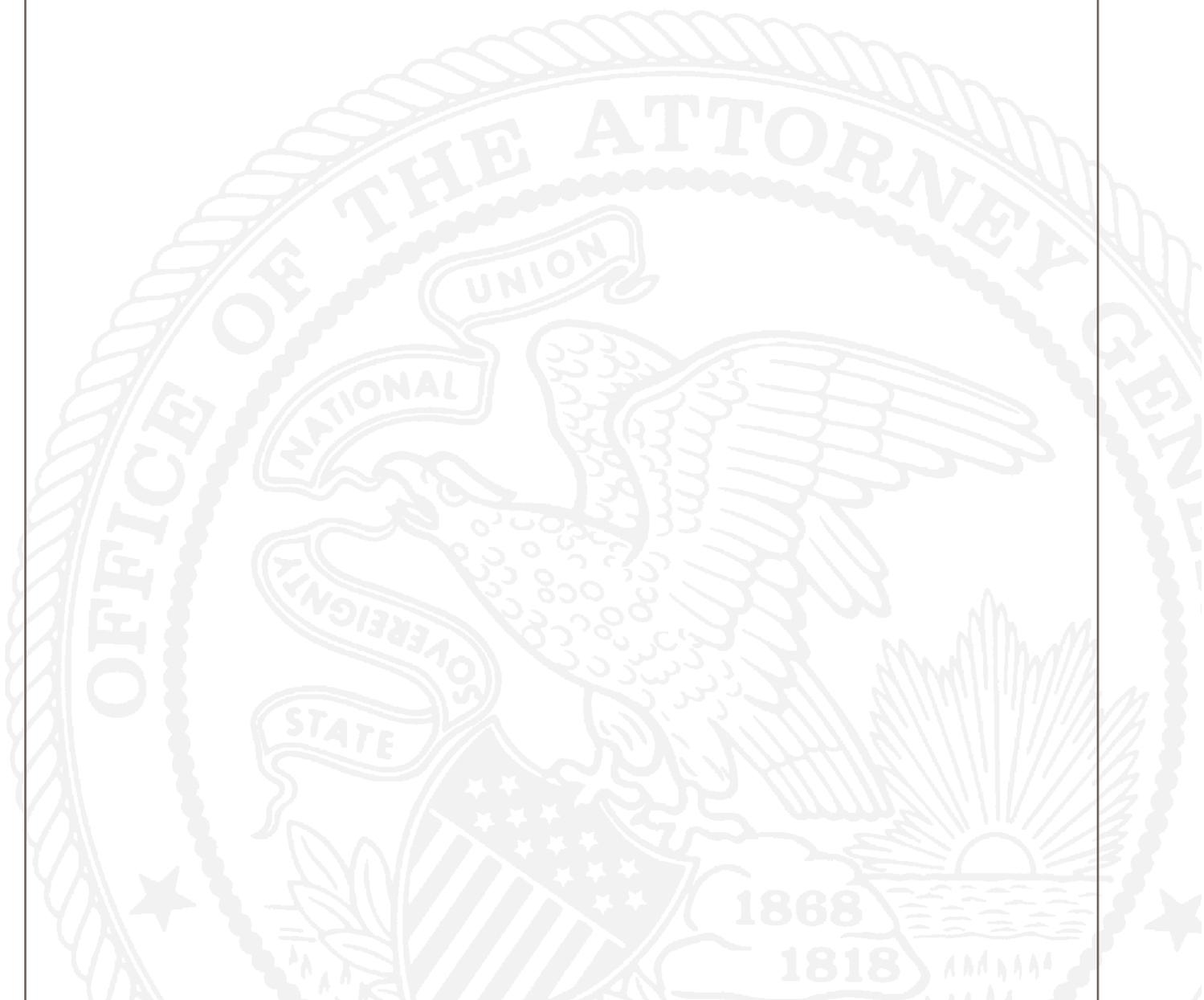
As Attorney General, Madigan is the state's leading consumer advocate. With consumer complaints up by more than 10 percent from 2004 to 2005, her efforts to protect consumers, especially seniors who are often the targets of scam artists, include educating consumers on emerging scams, mediating consumer complaints, and filing lawsuits to stop fraudulent practices and recover restitution on behalf of consumers.

Madigan's interest in making government more open and accessible has led to innovations in the Office of the Attorney General. Madigan provides many materials and forms in multiple languages and offers a telephone hotline for Illinois' Spanish-speaking population. Madigan also created the position of Public Access Counselor to take an active role in ensuring that public bodies conduct their business openly and that the public has access to governmental information.

In May 2005, Madigan was named one of the Top 10 "40 under 40" young lawyers in the nation by The National Law Journal. Prior to becoming Attorney General, Madigan was named one of "40 under 40" young professionals by Crain's Chicago Business.

Before her election as Attorney General, Madigan served in the Illinois Senate and worked as a litigator for a Chicago law firm. Prior to becoming an attorney, Madigan worked as a teacher and community advocate, developing after-school programs to help kids stay away from drugs and gangs. She also volunteered as a high school teacher in South Africa at the height of apartheid.

Madigan received her bachelor's degree from Georgetown University and her J.D. from Loyola University Law School. She and her husband, Pat Byrnes, have one daughter.



Protecting Consumers

Protecting Consumers

Attorney General Lisa Madigan's Consumer Protection Division protects Illinois consumers and businesses victimized by fraud, deception, and unfair business practices. In 2005, the Office of the Attorney General received 26,652 consumer complaints.

The Consumer Fraud Bureau offers informal dispute resolution programs for consumers with complaints concerning purchases and services. The Attorney General's mediation program, designed to assist in resolving disputes or complaints filed by individual consumers or businesses, saved Illinois consumers and businesses \$5,611,282.89 through mediation in 2005.

The Attorney General may also take law enforcement action to protect the public good and to ensure a fair marketplace.

CONSUMER FRAUD EFFORTS

The following are examples of some of the consumer fraud cases that the Attorney General's Office handled in 2005.

Billing for Computers/Software: The Attorney General sued Blue Hippo Funding, LLC, and its CEO in connection with its sale of computers to consumers who have (or believe they have) bad credit. The company's advertisements promise affordable computers to anyone with a checking account and urge consumers to call a toll-free number. Madigan's Office alleged that when consumers call, the company does not disclose to them the amount or number of monthly payments or other material terms of the offer, such as the fact that if Blue Hippo deems a consumer to be in default, the consumer forfeits all the payments already made and does not receive the computer. If all the payments are made, the computer ends up costing about 3 times the price at which a comparable computer could be obtained directly from the manufacturer.

Credit Counseling: The Attorney General filed a lawsuit against Cambridge Credit Counseling, alleging violations of the Consumer Fraud and Deceptive Business Practices Act, the Debt Management Service Act, and the Charitable Trust Act. Madigan's office alleged, among other things, that Cambridge charged more than the statutory maximum allowed fees for its debt counseling services, failed to make timely payments to consumers' creditors, and claimed to be a non-profit entity, yet outsourced virtually every function to related for-profit entities.

Automobile Advertising: The Attorney General's Office filed a lawsuit against Metro Chrysler in Monroe County, alleging numerous deceptive practices. The complaint alleged, among other practices, bait-and-switch tactics and violations of the automobile retail advertising regulations (promulgated by the Attorney General pursuant to the Consumer Fraud and Deceptive Business Practices Act). The complaint also alleged that the defendants drafted sale contracts with higher-than-agreed-upon prices for cars, and failed to comply with spot delivery requirements (if the sale is conditioned upon the consumer obtaining financing and financing is not approved after the consumer leaves the lot with the new car, then the dealer must return the down payment and trade-in). The complaint also alleged that the defendants engaged in intimidating behavior, such as resisting returning consumers' car keys to them once they test drove a car and shouting obscenities at some consumers.



Automobile Advertising: The Office filed a lawsuit against City Auction of Chicago Inc., for misrepresenting the price of their cars in advertisements and not disclosing all fees. According to the lawsuit, consumers ended up paying higher than their bids because City Auction adds an Auction Fee and a Buyers Premium fee. Additionally, consumers were not allowed to fully inspect the vehicles prior to the auction and had to pay a 25 percent non-refundable deposit after each winning bid.

Video Rental Advertising: The Attorney General's Office reached a multistate settlement with Blockbuster, Inc., regarding misleading advertising of Blockbuster's "No Late Fee" program. Blockbuster did not clearly disclose to consumers who kept rentals for more than seven days that they would be charged the sales price for the rental and when returning the rental after seven days they would be charged a restocking fee of \$1.25 or more. Blockbuster also failed to sufficiently disclose that the program was only available at participating stores. As part of the settlement, Blockbuster agreed to refund restocking fees and sales charges for returned rentals and to pay \$20,000 to the consumer education fund.

DirecTV Advertising: The Attorney General's Office entered into a multistate settlement with DirecTV, Inc., to ensure that its marketing and advertising practices would provide accurate information to consumers. DirecTV failed to clearly and conspicuously disclose all material terms and conditions associated with its sales offers including: additional charges associated with offers for equipment involving more than one receiver, minimum commitment terms for service, availability of local channels, and black-out restrictions on sports packages. As part of the settlement, DirecTV agreed to refund fees for consumers who lodged complaints as well as contribute \$260,000 to the consumer education fund.

Directories and Publications: The Attorney General's Office filed a lawsuit against Yellow Pages, Inc., for mailing unsolicited checks to small businesses that enter them into yearly contracts when the checks are endorsed. Contracts are hidden on the back of the checks in fine print. Unpaid contracts are then turned over to a collection agency and interest is added to the debt.

Construction/Home Improvement: The Attorney General's Office filed a lawsuit against a Rockford-area window replacement company known as Riley Windows for failing to perform work as contracted. Riley Windows entered into contracts and accepted down payments and then used the down payments to pay off creditors instead of completing the home improvement projects. Riley Windows subsequently closed and filed bankruptcy without completing the work or refunding down payments to consumers. The Consumer Fraud Bureau sued the business, petitioned the bankruptcy court to remove consumers' debts from the bankruptcy filing, and received a consent judgment whereby the business agreed to pay Illinois consumers refunds totaling \$44,189 and to pay the state a civil penalty of \$50,000.

Construction/Home Improvement: The Attorney General's Office filed a lawsuit against Momax Builders for accepting money and then failing to either begin work on the consumers' homes or finish the projects they did start. Consumers who cancelled their contracts did not have their deposits returned to them. Momax Builders provided consumers with invalid certificates of insurance and waivers of liens, and accepted money for the home repair projects and then deposited it into personal accounts or used it for personal expenses.

Construction/Home Improvement: The Attorney General's Office filed a lawsuit against Hail Restoration and Robert K. Olson for violating the Consumer Fraud Act. This company solicited work door-to-door claiming it would repair storm-damaged roofs and negotiate with insurance companies for a settlement. Hail Restoration took deposits and failed to perform or complete the work; in instances where work was performed, it was of poor quality. A court entered a judgment on April 29, 2005, ordering defendants to pay restitution in the amount of \$574,333.68 and a civil penalty in the amount of \$1,118,000.

Immigration Services: The Attorney General's Office filed a lawsuit against Malgorzata Flak, doing business as M & J Immigration Resources, for misrepresenting herself as an attorney who could assist immigrants in obtaining American Citizenship. Flak never provided consumers with a contract and all of the documents that she prepared were rejected. Flak charged fees higher than the allowable amount and refused to make refunds to consumers. M & J was never registered as an Immigration Service Provider.

Business/Professional Services: Pacific Aqua Pure, a direct sales company targeting Latino consumers, sent salesmen to pose as official water inspectors and tell consumers that their water supply was contaminated. Based on this scheme, Pacific Aqua Pure then sold thousands of dollars in unnecessary water purification systems. The Attorney General's Office sued the company to stop this scam.

Business/Professional Services: The Attorney General's Office filed a lawsuit against two New York locksmith companies for setting up fake addresses and phone numbers in Illinois, leading consumers to believe they were dealing with Illinois businesses. Consumers' phone calls went to New York and then Illinois locksmiths, who were often unlicensed, were instructed to respond to consumers. Consumers were then subject to questionable practices, including drilling consumers' locks instead of picking the locks, which is more expensive and requires the extra cost of replacement locks, and trying to charge customers more for work than was quoted over the telephone.

Banks/Financial Institutions: The Attorney General's Office filed a lawsuit against U.S. Mortgage Resources, Inc. In 2003, this escrow agent informed consumers that their accounts were frozen due to an internal audit and consumers' creditors would not be paid. The company was involuntarily dissolved and consumers could not obtain refunds of the amounts held in their escrow accounts. As a result of the Illinois Attorney General's action, the court ordered that U.S. Mortgage Resources pay \$18,594.59 to refund consumers and pay a fine to the state of \$18,500.

Banks/Financial Institutions: The Attorney General's Office entered into a multistate settlement with State Farm Mutual after the company failed to obtain "branded" titles to vehicles indicating they were "salvaged" or "damaged." Under the settlement, State Farm agreed to compensate current owners of vehicles requiring "branded" titles with payments ranging from \$800 to \$1,850.

Motor Vehicles: The Attorney General's Office filed a lawsuit against Montell Chevrolet, Inc., a Chicago area automobile dealer that failed to pay loan balances on consumers' trade-in vehicles in a timely manner. Montell also had checks returned for insufficient funds when "paying off" consumers' trade-in vehicles. As a result of Montell's failures, consumers were hounded by collectors, forced to make loan payments on vehicles they no longer possessed, and had their credit ratings negatively affected.

Motor Vehicles: The Attorney General's Office entered into a settlement with Ed Napleton Honda regarding the sale of the anti-theft program known as VIN ETCH. Consumers were being excessively charged and the details of the program were not fully disclosed. As part of the settlement, Napleton agreed to refund consumers who were charged in excess of \$600, to fully advise consumers as to the terms of the program, to have consumers who purchase VIN ETCH sign a separate acknowledgment form, and to pay \$15,000 to the consumer education fund.



Motor Vehicles: Based on the actions of the Attorney General's Office, a court entered a consent judgment with William Chevrolet on June 30, 2005. William Chevrolet failed to pay off loans on consumers' trade-in vehicles in a timely manner, causing consumers to make loan payments on vehicles they no longer possessed and negatively affecting consumers' credit ratings. As part of the consent judgment, defendants paid off consumer balances saving consumers \$1,066,866.

Travel/Tour/Lodging: The Attorney General's Office filed a lawsuit against Willow Creek Resorts, which failed to maintain and improve facilities for its members-only campground as provided in contracts. When the resort suffered damages due to floods and owners failed to restore the property to suitable operating conditions or meet state codes, Willow Creek refused to cancel or refund memberships. The campground was also unlicensed between 2002 and 2004 but continued to sell memberships.

Utilities: The Attorney General's Office filed a lawsuit against Santanna Natural Gas for misrepresenting a fixed rate offer for natural gas in its telemarketing solicitations to consumers. Consumers orally agreed to participate in Santanna's fixed rate program and were then notified that Santanna would no longer honor the fixed rate program. The Illinois Attorney General's Office reached a settlement with Santanna that was valued at over \$8 million. According to the terms of the settlement, Santanna agreed to pay \$3.3 million in direct consumer restitution, waive \$1.152 million in administrative fees the company would have charged its customers, reduce the price it will charge consumers for natural gas in the future by one percent per therm used (totaling approximately \$4 million in savings for consumers over the course of the outstanding contracts), and pay \$200,000 to the Illinois Attorney General's Consumer Education Fund. Consumers were also given a choice of remaining Santanna customers at the market rate or returning to their previous natural gas supplier.

Utilities: The Attorney General's Office filed a lawsuit against Illinois Natural Gas Corporation, a natural gas supplier, for using deceptive and misleading language in advertising solicitations to consumers. The company sent a direct mail advertisement that appeared to be from a government agency and used deceptive and unclear language to confuse consumers about the terms of the offer. On June 28, 2005, a settlement was reached and Illinois Natural Gas agreed not to raise its prices for the duration of existing contracts as well as to honor all cancellations made prior to and 30 days after the settlement. Illinois Natural Gas also made a \$5,000 contribution to the consumer education fund.

Internet: The Attorney General's Office filed a lawsuit against Chicago Diamonds, Inc., for unfairly taking away business from competitors and deceiving online customers. Chicago Diamonds, Inc., used a copycat Web address to redirect consumers from their intended Internet destinations. This fraudulent practice of "typosquatting" occurs when a business registers a domain name, or Web address, similar to that of its competitor to increase traffic on its own Web site and away from the Web site of its competitor.

Food: The Attorney General's Office entered into a settlement with ICUP, Inc., a seller and distributor of novelty "pot" flavored suckers. ICUP voluntarily agreed to cease shipment of this candy nationwide and discontinued selling this product. As part of the settlement, ICUP is permanently enjoined from marketing, distributing, or selling hemp flavored candy in the State of Illinois.

LEGISLATIVE INITIATIVES

HB 2451 - Pharmacy Practice Act - Drug Retail Price

This bill, which took effect January 1, 2006, amended the Pharmacy Practice Act of 1987 and provided that upon request, a pharmacy must disclose the current usual and customary retail price of any brand or generic prescription drug or medical device that the pharmacy offers for sale to the public. The disclosure requirement applies to requests made in person or by telephone for the prices of up to 10 prescription drugs or medical devices for which the person making the request has a prescription. (PA 94-460)

HB 1058 - Security Freeze

This is a tool for consumers who have become the victim of identity theft to help them prevent further financial damage. This bill, effective January 1, 2006, amended the Consumer Fraud and Deceptive Business Practices Act and provided that a consumer who has been the victim of identity theft may place a security freeze on his or her credit report. The freeze prevents access to the consumer's credit report but allows the consumer to lift the freeze temporarily in order to obtain credit after the consumer proves his or her identity. Also, if a security freeze is in place, a credit reporting agency cannot change any of the following official information in a credit report without sending a written confirmation of the change to the consumer within 30 days of the change being posted to the consumer's file: (i) name, (ii) date of birth, (iii) Social Security number, and (iv) address. (PA 94-74)

HB 1633 - Personal Information Protection Act

The Personal Information Protection Act, which took effect on January 1, 2006, enables consumers to take affirmative steps to prevent financial harm by requiring notice to affected consumers of a breach of the security of their personal information. Under this new law, any data collector that owns or uses personal information in any form, whether computerized, paper, or otherwise, that includes personal information concerning an Illinois resident shall notify the resident that there has been a breach of the security of the data following discovery or notification of the breach, without regard for whether the data has been accessed by an unauthorized third party for legal or illegal purposes. A violation of the Personal Information Protection Act is a violation of the Consumer Fraud and Deceptive Business Practices Act. (PA 94-36)

HEALTH CARE ASSISTANCE

Unfortunately, patients often encounter difficulties getting the care and benefits to which they are entitled. The Attorney General's Health Care Bureau works to address these problems. Health Care Bureau staff work to help consumers resolve difficulties with insurance companies and health care providers and to help them understand their health plan and their rights under the law.



In 2005, the Health Care Bureau:

- Handled 2,674 hotline calls;
- Opened 2,094 cases;
- Closed 1,892 cases;
- Successfully mediated 690 cases; and
- Saved Illinois consumers \$2,734,707.

Unlicensed Medical Practices: Attorney General Lisa Madigan filed suit to shut down a company that screened student athletes for cardiac malformations without the medical background necessary to read the results. Heart Care Services, Inc., screened elementary and high school students for congenital heart malformations with an echocardiogram. However, none of the employees of Heart Care Services who read the echocardiogram results were licensed physicians, and consequently, they were not qualified to evaluate the results of the echocardiogram. Madigan's complaint charged the defendants with one count of violating the Illinois Medical Practice Act for the unauthorized practice of medicine and one count of violating the Illinois Consumer Fraud and Deceptive Business Practices Act for representing themselves as qualified to diagnose the echocardiograms.

Discount Health Care Cards: The Attorney General's Office filed a lawsuit charging IAB, a Texas based corporation, with violations of the Consumer Fraud Act for making misleading statements regarding discount health care cards. The lawsuit alleged that IAB misled consumers into believing that they were purchasing health insurance instead of mere discounted fees on health care services - discounts often not even accepted by providers. The suit also alleged IAB misled consumers by fraudulently displaying a Better Business Bureau seal on its Web site and listing health care providers as participating in its discount program, when in fact these providers would not honor the discount. Additionally, IAB was not legally registered with the Illinois Secretary of State or the Illinois Department of Financial and Professional Regulation's Division of Insurance.

PUBLIC UTILITIES

The Attorney General's Public Utilities Bureau advocates on behalf of Illinois consumers before the Illinois Commerce Commission, the courts, and the General Assembly to ensure that public utilities - including energy and telecommunications companies - provide adequate services at fair rates.

In 2005, the Public Utilities Bureau took an aggressive stand in defending ratepayer interests, filing two lawsuits in Cook County Circuit Court to challenge attacks on ratepayer interests and participating in utility-related proceedings at the federal level.

Gas Utilities

Peoples Gas and North Shore Gas Company Charged Under

Consumer Fraud Act: In *Madigan vs. Peoples Energy*, the Attorney General's Office filed a complaint against the Peoples Energy Corporation [PEC], its utility subsidiaries, Peoples Gas Company and



North Shore Gas Company, and other unregulated PEC affiliates, under Illinois' Consumer Fraud and Deceptive Business Practices Act. The lawsuit charged PEC and its affiliates with having entered into a scheme with Enron North American to inflate natural gas costs and pass those inflated costs on to Peoples and North Shore's regulated customers through a series of fraudulent natural gas transactions, sham companies, illegal agreements, and misrepresentations to consumers, resulting in hundreds of millions of dollars of increased natural gas costs for Illinois consumers.

Electric Utilities

Rights of Electricity Customers Defended, Electric Power Auction Proposals Challenged:

The Public Utilities Bureau represented ratepayers at the Illinois Commerce Commission (ICC) to oppose a declining clock "reverse auction" that Commonwealth Edison (ComEd) and Ameren proposed to use to purchase and price electricity in 2007. The Bureau challenged the authority of the ICC to approve market-based rates that would be set automatically by the auction.

In a separate circuit court action, *People vs. Illinois Commerce Commission*, the Attorney General sought to enforce the consumer protections contained in the Public Utilities Act by challenging the authority of the Commission to impose market-based electric rates on consumers who lack competitive alternatives to utility-supplied electric service. The overwhelming majority of Illinois customers do not have access to competitive alternatives to utility electric service. The suit was dismissed without the judge ruling on the merits of the claim that the ICC lacked legal authority to approve market-based rates in the absence of a competitive market.



Unlawful Utility Transactions Challenged at the Federal Energy Regulatory Commission

(FERC): The Public Utilities Bureau filed a protest and requested evidentiary hearings on the propriety of a service agreement and supplier contracts that Exelon Generation (ExGen) proposes to use to sell electricity to its affiliate ComEd through an auction in September 2007. The filing contended that the proposed contracts violate FERC's affiliate abuse standards because the contracts would be used to transfer value from ComEd ratepayers to the stockholders of an unregulated affiliate (Exelon Corporation, the corporate parent of ComEd and ExGen). FERC denied the Bureau's request and approved the contracts without a hearing. The Bureau has appealed FERC's decision to the D.C. Circuit Court of Appeals.

In a separate action, the Bureau also sought information under a Freedom of Information Act request about ex parte communications relating to this case between FERC Commissioners and representatives of Exelon Corporation and its many affiliates, including Commonwealth Edison Company.

Exelon Merger Opposed: The Attorney General's Office opposed the merger of Exelon and PSEG's public utilities, on the grounds that the merger would have anti-competitive impacts. In July 2005, FERC voted 5-0 to approve Exelon's acquisition of PSEG, holding that the merger is consistent with the public interest and finding that the merger will not harm competition, increase rates, or interfere with state and federal regulation of the utilities or the interstate holding company created by this merger. FERC also found that that the merger will not harm competition.

Application for Authorization of Disposition of Jurisdictional Assets Under Section 203 of the Federal Power Act, FERC Docket No. EC05-43-000.

The Attorney General's Office then sought rehearing on the following grounds: (1) FERC's failure to hold evidentiary hearings on the largest utility holding company merger in U.S. history was arbitrary and capricious; (2) FERC's approval of "virtual divestiture" is not consistent with the Commission's Merger Policy Statement or with U.S. Department of Justice Merger Guidelines; (3) the Commission's screen for the sufficiency of post-merger market power and mitigation of market power violates the Commission's Merger Policy Statement or U.S. Department of Justice Merger Guidelines; and (4) the record does not establish that the merger is consistent with the public interest, as required by § 203 of the Federal Power Act. In December, FERC denied this request for rehearing.

Telecommunications Utilities

SBC Held to Stricter Service Quality Standards; 10th Straight Year of Reasonable Rates for SBC's Local Service Customers:

The Attorney General's Office persuaded the Illinois Commerce Commission that SBC Illinois (now AT&T Illinois) should be subject to the same quality of service standards that apply to the state's other regulated telecommunications companies, even though the penalties for failure to comply are substantially greater for SBC. *Illinois Bell Telephone Company, Annual Rate Filing, ICC No. 05-0231.* SBC had argued that its unique status as an "alternative regulation" company was reason to loosen the service quality standards under which the company provides local telephone service. The Attorney General's public utility lawyers successfully argued that all telecommunications companies should be required to provide regulated service pursuant to the same standards.

With the General Assembly's decision to continue alternative regulation for SBC Illinois (now AT&T Illinois), regulated local telephone rates for SBC customers continued to decline in 2005. As in each of the previous ten years, the company's non-competitive local phone rates decreased, this year by \$15.1 million (1.93%). Under the alternative regulation plan (originally proposed by the Attorney General and approved by the ICC in 1994), SBC is required to make annual rate adjustments to reflect productivity expectations, and requires the company to reduce rates when minimum annual productivity goals are not met.



The Alternative Regulation plan has reduced rates for SBC customers every year since 1995, while SBC/Ameritech continued to report healthy profits. The annual rate reductions are listed as follows:

1995	1996	1997	1998	1999
\$39,760,287	\$30,963,562	\$54,035,143	\$18,731,847	\$36,372,280
2000	2001	2002	2003	2004
\$29,345,248	\$24,590,000	\$24,170,000	\$32,700,000	\$26,500,000
2005				
\$15,100,000				

Water Utilities

Troubled Water Utility Placed into Receivership: Serving as co-counsel with ICC attorneys to represent the Illinois Commerce Commission, the Office obtained an order from the Ogle County Circuit Court placing New Landing Utility, Inc., into receivership, pursuant to the Illinois Public Utilities Act. *Illinois Commerce Commission vs. New Landing Utility, Inc., and Gene Armstrong, 05CH93*. This water and sewer utility has a long history of environmental violations, operational failures, and poor management. The current receiver is now working to improve customer service.

ANTITRUST AND NON-ANTITRUST SETTLEMENTS

One of the key ways in which Attorney General Madigan protects the public interest is through the Office's antitrust activities, the purpose of which is to ensure free and competitive markets for the benefit of consumers and the state. The following are some of the Antitrust Bureau's major antitrust enforcement activities and accomplishments for 2005.

AMC - Loews: These major motion picture theater operators announced their merger in the summer of 2005. Following a cooperative state-federal investigation, Attorney General Madigan, the U.S. Department of Justice, and the parties reached an agreement providing that two of the merging companies' theater complexes on the north side of Chicago would be sold to a competing theater operator to maintain competition in the market for commercial, first-run movies in that area. A complaint and consent decree were filed in federal court in New York City covering the Chicago divestitures as well as divestitures in four other cities around the country.

Cardizem: Some 3,515 Illinois heart patients who submitted claims received settlement checks totaling over \$1,167,000 through the settlement of a multistate action against drug manufacturer Aventis alleging illegal conduct leading to a delay in generic competition for a major heart drug and resulting overcharges for that drug.



Ovcon: In November 2005, the Attorney General's Office filed a lawsuit against Warner Chilcott Corporation and Barr Pharmaceuticals, Inc., along with 21 other states and in conjunction with a separate complaint filed by the Federal Trade Commission, in federal court in the District of Columbia. The lawsuit alleged that defendants entered into an agreement that blocked generic competition for the oral contraceptive Ovcon. The suit seeks civil penalties and injunctive relief. The case is being actively litigated, and additional plaintiff states have joined the litigation.

Relafen: Attorney General Madigan recovered over \$663,000 on behalf of the Illinois Department of Healthcare and Family Services and other state agencies as part of a settlement of claims alleging that drug maker Glaxo SmithKline obtained a patent by deceiving the patent office and thereby prevented competition for this pain-killing drug. This settlement was the largest contributor to the 2005 total of over \$1 million collected by the Antitrust Bureau on behalf of state agencies and for the Attorney General's Office.

Remeron: The court in this case granted final approval of a \$36 million nationwide settlement of allegations that Organon USA, Inc., and its parent company, Akzo Nobel N.V., violated antitrust laws by delaying a less expensive generic anti-depressant drug from coming on the market. Attorney General Madigan and attorneys general from other states had filed a complaint and settlement papers in federal court in New Jersey. Nearly 3,000 Illinois consumers will receive a total of an estimated \$915,000 when the distribution process is completed. Organon's settlement payments will also partially compensate state agencies for overcharges paid by them.

Tobacco: In 2005, the Attorney General's Office collected over \$274 million from settlements with tobacco companies.

PROTECTING BUSINESSES

Business Advisory Council: The Attorney General's Business Advisory Council is comprised of leaders of Illinois' business community. The Council is designed to provide an ongoing forum in which the business community can voice its opinions, make recommendations, and alert the Attorney General to potential problems before they arise.

Franchises: The Franchise Bureau in the Office of the Attorney General registers and monitors franchisors and brokers who seek to sell franchises in Illinois. The goal of the Bureau, and the Franchise Disclosure Act it administers, is to provide presale disclosure and protection for prospective franchisees and to promote a better understanding of the business and

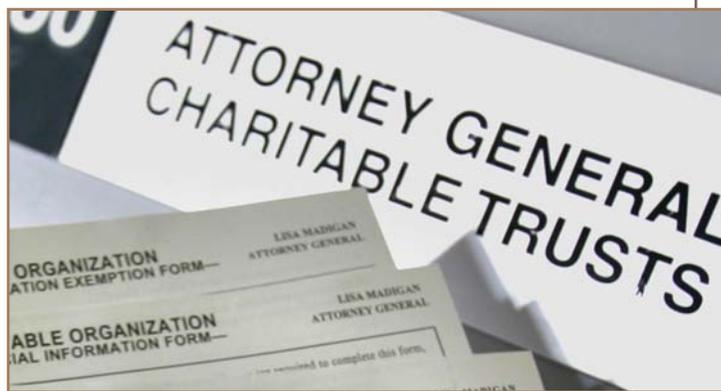


legal relationship between the franchisee and franchisor. The Bureau provides information on the Act and Rules applicable to the offering of franchises and the franchise relationship. The Act and Rules, and valuable information to help prospective franchisees, are available at www.illinoisattorneygeneral.gov by clicking on Protecting Consumers and Franchise Information. Copies of disclosure documents containing business and financial histories of registered franchisors are available for purchase by calling (217) 782-4465.

There were 1,666 registered franchises and franchise brokers in 2005. The Attorney General's Office collected fees in the amount of \$332,475 and fines in the amount of \$74,583 in 2005.

BUILDING BETTER CHARITIES

The Attorney General's Office ensures that Illinois non-profit organizations abide by the law. The Charitable Trust Bureau regulates and investigates charities throughout the state and prosecutes those who violate the law. The Bureau performs three main public duties: enforcing the charitable trust and solicitation statutes; monitoring charitable fiduciaries; and protecting charitable assets.



Number of Registered Charities in Illinois: 25,969

Number of New Registrations in 2005: 1,479

Charitable Advisory Council: The Attorney General's Office works with a Charitable Advisory Council charged with raising pressing issues and ensuring high standards of practice in regulating charities. The Advisory Council also helps to monitor legislation and advises the Office of emerging charitable trust issues.

People v. Charles L. Smith, Jr., et al.: Attorney General Madigan filed a negligence suit against Charles Smith, the former CFO of the Illinois College of Optometry (ICO), who failed to respond to multiple tax delinquency notices, causing a charitable educational institution to lose school property by judicial tax deed. In April 2005, the Attorney General's Office reached a settlement with the defendant and his D&O insurance carrier for \$750,000. In May 2005, the Attorney General distributed the settlement proceeds to the ICO charity.

Northern Trust Co. v. Shriners Hospital for Children, et al.: The trustee of a \$4.8 million charitable remainder trust whose life beneficiary died some time ago filed a trust construction complaint, citing two seemingly inconsistent phrases in the trust declaration, to determine whether the trust must terminate and distribute its corpus to the two named charitable remainder beneficiaries (the Salvation Army and Chicago's Shriners Hospital for Children) or should be perpetual in duration. The charities had been getting some \$62,000 in income from the trust each year; however, they each stood to get a final, immediate distribution of \$2.4 million if the trust terminated. The Attorney General's Office participated in the suit to protect the interests of the people of Illinois and through this participation in this trust construction, the trust was terminated and each charity received approximately \$2.4 million.

Shriners Hospitals v. Harris Trust (Woolley Trust): This charitable remainder annuity trust provided for fixed annuities totaling \$17,000—\$8,000 payable to an individual and \$4,500 each to Shriners and Advocate for the duration of the individuals life with the remainder to be paid out equally to Shriners and Advocate upon Woolleys death. The value of the trust was over \$3 million, far in excess of the actuarial value of the annuities. Despite the growth in the trust's corpus, all distributions to beneficiaries totaled only \$17,000, while the trustees annual fees were in excess of \$34,000. On January 18, 2005, Attorney General Madigan obtained an agreement of the parties, and the court ordered termination of the trust. As a result, a total of \$3 million was distributed directly to Shriners Hospital for Children and Advocate Health Care.

People v. David Noffs, et al.: Attorney General Madigan brought an accounting action against David Noffs, the former executive director of Life Education Center USA, Inc. (LEC) for certain questionable LEC expenditures which he reportedly made without the knowledge or approval of LEC's board. In December 2005, the Office obtained a \$90,000 judgment against Noffs and an injunction prohibiting him from acting as a charitable fiduciary for five years.

Keeping Communities Safe

Keeping Communities Safe

Attorney General Lisa Madigan works with law enforcement agencies and state's attorneys to make our communities safer places to live.

As part of her commitment to community safety, Attorney General Madigan is working to increase the supervision of sex offenders, curb the spread of methamphetamine, provide training and education programs to detect and prosecute high tech crimes, and coordinate the Illinois Internet Child Exploitation Task Force.

The Attorney General's Office also provides trial assistance to state's attorneys throughout Illinois and represents the state in appeals of criminal prosecutions.



SEX OFFENDER LEGISLATION

Lifetime Supervision of Sex Offenders Act

Attorney General Madigan initiated legislation to change Illinois' one-size-fits-all approach to supervision of dangerous and high-risk sex offenders. The measure, now law, applies to the state's most dangerous criminals and ensures that Mandatory Supervised Release (Parole) is extended from a fixed two to three year period to a flexible range of three years to natural life. Previously, the sentencing laws provided a fixed number of years for supervision and the length could not be increased based on the offender's risk of committing another sex crime.

Before the measure was enacted, Madigan conducted a series of hearings throughout the state on the issue of lifetime supervision of sex offenders and listened to the testimony of victims, advocates, treatment providers, and law enforcement. Their input was crucial in drafting the legislation, which bases the period of supervision on the risk that the sex offender poses to communities and families. The law applies to the most dangerous sex offenders: those convicted of Predatory Criminal Sexual Assault, Aggravated Criminal Sexual Assault, and Criminal Sexual Assault. (HB 2386; PA94-0165)

Sex Offender Registration Act Update

Attorney General Madigan and the Illinois Sex Offender Registry Team (I-SORT) drafted legislation to improve Illinois' Sex Offender Registry and sharpen the tools that law enforcement need to charge and convict non-compliant sex offenders. This new law requires that sex offenders who are convicted of violating the Registry Act after July 1, 2005, must register every 90 days. It also makes second and subsequent convictions of violating the Registry Act a Class 2 felony, so that sex offenders who violate this important law are held accountable. Transient sex offenders, who do not have a fixed residence, are required to check in with local law enforcement on a weekly basis. In addition, sex offenders are required to register with law enforcement within five days of sentencing or release from prison, which is five days earlier than the previous ten day requirement. (SB 1234; PA94-0168)

Vulnerable Adults Protection Act

Attorney General Madigan worked with Rep. Jim Brosnahan and Sen. Edward Maloney to protect

residents of Illinois' long term care facilities from sex offenders and violent felons through legislation that requires these facilities to take certain precautions when offenders reside in a facility. This legislation, now law, requires the Illinois Department of Public Health to enact rules to ensure that sex offenders residing in nursing home facilities are identified, conduct a risk assessment to determine whether the offender creates a risk for other residents, cross-check the residents against the Illinois Sex Offender Registry, and take necessary safety precautions within the resident offender care plan. Nursing home facilities housing offenders are required to provide written notification to residents and/or guardians, employees, and visitors. Furthermore, the law permits law enforcement to have access to the facilities to ensure that identified offenders are compliant with the Sex Offender Registration Act and the terms of parole, mandatory supervised release, or probation. (HB 2062; PA94-0163)

Sex Offender Enforcement Actions

I-SORT Results

In July 2005, Attorney General Madigan announced that compliance with the Illinois Sex Offender Registry requirements reached an all-time high of 92.2 percent. When the Illinois Sex Offender Registry Team (I-SORT) was first created in December 2003, only 86 percent of Illinois' sex offenders were compliant with registration requirements. Madigan credited the increased compliance to I-SORT initiatives such as compliance checks and enforcement actions, increased public awareness of the registry, and tips from the I-SORT Hotline.



Encouraging Employers to Screen Potential Employees for Sex Offender Backgrounds

Attorney General Madigan encouraged Illinois employers to visit to the Illinois Sex Offender Registry to check a potential employee's background before hiring for positions involving extensive contact with women and children. In addition, Madigan said that employers could call the I-SORT Hotline at 1-888-41-ISORT (1-888-414-7678) for the information. Checking the Web site or calling the hotline is a free and simple way for employers to arm themselves with critical information about potential employees.

I-SORT Registration Compliance Checks

In 2005, Attorney General Madigan's Office and I-SORT conducted a series of compliance checks throughout the state to ensure that sex offenders were residing in the locations where they were registered and not evading detection by law enforcement. Madigan's Office worked with local law enforcement and I-SORT members to check the status of the offenders and update the state's registry with the most recent information available. Madigan's Office conducted thirteen compliance checks in communities across the state, including several Chicago neighborhoods, north and south suburban communities, Peoria, and other locations.

Protecting Children at Carnivals

In the summer of 2005, Attorney General Madigan and I-SORT partners conducted compliance checks and enforcement actions to ensure that child sex offenders did not work at carnivals. I-SORT partners conducted eight sweeps at carnivals, resulting in seven arrests.

SEXUALLY VIOLENT PERSONS

The Attorney General's Sexually Violent Persons Bureau works with the Illinois Department of Corrections (IDOC) to institute civil commitment proceedings against certain sexually violent offenders prior to their release from their term of incarceration. Upon a determination that an offender poses a threat to the community, the Bureau will file a civil commitment petition with the circuit court to ensure the dangerous offender will not return to the community. The sex offenders who are subject to these proceedings are committed to the custody of the Illinois Department of Human Services (IDHS) for treatment. In 2005, the Bureau filed 29 new petitions against sexually violent persons. In addition, the Sexually Violent Persons Bureau handles criminal prosecutions of sex offenses.

The following are a few notable cases handled by the Attorney General's Sexually Violent Persons Bureau in 2005:

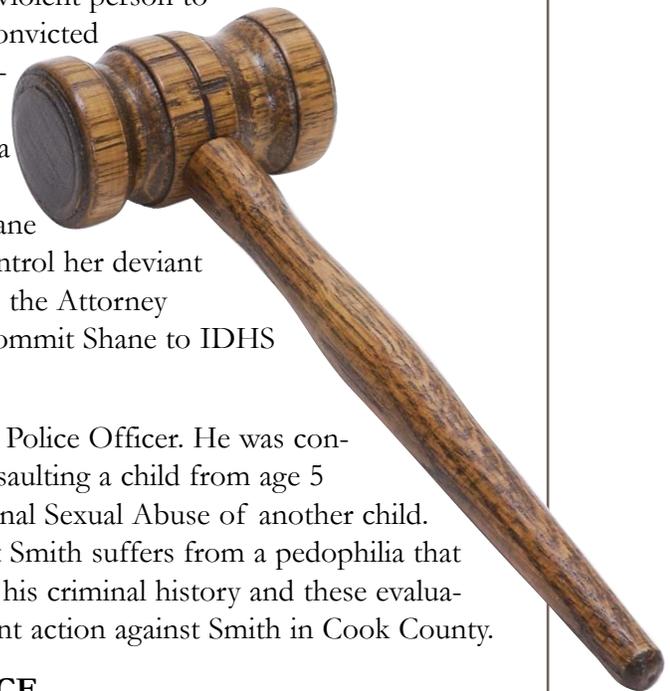
Margaret Shane: IDOC referred the first female sexually violent person to the Office of the Attorney General. Margaret Shane was convicted in 1994 of Aggravated Criminal Sexual Abuse of a 16-year-old female and sentenced to probation. Shane was convicted again in 2000 of Aggravated Criminal Sexual Abuse of a 16-year-old female and sentenced to 12 years in the IDOC. The evaluators from IDOC and IDHS determined that Shane suffers from a mental disorder that affects her ability to control her deviant behavior. Based on this evaluation and her criminal history, the Attorney General's Office filed an action in Champaign County to commit Shane to IDHS for treatment.

Stephen O. Smith: Stephen O. Smith is a former Chicago Police Officer. He was convicted of Predatory Criminal Sexual Assault for sexually assaulting a child from age 5 through age 8. He was also convicted of Aggravated Criminal Sexual Abuse of another child. The evaluators from the IDOC and IDHS determined that Smith suffers from a pedophilia that affects his ability to control his deviant behavior. Based on his criminal history and these evaluations, the Attorney General's Office filed a civil commitment action against Smith in Cook County.

CRIMINAL PROSECUTIONS & TRIAL ASSISTANCE

The Attorney General's Criminal Prosecutions and Trial Assistance Bureau accepted 566 requests for prosecution assistance from throughout Illinois during 2005. A total of 244 cases were disposed of by guilty pleas or verdicts. One case resulted in an acquittal after trial. Courts imposed sentences of either prison or county jail time in 105 cases during 2005. The following are some notable cases handled by the Attorney General's Office in 2005:

Todd Saxon Murder Case: In March 1995, Todd Saxon sexually assaulted and murdered 12-year-old Ophelia Williams in a Kankakee garage. He then burned down the garage in an attempt to cover up his crime. The Attorney General's Office prosecuted Saxon in a jury trial, obtaining guilty verdicts on all counts. The jury also found that the State had proven that the crime was committed in a brutal and heinous manner, thereby making Saxon eligible for a sentence of natural life in prison. The trial judge later followed the state's recommendation and sentenced Saxon to natural life.



Kristopher Jones Attempted Murder Case: In May 2004, Kristopher Jones caught his wife in an extramarital affair. He then took her to a remote location in Mercer County, where he poured gasoline on her and started her on fire. Tanya Jones suffered third degree burns over approximately 50 percent of her body. She was hospitalized for well over half a year and suffers from permanent disability due to the burns. The Attorney General's Office assisted Mercer County State's Attorney Greg McHugh in trying Jones for Attempted Murder and Heinous Battery. The defendant was convicted on both counts and sentenced to 30 years in prison.

David Klein/Mickeal Pinion Murder Case: In July 2003, David Klien and Mickeal Pinion lured 25-year-old Joseph Mirro to a remote island in the Rock River where they shot, beat, and drowned him. They then buried his body in a shallow grave. The Attorney General's Office prosecuted both defendants at the request of the Ogle County State's Attorney. After separate trials, each defendant was convicted of Murder and Concealment of a Homicidal Death. Pinion was sentenced to 55 years in prison. Klein was sentenced to 30 years in prison.

Nathan Heather Sexual Assault Case: In December 2001, Nathan Heather committed at least three acts of Predatory Criminal Sexual Assault against a 2-year-old victim that attended a Lee County home day care center operated by Heather's mother. The Attorney General's Office prosecuted the case at the request of the Lee County State's Attorney. After a jury trial, the defendant was convicted of 3 counts of Predatory Criminal Sexual Assault. The trial judge sentenced Heather to 27 years in prison.

FINANCIAL CRIMES

Attorney General Madigan's Financial Crimes Bureau handles cases involving fraud, forgery, embezzlement, and public corruption. Such cases often include: fraud perpetrated against state and federal agencies, Illinois businesses, and Illinois residents; embezzlement perpetrated by executors, trustees, and employees; and official misconduct committed by government employees. The following describes beneficiaries and restitution orders (in dollar amounts) obtained in some criminal cases prosecuted by the Financial Crimes Bureau in 2005.

Restitution Ordered to Be Paid in 2005: \$4,333,655

Pension Fraud: Two former high ranking officials in the Lake County Sheriff's Office were charged with manipulating the earned time benefits of one of the officers. This fraud potentially would have caused the pension system and Lake County to lose hundreds of thousands of dollars if not discovered by the investigation. Both men are facing felony charges that, upon conviction, would cause them to forfeit their pensions.

Fraud: The Attorney General's Office obtained thirty felony convictions in a prosecution of a scheme through which merchandise was fraudulently returned to Marshal's and TJ Maxx. The stores suffered over a half million dollars in losses before this investigation stopped the fraud ring.

Securities Fraud: Defendant Cecil Upshaw was convicted of theft and securities fraud and sentenced to seven years in the Illinois Department of Corrections for fleecing church members of their life savings.

Insurance Fraud: Three co-defendants were convicted and ordered to pay the I-Chip insurance program \$300,000 in restitution for a scheme in which they fraudulently obtained AIDS drugs, later returned them, and kept the cash.

Public Corruption: An official court reporter was charged with systematically over-billing by inflating page numbers of transcripts that she provided.

Theft: The Attorney General's Office prosecuted and convicted a funeral home owner of stealing over \$1.3 million dollars in prepaid funeral funds from his family-owned business. The theft was discovered by an audit done by the Comptroller's Office, which regulates funeral homes.

CRIMINAL REVENUE PROSECUTIONS UNIT

The Assistant Attorneys General and staff in this Unit work in conjunction with the Bureau of Criminal Investigations of the Illinois Department of Revenue to prosecute criminal violations of the Illinois Tax Code, including fraudulent income tax returns, sales tax returns, and motor fuel tax returns, as well as failures to file.

The Unit also handles major gambling prosecutions throughout the State. In 2005, the Unit collected \$2,411,523 in restitution for the Department of Revenue.

Cigarette Tax Fraud: The Attorney General's Office brought numerous cases against retailers for failing to collect the proper amount of taxes on the sale of cigarettes.

Sales Tax Fraud: Attorney General Madigan's Office filed suit against a Lake County businessman with a prior tax conviction for a scheme in which he failed to remit sales tax revenues from the sale of numerous pleasure boats.

HIGH TECH CRIMES

The prosecutors, computer evidence recovery technicians, and support staff in Attorney General Madigan's High Tech Crimes Bureau address the need for specialized personnel to respond to crimes committed using computers and via the Internet. In 2005, among other work, the High Tech Crimes Bureau prosecuted cases and oversaw the following projects:

- **Illinois Internet Crimes Against Children:** The High Tech Crimes Bureau coordinates the Illinois Internet Child Exploitation Task Force and provides investigation and prosecution assistance to law enforcement throughout the state. The task force is comprised of prosecutors and investigators from more than 50 Illinois-based federal, state, county, and municipal agencies. In their work on this task force, High Tech Crimes Bureau staff have been active in investigating and prosecuting cases, providing computer forensic analysis services, delivering cutting-edge training to Illinois agencies, and convening quarterly task force meetings that have included bringing in speakers from the National Center for Missing and Exploited Children, the FBI, and the Department of Homeland Security.



OFFICE OF THE
ILLINOIS ATTORNEY GENERAL

Beginning in October 2004, the Illinois Internet Child Exploitation Task Force became officially designated as a U.S. Department of Justice Internet Crimes Against Children (ICAC) Task Force. This designation includes financial support in the form of a renewable grant, and officially includes the Illinois Internet Child Exploitation Task Force in the network of 46 such regional task forces supported through the Department of Justice program.

In 2005, the Attorney General's Office hired Mike Sullivan, formerly of the Naperville Police Department, as the Coordinator of the Illinois ICAC and Deputy Bureau Chief of the High Tech Crimes Bureau.

- **The Illinois Computer Crime Institute:** The Illinois Computer Crime Institute is dedicated to training and supporting Illinois law enforcement and prosecutors in the prevention, investigation, and prosecution of high tech crimes, as well as in the use of high tech tools to enhance crime-fighting techniques.

The Illinois Computer Crime Institute was formed as a joint project of the Illinois Attorney General's Office and the Illinois Law Enforcement Training & Standards Board to develop and deliver comprehensive computer crimes training. Law enforcement and prosecutors who have attended this training have been involved in the prosecution of criminals in 32 different countries; the arrest of subjects molesting children while running day care centers; the recovery of a child taken from the state of Florida; and the identification and recovery of a child fraudulently adopted in Russia and sexually abused for eight years.

- **Regional Computer Forensics Lab:** The Attorney General's Office has partnered with the FBI in operating the Regional Computer Forensics Lab, which responds to requests for computer forensics and technical assistance from all Illinois law enforcement and prosecution agencies.

The following are some of the significant cases prosecuted by the High Tech Crimes Bureau in 2005:

Joseph Talbot: Talbot was a registered sex offender who was on probation at the time of his offense. Talbot met an underage teen girl on the Internet and then arranged an in-person meeting to have sex with her. He was found guilty after a bench trial of Aggravated Criminal Sexual Abuse and Indecent Solicitation of a Child and sentenced to 7 years in the Illinois Department of Corrections.

David Weeks: Weeks was running a gambling operation out of the bar he owned in Maple Park, Illinois. He pled guilty to Conspiracy (Keeping a Gambling Place), a Class 3 felony, and was sentenced to serve 30 months probation, pay \$25,000 in fines and cost of prosecution/investigation, and ordered to forfeit the proceeds of the gambling.

Bradley Graven: Graven was a contract employee of the state treasurer's office who traveled to Villa Park to meet a person who he believed to be an underage male. He pled guilty to Indecent Solicitation of a Child and was sentenced to 24 months sex offender probation and 40 days in jail.

Michael Batt: Batt was a peace officer with the College of DuPage Police Department and was convicted of Child Pornography and sentenced to six years in IDOC.

Jerald Allen: Allen was a convicted sex offender. He pled guilty to Indecent Solicitation of a Child after he solicited an individual whom he believed to be his step-granddaughter for sex. Allen was convicted and sentenced to 30 months sex offender probation.

Taylor March: March was broadcasting a video of herself sexually abusing an 18 month old boy in an Internet chat room. The victim was in her care as a daycare operator. The Office of the Attorney General investigated the case, which was later referred for federal prosecution in the Central District of Illinois.

PROSECUTING MEDICAID FRAUD

To ensure that state funds dedicated to health care are used appropriately, the Attorney General's Medicaid Fraud Bureau investigates and prosecutes criminal and civil actions involving provider fraud, nursing home resident abuse/neglect, and fraud in the administration of the Illinois Medicaid Program. The Bureau is also responsible for litigating qui tam lawsuits that contain allegations of fraud on the Medicaid Program.

In 2005, the Bureau obtained 50 criminal convictions, civil judgments, and settlements, resulting in orders for more than \$45 million in restitution to the State of Illinois.

Financial Exploitation of an Elderly Person: Attorney General Madigan's Office secured a guilty verdict in a case involving a son who defrauded his mother. Defendant James Beasley convinced his 87 year-old mother to sell her home and give him \$80,000, which was approximately half of what she received from the sale, by promising that he would care for her in his Romeoville residence. The other half of the proceeds from the sale was put in a joint account for convenience.

Three months after she moved in with him, Beasley called an ambulance to take his mother to St. Joseph's Hospital. The hospital, determining there was no medical reason to admit her, asked the defendant to pick her up. However, he refused to do so and his mother was discharged to the Salem Village Nursing Home. While his mother was at St. Joseph's Hospital, the defendant removed the remaining \$79,000 from the joint bank account and moved to Vermont, where he purchased a home with the money. After being extradited from Vermont, Beasley was tried, convicted, and sentenced to eight years in the Illinois Department of Corrections for Financial Exploitation of an Elderly Person, Theft, and Criminal Neglect of an Elderly Person, and ordered to pay \$38,604.52 in restitution.

Illegal Marketing of a Prescription Drug: Attorney General Madigan recovered more than \$12 million for Illinois as a result of a \$704 million national settlement with Serono, Inc., for illegally marketing Serostim, a drug used by some physicians to treat AIDS wasting in some HIV-infected patients. Serono, Inc., illegally marketed Serostim through kickbacks to doctors, discounts to specialty pharmacies, and off-label promotion. In addition, Serono admitted to conspiring to market a computer program for so-called bioelectrical impedance analysis devices that could be manipulated by doctors to demonstrate an increased need for Serostim by their patients.

STATEWIDE GRAND JURY

Attorney General Madigan's Statewide Grand Jury Bureau uses a Statewide Grand Jury to investigate and indict multi-jurisdictional cases involving drugs, guns, or computers. Although cocaine and cannabis have historically been the primary focus of Statewide Grand Jury prosecutions, under Attorney General Madigan, this Bureau has expanded its focus on meth cases, which are spreading throughout the state. The following include some of the 2005 Statewide Grand Jury-initiated cases:

Meth: Calling the action "Operation Bug Juice," the Statewide Grand Jury Bureau partnered with the U.S. Attorney's Office to prosecute a ring of meth dealers in and around Christian County. On January 25, 2005, eleven defendants were arrested and charged. Seven defendants were indicted on federal charges of conspiracy to manufacture and distribute methamphetamine. Two other defendants were charged by federal complaint, and two additional defendants were indicted by a Christian County grand jury in cooperation with the Illinois Attorney General's Office.

An Assistant Attorney General received designation as a Special Assistant U.S. Attorney to allow her to prosecute the cases in federal court as well as state court.

Drug Conspiracy: Attorney General Lisa Madigan announced that a 15-year prison sentence was handed down to a key participant in an Edgar County methamphetamine production ring. Gene Ray Marchant was sentenced July 29 to 15 years in the Illinois Department of Corrections after pleading guilty to one count of Criminal Drug Conspiracy of 900 Grams or More, a Super Class X Felony. Marchant was the twelfth person to be successfully prosecuted in relation to the Robert Steven Siverly investigation. Siverly produced large quantities of methamphetamine using as many as 4,000 pseudoephedrine pills per batch. Marchant and Siverly worked together to make methamphetamine from September 2003 through December 2003.

Curbing the Use of Meth

Curbing the Use of Methamphetamine

Slowing the spread of meth in Illinois is a top priority of Attorney General Madigan's administration. In 2005, Madigan's Office drafted and worked to pass legislation placing additional restrictions on the display and sale of pseudoephedrine used to make meth. In addition, Madigan's Office planned a series of law enforcement trainings, focusing on developments in the investigation and prosecution of meth cases. The Office also worked to increase public awareness of the meth problem by overhauling and updating the MethNet section of the Office Web site. Finally, the office developed an innovative meth prevention program for high school students to help make them leaders in their communities' efforts to combat meth.



LEGISLATION

The Methamphetamine Precursor Control Act: SB 273, now law, makes pseudoephedrine and ephedrine "schedule V controlled substances," meaning they must be kept behind pharmacy counters. The law requires that all single and multi-active ingredient products, tablets, liquids, and gel caps be placed behind the pharmacy counter. Customers wishing to purchase these products do not need a prescription, but are required to display a photo ID and sign a log. Effective on

January 15, 2006, this law includes penalties for pharmacies and retail distributors and their employees found to be non-compliant with the new regulations, as well as penalties for persons purchasing large amounts of pseudoephedrine or ephedrine products. (PA 94-0694)

PUBLIC AWARENESS

Public awareness is a key component in the struggle to slow the spread of meth use and production in Illinois. In 2005, Attorney General Madigan took several steps to increase public awareness and public understanding of the meth problem including the following:

Methamphetamine Education Youth Leadership Projects: Attorney General Madigan's Office created and held training sessions throughout Illinois on a youth curriculum titled, Meth: Stopping the Epidemic. The curriculum is designed to be used by youth leadership, in partnership with adults, to fight the meth epidemic at the community level.

MethNet: The newly revamped MethNet section of Attorney General Madigan's Web site includes a detailed discussion of laws, penalties, and initiatives related to methamphetamine production and use. MethNet also includes a Meth Resource Map, which you can use by clicking on your county to find meth-related information on law enforcement, child protection, treatment facilities, prevention resources, and community coalitions. Illinois law enforcement and residents are encouraged to browse MethNet at www.IllinoisAttorneyGeneral.gov/methnet.



Outreach to Farmers: Attorney General Madigan continues to work closely with Illinois' farming community to ensure that farmers know how to protect tanks of anhydrous ammonia, a substance used by farmers to fertilize their fields and by meth makers to manufacture meth.

Advocating for Women and Children

Advocating for Women and Children

Understanding that the devastating effects of sexual assault, domestic violence, and other forms of violence against women and children impact every person in Illinois, Attorney General Madigan's Office offers numerous programs and services aimed at protecting the rights and well-being of women and children. These programs and services include:

- Financial assistance to help victims of violent crime recover and rebuild their lives;
- Trainings and seminars to provide law enforcement and first responders with better tools to prevent and solve crimes against women, prosecute domestic abusers and sex offenders, and help victims cope with the trauma of violent crime; and
- A comprehensive directory to make services more readily available to women in need.

Attorney General Madigan also continues to work toward improved sex offender management in Illinois, a reduced rate of crime against women and children, and more aggressive prosecutions of criminals who abuse women or children.

SHORT FORM ORDER OF PROTECTION

With one in four domestic violence perpetrators currently evading service of court orders of protection, Attorney General Lisa Madigan launched a new tool to allow any law enforcement officer to serve an order of protection to help keep domestic violence victims and their children safe. The new Order of Protection Short Form Notification, or Short Form, can be served by any law enforcement officer, reducing the likelihood that an abuser will successfully evade service. Once a domestic abuser has been served with the Short Form, he or she can be charged with violations of the order of protection in the event that the abuse continues. The Office trained more than 1,000 officers across the state on usage of the Short Form and prepared more than 100 attorneys, advocates, and officers to continue training.

DOMESTIC VIOLENCE INFORMATION TEAR SHEETS

Madigan's Office updated the "tear sheets," which are used by law enforcement to provide information to victims of domestic violence. The updated information sheets - torn from a pad - notify victims of their rights under the Illinois Domestic Violence Act, inform them of how to obtain an Order of Protection, and provide critical phone numbers of service providers offering shelter and support to victims. The tear sheets are handed out by law enforcement officers responding to domestic violence incidents in an effort to arm victims with the legal and practical information necessary to protect themselves. Prior to this update, the tear sheets had last been printed in 1995 and had become obsolete.



Helping Crime Victims

Helping Crime Victims

The effects of violent crime are felt long after the offender is apprehended and punished. Victims, their families, and their friends must deal with the emotional, physical, and financial scars that remain. Through the Crime Victim Services Division, the Attorney General's Office helps victims and families on their road to recovery. This Division's mission is to promote, enhance, and contribute to the delivery of comprehensive, state-of-the-art victim services and assistance throughout the State of Illinois. The Crime Victim Services Division administers 6 programs statewide to assist victims of crime in different ways to rebuild their lives.



ILLINOIS CRIME VICTIMS COMPENSATION PROGRAM (740 ILCS 45)

The Crime Victim Compensation Bureau provides financial assistance to innocent victims of violent crime and their families. Eligible victims may receive up to \$27,000 to cover out-of-pocket expenses related to the crime when all other means of payment have been exhausted. Victims of violent crime may receive compensation for related expenses including: hospital and medical, funeral and burial, counseling costs, relocation expenses, loss of support, and lost wages.

During the state fiscal year 2005, the Crime Victims Compensation Program recommended financial reimbursement to crime victims and organizations providing services to crime victims in the amount of \$23,895,472.

At A Glance

The Attorney General's Office:

- Received and investigated 5,572 applications for Crime Victim Compensation, representing an annual increase of almost 600 applications;
- Recommended 3,714 claims for award with compensation to victims of crime and their families, hospitals and medical providers, funeral homes, counselors, and other identified service providers;
- Recommended 66% of the claims investigated for award; and
- Recommended \$23,895,472 for distribution throughout Illinois to assist in recovering from the effects of violent crime and rebuilding lives.

VIOLENT CRIME VICTIMS ASSISTANCE (VCVA) PROGRAM (725 ILCS 240)

To provide for faster and more complete victim recovery from the effects of crime, the Office of the Attorney General provides grant funding for victim and witness services and victim advocacy. The Attorney General's Office: assists criminal justice agencies in giving more personal attention to victims and witnesses; sensitizes those working with crime victims; attempts to decrease the inci-

dence of unreported crimes; assures victims are informed of the progress of their cases; and encourages public use of services.

During State FY 2005, through the Violent Crime Victim Assistance Program, the Attorney General's Office:

- Awarded 373 grants to victim assistance providers working with a variety of crime victims across the State;
- Distributed \$7,040,416 to victim assistance providers for high quality services to crime victims;
- Awarded 14 special project grants totaling \$155,963; and
- Distributed a total of \$7,196,379 in victim assistance grants.

AUTOMATED VICTIM NOTIFICATION PROGRAM (AVN) (720 ILCS 120)

AVN is a statewide toll-free, bilingual telephone service that provides victims and witnesses with up-to-date information about offender custody and case status. Victims may register with the system to receive automatic notification of any change in an offender's status. This service empowers and protects crime victims while assisting criminal justice professionals.

In 2005, 101 sheriffs representing 93 jails statewide, 91 state's attorneys, and 90 circuit court clerks participated in AVN through intergovernmental agreements. Of these participants, the Illinois Department of Corrections, 87 county jails, and 92 circuit clerks were fully participating and the other agencies were in the installation process.

During 2005, IL AVN had 14,001 registered users for automatic notification of inmate release or change in court status and handled approximately 7,500 calls per month.

ILLINOIS VICTIM ASSISTANCE ACADEMY (IVAA)

During Attorney General Madigan's first year in office, the Crime Victim Services Division secured a federal grant to create the Illinois Victim Assistance Academy. The mission of the Illinois Victim Assistance Academy (IVAA) is to forge a statewide commitment to help victims of crime rebuild their lives by delivering comprehensive training to victim assistance providers and allied professionals in Illinois.



During 2005, the IVAA Steering Committee met four times at Illinois State University in Bloomington. Crime Victim Services Division staff worked to complete the 2005 IVAA curriculum, instructor's manual, and schedule. A group of highly qualified professional from across the state was chosen as IVAA faculty and attended a faculty workshop in May 2005. Fifty-five candidates were selected from applicants across Illinois to attend the Academy at ISU from June 12 to June 17, 2005. All students successfully completed the 40-hour IVAA training and received a certificate of completion. In addition, many students received academic credit or CEUs for their work.

ILLINOIS SEXUAL ASSAULT NURSE EXAMINER (IL SANE) PROGRAM

The Attorney General's Office sought and received a grant from the Illinois Criminal Justice Information Authority in July 2005 to implement a statewide SANE Program in Illinois. During 2005, the office hired a SANE Coordinator and began planning three 40-hour educational SANE trainings for 2006. This 40-hour course is the first step in receiving the specialized training to become a Sexual Assault Nurse Examiner—a registered nurse specially trained to care for sexual assault survivors in an emergency room setting and to collect evidence in these cases.



The mission of the Illinois Sexual Assault Nurse Examiner Program is to increase the number of SANEs working in Illinois by providing high quality, consistent education and support for registered nurses and other professional serving sexual assault survivors. By educating nurses, police, prosecutors, advocates and others, survivors of sexual assault will be more likely to receive quality patient care and full, fair, and accurate forensic evaluations as part of a multidisciplinary approach that holds offenders accountable for these horrific crimes.

Implementing a SANE Program in Illinois will:

- Reduce re-traumatization of the patients in the health care setting;
- Ensure that patients receive more compassionate and objective care;
- Increase the likelihood of survivors reporting the sexual assault to law enforcement;
- Improve the quality of the forensic evidence collection, which increases prosecution rates;
- Ensure that survivors receive quicker access to victim's services; and
- Reduce the cost of sexual assault to society.

STATEWIDE VICTIM ASSISTANCE PROGRAM

Through the following three main initiatives, the Statewide Victim Assistance Program provides assistance to victims, witnesses, and service providers across Illinois:

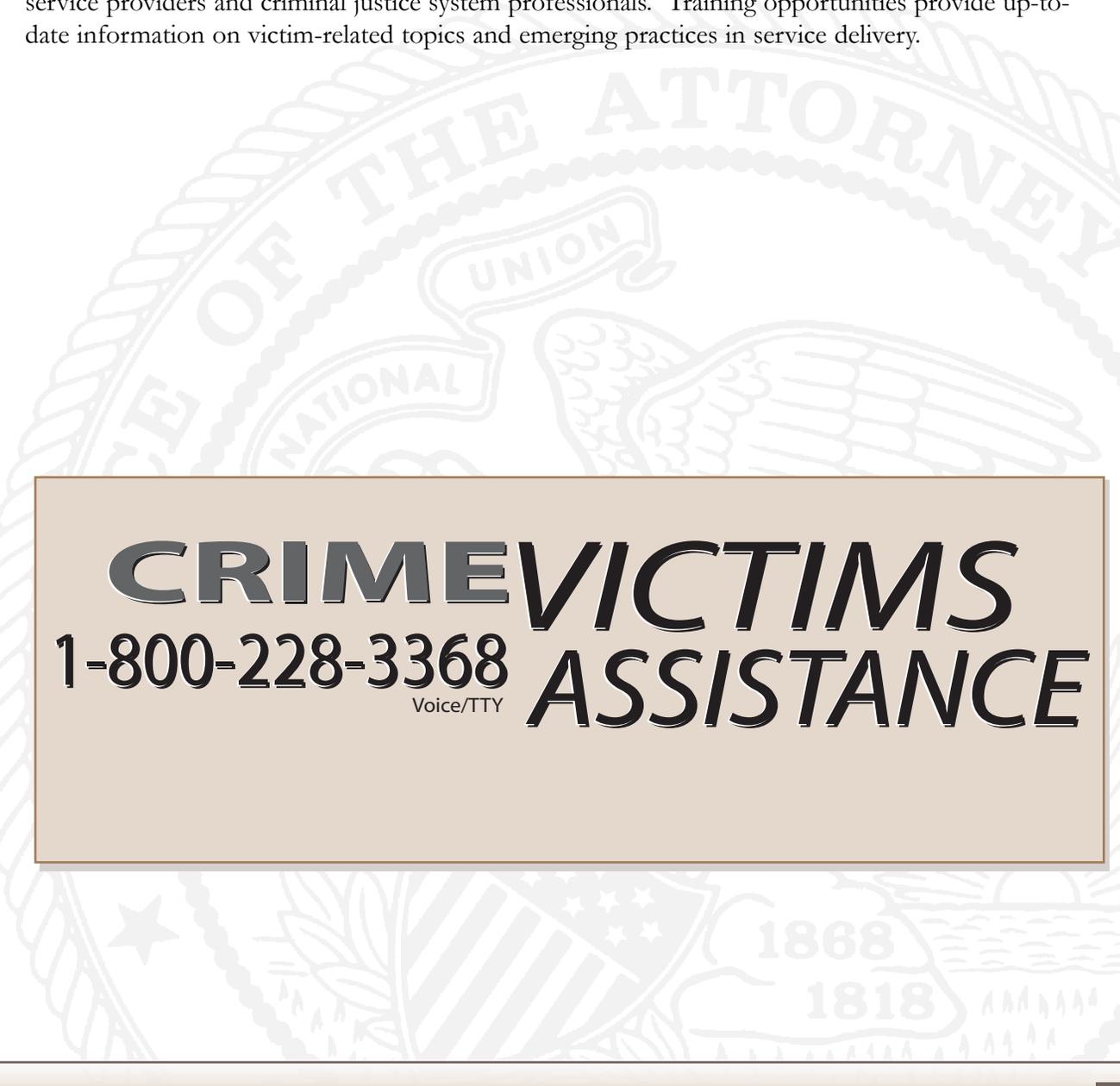
Direct Victim Assistance: The Office of the Attorney General provides services to crime victims and witnesses who are involved in cases that are prosecuted by the Office. Program services are available to: crime victims and witnesses in any cases prosecuted by the Attorney General's Office, including cases in which any of the 102 state's attorneys have requested assistance with a prosecution.

Toll-Free Victim Assistance Line: The Attorney General's Office offers a toll-free number to provide victims with referrals for services, crime victim compensation claim information, and assistance in the completion of compensation applications. By calling 1-800-228-3368 (Voice/TTY), victims can receive assistance in English and Spanish.

At A Glance

- In 2005, the Office received 5,203 calls to the Crime Victims Assistance Line;
- 4,231 callers requested information about the Crime Victims Compensation Program;
- 1,857 victims of violent crime contacted the toll-free line for assistance; and
- Requests for services to assist in recovering from the effects of violent crime resulted in over 558 referrals to service providers throughout the state.

Outreach and Education Activities: Crime Victim Services staff conduct outreach and educational workshops to help service providers to better assist crime victims in obtaining financial assistance. The Division also coordinates educational opportunities to help build the capacity of victim service providers and criminal justice system professionals. Training opportunities provide up-to-date information on victim-related topics and emerging practices in service delivery.

The background of the page features a large, faint watermark of the Seal of the State of Tennessee. The seal is circular and contains the text "OFFICE OF THE ATTORNEY GENERAL" around the perimeter. In the center, there is an eagle with its wings spread, perched on a banner that reads "NATIONAL UNION". Below the eagle, the dates "1868" and "1818" are visible, along with a portion of the state flag's stars and stripes.

CRIME VICTIMS
1-800-228-3368
Voice/TTY **ASSISTANCE**

Advocating for Older Citizens

Advocating for Older Citizens

Attorney General Lisa Madigan works to protect the rights and safety of Illinois' older citizens, who are often targeted by scam artists and abusers. The Office responds to the special needs of older citizens on issues including consumer fraud, abuse and neglect, financial exploitation, veterans' rights, and health care. In 2005, the office issued several consumer alerts on scams targeting seniors. In addition, the Office sent monthly consumer alerts on a wide range of issues to over 100 senior centers throughout Illinois.

ADVISORY COUNCIL ON OLDER CITIZENS' ISSUES

The Attorney General's Advisory Council on Older Citizens' Issues is comprised of advocates and service providers from across the state. The council was formed to provide Attorney General Madigan with valuable input on the concerns of older citizens so that she may respond effectively. In addition, the council provides a forum for the Attorney General to inform advocates, organizations, and state agencies of recent developments relating to consumer fraud, elder abuse, and areas of service provided by the Attorney General's Office.

ELDERLY SERVICE OFFICER TRAINING AND OFFICER OF THE YEAR AWARD

In 2005, the Attorney General's Office sponsored a 40-hour Elderly Service Officer (ESO) training in Chicago. Twenty-two law enforcement officers and aging advocates from across Illinois attended the Law Enforcement Standards and Training Board certified course, which covers a wide range of topics such as frauds and scams, elder abuse, crimes in nursing homes, and the resources of the Attorney General's Office.

The Attorney General also awarded the second annual Elderly Service Officer of the Year award to Deputy Sandra Loss of the Jefferson County Sheriff's Department. In addition, Attorney General Madigan presented Special Recognition certificates to nine other Elderly Service Officers from the Chicago, Downers Grove, Oak Park, and Salem Police Departments, and the Effingham, Jefferson, and Sangamon County Sheriffs' Departments, for their outstanding service to older citizens in their communities. The officers were nominated by their local Elder Abuse and Long Term Care Ombudsman Programs, or Area Agency on Aging, which felt the officers had gone above and beyond in serving the older people in their communities. The awards were given at the statewide annual TRIAD Conference in Schaumburg.

SENIOR SLEUTHS AND SENIOR MEDICARE PATROLS (SMPs)

In 2005, the Attorney General's Office continued the successful Senior Sleuths Program, which trains senior citizen volunteers to recognize and avoid scams, and to use that knowledge to teach other older Illinoisans how to avoid being victimized by fraud.

The Attorney General's Office also partnered with the Suburban Area Agency on Aging (SAAA) in 2005 to expand the SAAA's Senior Medicare Patrols (SMPs) throughout Illinois. SMPs are senior volunteers who have been trained to spot and report fraudulent Medicare activity and to help other Medicare beneficiaries to do the same. SMP volunteers have been trained in 23 downstate locations. In addition, the Attorney General's Office investigated several allegations of fraud related to the new Medicare Part D prescription drug benefit in 2005, issued two consumer advisories and developed a special section of the Attorney General's Web site on avoiding Medicare Part D fraud, and participated in numerous Medicare Part D consumer education forums around the state.



Safeguarding Children

Safeguarding Children

The Attorney General's Office works on many fronts to protect Illinois children, reduce the incidence of sexual assault of children, advocate for after-school and community safety programs, and educate children and parents on various issues, including Internet safety, unsafe products, and methamphetamine.

CHILD SUPPORT ENFORCEMENT

Enforcing child support obligations directly impacts the physical, emotional, and financial well-being of children. With nearly one-third of all Illinois children relying on some degree of child support, enforcing these laws is a high priority for the Attorney General's Office.

In 2005, Attorney General Madigan's Public Aid Bureau received 21,692 referrals of child support cases from the Department of Healthcare and Family Services and 41 referrals from the Department of Human Services. The amounts collected for those referrals were \$161,136,337 in child support and \$39,562 in other collections.

The Attorney General's Office also maintains a site on the internal INFO-NET of the Illinois Department of Healthcare and Family Services (IDHFS), which provides information and updates on key child support issues, including recent court decisions and opinions, announcements, and changes in the law to help the IDHFS staff and law enforcement work more efficiently on family support cases.



ILLINOIS YOUTH COURT ASSOCIATION (IYCA)

The Office of the Attorney General administers the Illinois Youth Court Association, which promotes and supports youth court programs throughout the state. With over 100 programs, Illinois is the nation's leader in youth courts. Youth courts allow youth volunteers to hear minor criminal or school misconduct cases

involving their peers, and to make recommendations for punishment, providing a positive alternative to the juvenile court system. Through these programs, communities can take action to prevent first-time, minor offenders from becoming repeat offenders. Research has shown that youth courts not only lower recidivism rates, but also allow for early intervention at the start of negative behavior. In addition, youth volunteers take an active role in the justice process and learn about the role of law and justice in society.

Youth Court Training Summits: Attorney General Madigan's Office hosted a series of youth court training summits across the state. Over 250 attendees (representing more than 80 counties) received training. Attendees included representatives from state's attorney's offices, school districts, police departments, probation departments, community service agencies, and teen court programs. The Illinois Youth Court Association designed this series of summits to enhance existing youth courts and to provide the necessary resources to start new programs. The summits were made possible through a grant from the Illinois Violence Prevention Authority (IVPA).

CHILDREN'S PRODUCT SAFETY ACT

The Illinois General Assembly amended the Children's Product Safety Act to require manufacturers and retail merchants to proactively notify consumers of children's product recalls. The new amendments are designed to help consumers in Illinois and across the nation by requiring manufacturers and retail merchants to post recall notices both in their stores and on their Web sites. The recall notification process is further strengthened by requiring manufacturers and retail merchants to alert, by e-mail or mail, Illinois consumers who purchased recalled children's products online. Illinois is the first state to enact such comprehensive child safety notification measures. The new law was drafted by Attorney General Madigan, Kids in Danger, Action for Children, and Voices for Illinois Children. The Children's Product Safety Act is enforced by the Office of the Attorney General.



METH EDUCATION YOUTH LEADERSHIP PROJECTS

Attorney General Madigan's Office held training sessions throughout Illinois on a new youth curriculum titled, Meth: Stopping the Epidemic. The curriculum is designed to be used by youth leadership, in partnership with adults, to fight the meth epidemic at the community level.

Defending Your Rights

Defending Your Rights

One of the Attorney General's primary roles is to protect the public interest and advocate on behalf of the people of Illinois. Attorney General Madigan is committed to defending the rights of all the people of Illinois. Staff of the Attorney General's Office are dedicated to specifically protecting civil, labor and employment, disability, and veterans' rights.

CIVIL RIGHTS

Attorney General Madigan's Civil Rights Bureau enforces state and federal civil rights laws. The Bureau also advocates for legislation to strengthen existing laws.

DISABILITY RIGHTS

Attorney General Madigan's Disability Rights Bureau enforces state and federal laws that protect the rights of people with disabilities in the State of Illinois. Many of its cases involve enforcement of the Illinois Environmental Barriers Act, the Illinois Human Rights Act, and the Americans with Disabilities Act (ADA). The Bureau does this by conducting investigations, seeking voluntary compliance when possible, and initiating enforcement litigation against non-compliant entities when necessary. In addition to its enforcement efforts, the Bureau strives to bring greater access to people with disabilities by providing technical assistance to people in the community and advice to state and local government agencies.

In 2005, the Bureau successfully resolved more than 200 investigations involving allegations of discrimination in housing, public accommodations, education, transportation, and access to government services. In addition, the Bureau handled hundreds of requests for technical assistance from consumers with disabilities and other constituents seeking disability rights-related advice. The Bureau also initiated an aggressive outreach program in 2005 to obtain guidance and direction from Illinois' diverse community of people with disabilities in setting the Bureau's enforcement and technical assistance priorities.

Medical Providers/Effective Communication Initiative: The Attorney General has established an initiative to ensure that doctors and other medical providers comply with state and federal law when dealing with people who are deaf and hard of hearing. Under the ADA, doctors and other medical providers like hospitals and clinics are required to ensure that people who are deaf or hard of hearing are provided with sufficient auxiliary aids and services to ensure effective communication unless doing so would amount to an undue burden. In certain circumstances, this includes the provision of sign language interpreters. After meeting with representatives of the deaf community and receiving numerous complaints that doctors and other medical providers were failing to provide these services, the Attorney General established this initiative. The Bureau has opened a number of investigations as part of the initiative and plans to initiate a major technical assistance effort in the medical community.



Access to Polling Places and Accessible Voting Equipment: The Attorney General continued her efforts to ensure that Illinois' voters with disabilities were able to exercise their constitutional right to vote. Once again, she ordered assistant attorneys general throughout the state to survey polling places for accessibility.

In addition, this was the first year that the new Help America Vote Act (HAVA) requirements went into effect. This federal law requires, among other things, that each polling place be equipped with at least one accessible voting machine that allows people with disabilities, including those who are blind and visually impaired, to vote privately and independently. The Bureau has worked with several municipalities, advocacy groups, and members of the disabled community to assist them in understanding the requirements of the law and help bring about compliance.

Public Accommodations Litigation, Family Video: Attorney General Lisa Madigan filed suit against Family Video Movie Club, Inc., an Illinois video store chain, alleging that the company's 70 stores statewide have violated the state law by failing to provide access to customers with physical disabilities. The obstacles range from sales counters that are too high for would-be movie watchers in wheelchairs to entrance routes partially blocked by vending machines. The suit asked the court to order Family Video to conduct a statewide survey of all its stores, document existing violations of the Illinois Accessibility Code, and correct all violations.

Public Accommodations Litigation, Walgreens: The Attorney General's Office continues to monitor its landmark settlement with Walgreen Co., which resolved a law suit alleging that many of its stores had architecture that illegally limited access to individuals with disabilities in violation of state law. The settlement - the largest ever negotiated under the Illinois laws that govern access to facilities by people with physical disabilities - requires that Walgreens provide for new parking spaces closer to store doors, signs designating parking spots for consumers with disabilities, new curb cuts for wheelchair access, decreased slopes for existing curb cuts, relocation of obstructions such as concrete barriers and trash cans, and other changes that will make the stores accessible to people with disabilities as required by state law. The settlement also requires that Walgreens pay an independent monitor \$150,000 to inspect stores in Illinois to ensure compliance with the agreement. Additionally, the settlement provides for Walgreens to pay \$350,000 to settle the case with the Attorney General.

Housing Litigation: Attorney General Lisa Madigan filed a lawsuit against a Lake County developer whose 102-unit residential building - open only to adults age 54 and older - is not accessible to individuals who use wheelchairs and other individuals with mobility concerns. The complaint alleged Onan Super Suites, a residential property located at 3305 Sunset Ave., in Waukegan, fails to provide any units that are accessible to individuals who use wheelchairs as required by state and federal laws. Madigan's lawsuit asked the court to order the defendant to immediately correct the violations and convert 20 percent of its units to comply with the adaptable unit requirements and convert the remaining unsold units to comply with the standards in the Human Rights Act and the Fair Housing Act.

This is the first lawsuit that the Attorney General's Office filed under recent amendments to the Illinois Human Rights Act, which for the first time, authorize the Attorney General to file com-

plaints alleging pattern and practice violations of the Illinois Human Rights Act directly in the circuit court. It also is the first time the Office of the Illinois Attorney General has filed a case alleging a violation of the Federal Fair Housing Act.

VETERANS RIGHTS

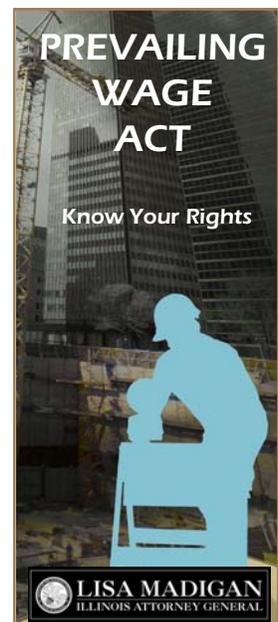
Attorney General Madigan's Veterans Rights Bureau is dedicated to ensuring that veterans receive the benefits they have earned by serving our country in the military. The Bureau provides veterans with assistance through programs and information designed to help them understand their rights and obtain services.

Veterans Advisory Council: The Attorney General's Veterans Advisory Council works to advise Attorney General Madigan on issues that affect the veterans' community. The council is made up of more than 31 leaders from across the state and represents every veterans' organization and war era.

LABOR AND EMPLOYMENT

The General Law Bureau of the Attorney General's Office prosecutes cases against employers who are alleged to have violated Illinois labor laws, including the Illinois Prevailing Wage Act, Illinois Minimum Wage Act, and Illinois Wage Payment and Collection Act. These claims are first filed with the Illinois Department of Labor, which investigates the claims and then refers the files to the Attorney General's Office for enforcement. In 2005, the General Law Bureau handled approximately 600 new referrals.

Labor Advisory Council: The Attorney General's Labor Advisory Council works to advise Attorney General Madigan on matters that affect the well-being of working families in Illinois. The Council has worked with Attorney General Madigan on issues including prevailing wage, worker compensation, unemployment insurance, and workplace safety. The Council is made up of 32 members, representing a cross-section of building trades, service unions, manufacturing unions, and teachers unions from throughout Illinois.



Preserving the Environment

Preserving the Environment

The Illinois Constitution guarantees the right of the people to a healthy environment. Attorney General Lisa Madigan and her staff are committed to protecting this right and working to ensure that our children inherit an Illinois more beautiful and bountiful than the one we enjoy today.

The Attorney General's Environmental Enforcement - Asbestos Litigation Division and Environmental Crimes Bureau enforce the state's environmental laws by bringing civil suits or criminal charges against the state's worst polluters. The Attorney General's Office works to stop pollution and ensure that polluters, not taxpayers, pay the cost of cleanup.



ENVIRONMENTAL ENFORCEMENT - ASBESTOS LITIGATION DIVISION

In 2005, Attorney General Madigan's Environmental Enforcement - Asbestos Litigation Division filed 297 civil environmental complaints, collected more than \$6.1 million from environmental defendants, and secured plant upgrades and cleanups valuing \$63,813,444.

Environmental Enforcement

Air Pollution: Working with the Department of Justice and the Environmental Protection Agency, Attorney General Madigan's Office announced the settlement of a major Clean Air Act case alleging that Illinois Power Company and its successor, Dynegy Midwest Generation, violated the New Source Review provisions of the Clean Air Act at the Baldwin Power Station in Baldwin, Illinois. This case, the most significant air pollution case ever prosecuted in the State of Illinois, resulted in the entry of a consent order requiring Dynegy Midwest Generation (DMG) to spend more than \$500 million to reduce air pollution in Illinois by over 54,000 tons per year. DMG operates coal-fired power plants in Illinois and is required by the court order to reduce emissions from its plants in Baldwin, Havana, Hennepin, Oakwood, and Alton.

In addition, DMG will spend \$15 million on environmental projects to mitigate the harm caused by its unlawful emissions. These environmental projects include the donation by DMG of 1,135 acres of land along the middle fork of the Vermillion River to the State of Illinois, Department of Natural Resources. Additionally, DMG will make \$2.25 million available for the acquisition and preservation of ecologically valuable lands and habitat in the St. Louis Metro East area and along the Illinois River.

Air Pollution: Attorney General Madigan announced a settlement agreement with ExxonMobil regarding alleged air pollution violations at the oil company's refinery located southwest of Joliet, in Channahon Township. Working with the United States, Illinois obtained significant environmental protections in the agreement. Pursuant to the consent order, ExxonMobil is expected to spend \$180 million to implement emission control improvements at the Joliet Refinery. It is estimated that the improvements will decrease the amount of nitrogen oxide emissions by approximately 1,800 tons per year and the amount of sulfur dioxide emissions by 24,000 tons per year. ExxonMobil also must spend \$2.2 million on environmental improvement projects in the Joliet area, including the

upgrade of municipal bus fleets to reduce diesel emissions from those vehicles; the creation of the Midewin National Tallgrass Prairie Restoration Project to conserve and restore the native populations of fish, wildlife, and plants; and the purchase and upgrade of emergency response equipment for the Will County Emergency Management Agency.

Water Pollution: Attorney General Madigan proposed a settlement with Petco Petroleum Corporation resolving eleven spills at the company's oil production wells in Fayette and Jefferson Counties. The spills resulted in the release of approximately 1,100 barrels of salt water and 20 barrels of crude oil. Two of the releases resulted in fish kills in nearby streams. Under the settlement, Petco will pay a \$135,000 civil penalty, clean up the areas of each spill, and upgrade any production equipment that lead to the releases.

Protection of Lake Michigan from Invasive Species: In an effort to increase the protection of Lake Michigan from foreign invasive species that arrive in the ballast water of cargo ships, Attorney General Madigan entered into a lawsuit filed in federal court in California which challenges the U.S. EPA's decision to exempt such ballast water from regulation under the Clear Water Act. The Attorney General, working with the Illinois Environmental Protection Agency and the Illinois Department of Natural Resources, argued that discharges of these invasive species are subject to Clear Water Act regulation, and that the U.S. EPA acted illegally in refusing to so hold. On March 30, 2005, the court adopted the position argued by the Attorney General and held that the U.S. EPA must do more to control discharges of ballast water. On May 27, 2005, the court granted the Attorney General's request to intervene in the lawsuit, which will allow Illinois to have important input on fashioning a remedy to help prevent the further introduction of damaging invasive species into the Great Lakes.

Protection of Kishwaukee River: In an effort to safeguard one of Northern Illinois' highest quality streams, the Attorney General sued MJ Golf, LLC, for violations related to the storm water run-off from its construction of a golf course and subdivision in Boone County. A consent order resulting from this suit requires MJ Golf and its contractors to comply with all storm water run-off regulations and to pay \$40,000 in civil penalties.

Midwest Generation Clean Air Act Permits: The Attorney General's Office filed petitions with the U.S. EPA requesting objection to the federal operating permits that the Illinois EPA issued to Midwest Generation for its six coal-fired power plants in northern Illinois. The office argued that the permits were issued in violation of the requirement that facilities be in full compliance with their state permits at the time of federal permitting. Specifically, the plants in question, mostly built in the 1950s and 1960s and lacking modern pollution control equipment, were in violation of their opacity limitations (a measure of soot emissions) and most likely in violation of New Source Review (pollution control upgrade requirements) at the time the IEPA issued the permits.

Improper Disposal of Contaminated Soil: The Attorney General's Office resolved a matter with Shell Pipeline Company regarding its disposal of contaminated soils at a Kane County landfill that is not licensed to accept such wastes. The contaminated soils were excavated from the area of a pipeline release in Kankakee County, and were improperly sent to the Kane County landfill as a non-hazardous waste, when the soils were in fact regulated as hazardous waste. As part of the resolution, Shell paid a civil penalty of \$105,000 to the State, and donated \$50,000 to the Kane County Used Electronics Recycling Program.

ASBESTOS LITIGATION

Unsafe Removal and Improper Disposal of Asbestos: The Attorney General's Office filed a complaint regarding the illegal removal and disposal of asbestos wastes at the Dixie Square Mall. Developers American Kitchen Delights, Inc., and the City of Harvey sought to redevelop the former shopping center, which was made famous by a police chase scene in the Blues Brothers movie. The complaint alleged that the defendants failed to safely remove asbestos waste during the renovation. As a result of the complaint, the Attorney General's Office obtained a consent order requiring the defendants to remove all asbestos waste to a properly licensed landfill.

ENVIRONMENTAL CRIMES

The Environmental Crimes Bureau prosecutes criminal violations of the Illinois Environmental Protection Act and other state environmental and health statutes. Among the convictions obtained in 2005 were the following:

Violating Public Water Supply Regulations: A certified Public Water Supply operator pled guilty to violating Public Water Supply regulations and submitting false documents to the Illinois EPA, both Class A misdemeanors. On February 1, 2005, the court sentenced John S. Webb to one year supervision and 180 hours of community service and ordered him to pay a \$1,000 fine.

Open Burning: A Lake County man pled guilty to the Open Burning of Refuse, a Class A misdemeanor, for burning demolition debris at his property in North Chicago, Illinois. On June 6, 2005, the court sentenced Antonio Alba, owner of Alba Paving Company, to one year supervision and ordered him to pay a \$1,500 fine and \$500 to the Lotus School in Fox Lake, Illinois, as part of a supplemental environmental program.

Illegal Disposal of Waste Tires: A Sangamon County man pled guilty to the improper disposal of waste tires, a Class A misdemeanor, for abandoning hundreds of tires at various sites throughout Springfield. On October 20, 2005, the court sentenced Michael R. Oxford to two years supervision and ordered him to perform 50 hours of community service and pay a \$5,000 fine.

Open Dumping of Waste: In LaSalle County, a man pled guilty to criminal disposal of waste, a Class A misdemeanor, for dumping barrels of waste at his place of employment. On December 2, 2005, the court sentenced Martin L. Masters to two years probation and ordered him to perform 120 hours of community service, pay a fine of \$2,500, and pay restitution to the Illinois EPA in the amount of \$7,500.

Agriculture

Agriculture

Recognizing that the agriculture industry is a driving force in Illinois' economy, Attorney General Lisa Madigan works as an advocate on behalf of farmers. Attorney General Madigan also represents the Illinois Department of Agriculture in court and, as mandated by statute, serves as the Secretary of the Illinois Grain Insurance Corporation, which protects the interests of Illinois farmers.

AGRICULTURE ADVISORY COUNCIL

Attorney General Madigan continued and expanded the Agriculture Advisory Council to advise her staff on agriculture policy issues and concerns. Formed in the spring of 2000, the Council meets twice a year to discuss issues important to the agriculture community and to develop programs within the Attorney General's Office that will assist producers throughout the state.

METHAMPHETAMINE AND AGRICULTURE

Anhydrous Ammonia Theft Prevention: Prior to planting and harvesting seasons, Attorney General Madigan sends out educational materials to county sheriffs, fertilizer and chemical dealers, extension advisors, farm bureau managers, and agriculture leaders to remind them of some easy steps that can be taken to prevent anhydrous ammonia theft. The Attorney General's Office also worked with several counties on anhydrous ammonia education campaigns. In addition, the Attorney General's Office produced anhydrous ammonia theft posters and visor cards highlighting theft prevention tips, which were sent to all stakeholders and were available at the Illinois State Fair, DuQuoin State Fair, and the Farm Progress Show.



Methamphetamine Education/Youth Leadership Initiative: Attorney General Madigan awarded \$90,000 to Illinois FFA and 4-H (\$45,000 each) from the Florence Brown Charitable Trust to fund the Methamphetamine Education/Youth Leadership Initiative to combat meth in Illinois.

The Methamphetamine Education/Youth Leadership Initiative aims to cultivate the leadership abilities of youth through civic activism projects funded by educational programs and mini-grants administered through Illinois FFA and 4-H. This project highlights the abilities of young people to address community problems and concerns and provides a forum for them to do so. Through leadership development and civic engagement, young people acquire skills and competencies that prepare them to be community leaders now and in the future. The Methamphetamine Education/Youth Leadership Project will: (1) provide a catalyst for communities to develop a local response to the dangers of meth; (2) educate young people about the effects of meth use; (3) cultivate partnerships between young people and community leaders; and (4) provide opportunities for youth to develop critical leadership skills through practical experience.

Methamphetamine Summit: Attorney General Madigan joined the Agriculture/Law Enforcement Administration Departments of Illinois State University and the Illinois Fertilizer and Chemical Association in sponsoring a Methamphetamine Summit in Central Illinois.

LEGISLATION

Agriculture Production Contracts (Public Act 93-0522): Attorney General Madigan supported the passage of the Agriculture Production Contract Code. The Office of the Attorney General administers and enforces the provisions of this Act. The Attorney General's agriculture staff has made public presentations on the provisions of this Act, and guidelines and checklists of the Code's requirements are posted on the Attorney General's Web site. Attorney General Madigan continues to work with agriculture stakeholders on informing producers and companies on the rights and responsibilities associated with the Act.

Methamphetamine Control and Community Protection Act (Public Act 94-0556): This Act imposes tougher penalties on those who steal anhydrous ammonia for the purpose of making meth. The Act makes possession of anhydrous ammonia with the intent to manufacture meth a Class 1 felony (4-15 years of incarceration and a fine of up to \$25,000). The Act makes aggravated possession of anhydrous ammonia with the intent to manufacture a Class X felony (6-30 years of incarceration and a fine of up to \$25,000). This Act increases the penalties for possession of anhydrous ammonia in an unauthorized container and tampering with anhydrous ammonia equipment from a Class 4 felony to a Class 3 felony (2-5 years of incarceration and a fine of up to \$25,000).

CASES

Venneman, Secretary of the United States Department of Agriculture, et al v. Livestock Marketing Association, et al, U.S. Supreme Court No. USC -1164: Attorney General Madigan joined other states in filing an amicus brief in the U.S. Supreme Court in support of the United States Department of Agriculture in the beef check off case. This case concerned a first amendment challenge to the Beef Act, which requires beef producers and importers to pay assessments to fund generic promotion research in the industry and consumer information. The Supreme Court ruled in favor of the U.S. Department of Agriculture and upheld the Beef Check Off Fund.

Granholm v. Heald, 125 S. Ct. 1885 (2005): Illinois joined other states in supporting interstate wine shipments. At issue in the case were state regulations that permitted in-state direct shipment of wine from in-state wineries, but prohibited direct shipment from out-of-state wineries. The court held that the state regulatory scheme was discriminatory and violated the commerce clause. The end result of this case will be to benefit small wineries such as Illinois emerging wine industry. Wine aficionados can now order their favorite bottles of wine from out-of-state wineries, including wineries in Illinois, and not face state discriminatory statutes.

Criminal Charges - Manager, Watseka Farmers Grain Cooperative: Attorney General Madigan filed criminal charges against the manager of the former Watseka Farmers Grain Cooperative relating to his alleged unauthorized trading on the commodities future and options market. Cameron Charles, Manager of the former Watseka Farmers Grain Cooperative, was charged with two counts for a violation of the record-keeping provisions and one count of destruction of records, both Class 2 felonies punishable by three to seven years in the Illinois Department of Corrections. Charles allegedly presented falsified records to the Illinois Department of Agriculture during a 2004 audit and destroyed records he was required to keep for two years.

GAS PRICES

The Attorney General's Office's Antitrust Bureau continued to work with the Federal Trade Commission in 2005 to monitor gas prices. The Federal Trade Commission has a monitoring program wherein they monitor ten markets in Illinois and use a formula to ensure consistency in gas prices. If a market jumps out of this formula, the FTC will notify the Attorney General's Office so enforcement action can be taken.

After Hurricane Katrina hit the Gulf Coast region, the Attorney General's Office received over 2,000 complaints from consumers alleging gasoline price gouging. Attorney General Madigan launched an investigation to determine if extreme increases in the price of gasoline were the result of ordinary market response to changes in supply and demand, or the result of panic or price gouging. After an initial investigation, the Office asked 50 petroleum stations to explain their high prices, including providing documents showing their wholesale cost for gasoline. Based on their responses and careful analysis of the data provided, the Office contacted 18 gasoline stations alleging that they engaged in price gouging after Hurricane Katrina and worked to settle these allegations with donations to the American Red Cross.

LIVESTOCK ODOR CONTROL RESEARCH

Attorney General Madigan previously awarded a grant from a Vitamin Antitrust Settlement to the University of Illinois for the ongoing odor control research at Henco Hogs, LLC, in Monmouth, Illinois. Because of the University of Illinois' exceptional work on the Henco project, Attorney General Madigan awarded \$250,000 to Dr. Michael Ellis of the University of Illinois College of Agriculture and Consumer Economics (Discovery Farms) to fund and evaluate the economics of commercially applicable emissions reduction technologies in Illinois. The funds for this grant came from the award in *State of Illinois v. Hoffman-LaRoche, Inc., et al.*, Chancery Division, Cook County Circuit Court.

Community Outreach

Community Outreach

Attorney General Madigan has undertaken an aggressive effort to reach underserved communities through outreach and education.

BILINGUAL OUTREACH

Bilingual Community Outreach Liaisons: Bilingual Community Outreach Liaisons are the key contacts for the communities they serve. These liaisons work to educate the public about the programs and services offered by the Attorney General's Office. In addition, they work with the bilingual press and coordinate the translation of educational materials that the Office of the Attorney General offers to the public, including the Office Web site content, informational pamphlets, and posters.



Bilingual Intake Staff: The Office has bilingual intake staff and provides extended hours of operation to assist constituents contacting the Office for assistance to ensure that a language barrier will not stop people from seeking help.

Translations: Attorney General Madigan's Office has translated critical sections of the Office Web site (www.IllinoisAttorneyGeneral.gov) into Spanish and has also translated many publications, such as consumer tips and information for victims of violent crimes, into languages such as Spanish, Polish, Chinese, and Korean.

MOBILE OFFICE UNIT

The Mobile Community Service Office provides information for local residents on topics such as how to protect themselves from consumer scams, how to file a consumer complaint form, and how to receive information about the Office's crime victims assistance and health care mediation programs. The mobile office, stocked with pamphlets, forms, posters, and brochures, provides a critical contact point with Madigan's Office for traditionally under-served communities.

WEB SITE (www.IllinoisAttorneyGeneral.gov)

The Attorney General's official Web site - complete with an easy-to-remember URL - provides the public with access to the more than 1,000 pages of information the Office provides online. The site indexes the wide array of information and documents available through the Office into common-sense categories that make navigation easy for both first-time and frequent users.

IMMIGRANT ASSISTANCE PROGRAM

The Immigrant Assistance Program was established to remove barriers that prevent immigrants from seeking government services they need. Some of the services provided under the Immigrant Assistance Program include:

- Partnerships with other government agencies that allow the Attorney General's staff to help immigrants or non-English speaking residents to obtain needed information or services;
- Pro Bono legal assistance referrals for legal aid services; and
- A proactive, non-English speaking outreach policy to educate a variety of ethnic communities on pressing issues and on the services offered by the Attorney General's

Ensuring Open and Honest Government

Office.

Ensuring Open and Honest Government

Attorney General Madigan is committed to ensuring that government at all levels is open and accessible so that citizens and the media know how decisions are made and who is making them.

MODEL ETHICS ORDINANCE

In accordance with the State Officials and Employees Ethics Act, Attorney General Madigan's Office developed a model ordinance and an ethics reform guide for local governments and school districts that spell out clear restrictions on political activities and regulate the giving and receiving of gifts by local public officials and employees. The model ordinance and ethics reform guide for local governments supplement the state ethics statutes, which provide few guidelines on how to implement the required local regulations. Local governments and school districts can access the model ordinance and guide at www.IllinoisAttorneyGeneral.gov.

PUBLIC ACCESS COUNSELOR

Attorney General Lisa Madigan created the position of Public Access Counselor within her Office to enhance understanding of and compliance with the state's sunshine laws, the Freedom of Information Act (FOIA), and the Open Meetings Act (OMA). Public Access Counselor Terry Mutchler offers education and training programs to government officials, the public, and the media; answers questions concerning FOIA and OMA; and works to resolve disputes under these laws and ensure compliance. In 2005, the Attorney General's Office handled more than 1,000 cases from citizens, government officials, and the media involving FOIA and OMA. Seventy-five percent of the complaints came from citizens seeking help.

Representing the State

Representing the State

The Attorney General's Government Representation Division provides legal representation for the state and all state officers, boards, commissions, agencies, and employees in civil litigation. The Division consists of 11 bureaus handling diverse cases including child welfare litigation, revenue litigation, and any lawsuits related to the work of the state agencies.

GOVERNMENT REPRESENTATION DIVISION

The Government Representation Division handles thousands of case referrals each year. In 2005, the Government Representation Division collected \$370,768,880.44 on behalf of the State of Illinois. Litigants filed over 14,000 new cases against the State and over 14,000 were closed, resulting in a caseload of over 24,000 pending cases.

Public Integrity: In an effort to ensure integrity in the Illinois gaming industry, in the Fall of 2003, Attorney General Lisa Madigan negotiated a Plan of Reorganization with the now-bankrupt Emerald Casino. The Plan was intended to meet four important objectives: provide a fair, open, and competitive bidding process with specific criteria - including extensive consideration of character and reputation - in the selection of a winning bidder; punish wrongdoers; require proof and an orderly adjudication and resolution of the Village of Rosemont's alleged multi-million dollar claim; and end years of litigation so that the 10th casino license would begin to generate revenue for the People of the State of Illinois.

Under the Plan, the Attorney General secured a settlement that required the controlling Emerald shareholders, the Flynn family, to forfeit \$20.6 million - more than double the largest known gaming fine in the nation. Unfortunately, during the auction process required under the settlement, members of the Illinois Gaming Board appeared to ignore key criteria in assessing the bids. Upon learning of the Illinois Gaming Board's decision to choose Isle of Capri's proposal as the winning bid to operate a casino in Rosemont, Attorney General Lisa Madigan publicly expressed her concerns and sent a letter to the Illinois Gaming Board requesting answers to certain questions and requesting an explanation of the decision.

Further, during a bankruptcy proceeding, the Village of Rosemont objected to the Plan of Reorganization and Emerald violated certain provisions of the settlement.

As a result of these events, Attorney General Madigan determined that the goals of the Plan were not met, and that it was in the State's best interest to resume the hearing to revoke Emerald's gaming license. In May 2005, the hearing to revoke Emerald's gaming license resumed. In November 2005, Administrative Law Judge Abner J. Mikva recommended to the Illinois Gaming Board that Emerald's gaming license be permanently revoked. Among other things, Judge Mikva found that Emerald's representatives had repeatedly lied to the Illinois Gaming Board and its representatives. On December 20, 2005, the Illinois Gaming Board adopted Judge Mikva's recommendation and issued a final order permanently revoking Emerald's gaming license.

CIVIL APPEALS

The Civil Appeals Division of the Attorney General's Office represents the State of Illinois and state officers, employees, boards, commissions, and agencies in the state and federal courts of appeal. In 2005, the Civil Appeals Division received 522 requests for representation from these clients and, with a growing caseload, had 597 pending appellate court cases at the close of the year.

CRIMINAL APPEALS

The Criminal Appeals Division of the Attorney General's Office represents the people of the State of Illinois in the U.S. and Illinois Supreme Courts and the federal courts in Illinois, as well as in proceedings in other Illinois trial and appellate courts. The following are five notable cases handled by the division in 2005:

Fourth Amendment Police Powers: Illinois v. Ray I. Caballes

U.S. Supreme Court Docket No. 03-923

Argued November 10, 2004; decided January 24, 2005

Attorney General Lisa Madigan argued a Fourth Amendment case of national importance in front of the U.S. Supreme Court. The case began when the defendant, Roy Caballes, was pulled over for speeding. During the stop, police discovered 282 pounds of marijuana in the trunk of the car when an Illinois State Police drug-detection dog sniffed the marijuana from outside Caballes car. The Illinois Supreme Court reversed Caballes conviction on the ground that the dog sniff violated the Fourth Amendment. The U.S. Supreme Court granted the Attorney General's petition for certiorari and ruled that using a drug-detection dog to sniff the exterior of a vehicle during the course of a lawful traffic stop does not violate the Fourth Amendment. The decision was a victory for law enforcement in Illinois and across the nation, affirming their work to curtail trafficking of illegal drugs along highways and roads.

Prosecuting Child Pornography: People v. Rudy Phillips, Illinois Supreme Court Docket No. 98070; People v. Ernest Normand, Illinois Supreme Court Docket No. 97984

Argued March 2005; decided June 3, 2005

The victory in these cases is an important result for Illinois prosecutors seeking to prosecute child pornographers and those who possess such pornography. The Illinois Supreme Court held that the requirement that children in pornography be "real," as opposed to virtual, children is satisfied by the photographs themselves, rejecting the defendants contention that the victims must testify or that expert testimony must be produced.

Prosecuting Drugs and Guns: People v. Joanne Phillips

Illinois Supreme Court Docket No. 99568

Argued September 15, 2005; decided December 1, 2005

The win in this case rejected the defendant's attempt to overturn a stipulation her attorney made regarding the admissibility of documents pertaining to scientific tests performed by the state's lab technicians. While a somewhat technical decision, a loss would have impeded prosecutions in numerous cases involving drugs and guns and required retrials in countless others. Under this case, such a stipulation is permitted, as long as the stipulation is not the state's entire case and appears to be part of trial tactics and strategy.

Prosecuting Sex Offenders: People v. John Cornelius

Illinois Supreme Court Docket No. 97062

Argued September 15, 2004; decided December 2, 2004

The Attorney General appealed the Champaign County Circuit Court's finding that the Illinois Sex Offender Registration Act (730 ILCS 1501, et seq.) is unconstitutional. Ruling that the Act is constitutional, the Illinois Supreme Court held: (1) the Internet dissemination provisions of the Sex Offender and Child Murderer Community Notification Law did not violate defendant's right to privacy under the Illinois Constitution; and (2) the legislation did not violate defendant's right to substantive due process under the Illinois Constitution, equal protection, or the ex post facto provisions of the United States or Illinois Constitutions. This decision affirms Illinois' vigorous efforts to protect the public from sexual predators.

2005 Legislative Highlights

2005 Legislative Highlights

During the legislative session, the Attorney General's Office drafted, negotiated, or supported a number of bills designed to strengthen our laws and protect the public interest. The following bills are the highlights of the Attorney General's 2005 Legislative Agenda.

CONSUMER PROTECTION

HB 2451 - Prescription Drug Price Disclosure

Requires pharmacists to disclose, upon request of a consumer, the retail price of any brand or generic prescription drug. (PA 94-0459)

DOMESTIC VIOLENCE

SB 416 - Crime Victims Compensation: Relocation Expenses

Expands the definition of "relocation expenses" within the Crime Victim Compensation Act to provide for the reimbursement of the first month's rent and security deposit for victims of domestic violence and other victims forced to leave their homes as a result of violent crime. (PA 94-0400)

IDENTITY THEFT

HB 1633 - Personal Information Protection Act

Requires an entity that collects, maintains, or uses a customer's personal information to notify Illinois residents upon discovery of a breach that includes personal information. The notice must be made without unreasonable delay. (PA 94-0036)

LABOR RIGHTS

HB 1370 - Strengthening of Prevailing Wage Act

Strengthens Illinois' Prevailing Wage Act by increasing criminal and civil penalties and fines for contractors who violate the provisions of the Act by underpaying workers. Increases the length of the debarment period for contractors who violate the Act two or more times. Adds a monetary penalty for contractors who retaliate against employees for filing prevailing wage complaints. (PA 94-0488)

METHAMPHETAMINE

SB 562 - Methamphetamine Control and Community Protection Act

Dramatically improves the ability of law enforcement and prosecutors to prosecute meth manufacturers by removing meth-related crimes from the Illinois Controlled Substances Act and creating a new, dedicated statute for crimes related to the manufacture, distribution, and use of methamphetamine. (PA 94-0556)

PUBLIC UTILITIES

HB 1321 - Utility Information: Disclosure to Attorney General

Provides that the Attorney General is a party as a matter of right in all utility proceedings, not just electric and telecommunications proceedings. Provides for Attorney General access to ICC files for gas and water utilities. (PA 94-0291)

SEX OFFENDERS

HB 2386 - Lifetime Supervision of Sex Offenders

Extends term of mandatory supervised release (parole) from a fixed two- or three-year term to a

risk-based flexible term of three years to natural life. Applies to the most dangerous sex offenders convicted of predatory criminal sexual assault, aggravated criminal sexual assault, and criminal sexual assault. Requires supervision of sex offenders by specially trained parole agents and implements a reporting system to keep local law enforcement officials informed regarding sex offenders in their communities. (PA 94-0165)

SB 1234 - Sex Offender Registration

Proposed by the Illinois Sex Offender Registration Team (I-SORT), this legislation makes several changes designed to improve compliance with the Illinois Sex Offender Registry Act: Changes the registration cycle for sex offenders who violate the Act from one annual registration to registration every 90 days. Enhances penalties for repeated violations of Act. Requires sex offenders without a permanent residence to check in with law enforcement weekly. Requires sex offenders to register with law enforcement within five days of sentencing or release from prison instead of the previous ten-day grace period. (PA 94-0168)

HB 2062 - Vulnerable Adult Protection Act

Ensures the safety of senior citizens and other adults who live in nursing homes. Requires disclosure by the Department of Corrections to local law enforcement, the agencies that regulate nursing facilities, and the nursing facilities themselves when a felony offender, including a sex offender, is placed in or resides in a nursing home. Requires the Department of Public Health to promulgate rules to provide for the identification of offenders, risk assessment, cross-checking of offenders with the Illinois Sex Offender Registry, inclusion of safety precautions in nursing home care plans, and discharge planning for resident offenders. Requires that nursing home facilities notify residents and/or guardians, employees, and visitors to the home if felony offenders, including sex offenders, are residents of the facility. Mandates the Department of Public Health to assess the feasibility of requiring felony offenders, including sex offenders, who are in need of skilled nursing care to be segregated from other residents and prepare a report to be submitted to the General Assembly. (PA 94-0163)

TOBACCO ENFORCEMENT

SB 417 - Clean-Up of Tobacco Escrow Enforcement Act

Clean-up of Tobacco Escrow Enforcement Act of 2003. Applies the Administrative Review Act to Office of the Attorney General determinations not to list or to remove a tobacco product manufacturer or brand family in the directory. (PA 94-0575)

ESTATE TAX COMPLIANCE

HB 1570 - Estate Tax Credit

Removes a potential inequity in existing law resulting from changes to federal estate tax; eliminates imposition of Illinois estate tax on real and tangible personal property located in other states. Furthers process of decoupling Illinois tax from federal tax to prevent further revenue loss; removes consideration of state death tax deduction in the Internal Revenue Code from computation of Illinois tax (PA 94-0419)

CONTACT INFORMATION

www.IllinoisAttorneyGeneral.gov

CONSUMER FRAUD HOTLINES

Chicago: 1-800-386-5438
TTY: 1-800-964-3013

Springfield: 1-800-243-0618
TTY: 1-877-844-5461

Carbondale: 1-800-243-0607
TTY: 1-877-675-9339

Senior Citizen Consumer Fraud Helpline
1-800-243-5377

Crime Victims Assistance Line
1-800-228-3368 (Voice/TTY)

Health Care Hotline
1-877-305-5145

Environmental Crime Hotline
1-888-288-9436

Spanish Language Helpline
Línea Directa Español
1-866-310-8398

Veterans Helpline
1-800-382-3000

I-SORT Hotline
1-888-41-ISORT (47678)

Identity Theft Hotline
1-866-999-5630

MAIN OFFICE LOCATIONS

Chicago Main Office
100 West Randolph Street
Chicago, IL 60601
(312) 814-3000
TTY: (312) 814-3374

Springfield Main Office
500 South Second Street
Springfield, IL 62706
(217) 782-1090
TTY: (217) 785-2771

Carbondale Main Office
1001 East Main Street
Carbondale, IL 62901
(618) 529-6400/6401
TTY: (618) 529-6403

REGIONAL OFFICE LOCATIONS

Chicago West Regional Office
306 North Pulaski
Chicago, IL 60624
(773) 265-8808
TTY: (866) 717-8804

Chicago South Regional Office
7906 South Cottage Grove
Chicago, IL 60619
(773) 488-2600
TTY: (866) 717-8798

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628 Maine Street
Quincy, IL 62301
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TTY: (217) 223-2254

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