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**COMPTROLLER MENDOZA RELEASES FIRST REPORT UNDER NEW
LAW ON VENDOR PAYMENT PROGRAM**

The report is a product of the Comptroller's bipartisan, transparency agenda. It reveals, for the first time, how much money flows through the program and provides information about entities profiting from it.

CHICAGO, IL — Comptroller Susana A. Mendoza's office today released a report shedding light on a program that has allowed private companies to buy more than \$5 billion in state liabilities and claim hundreds of millions in late payment interest penalties originally owed to vendors who have done business with Illinois.

The monthly report is required under bipartisan legislation Comptroller Mendoza championed to open the books on the Vendor Payment Program (VPP).

“Lenders in this program are making hundreds of millions of dollars off the state's fiscal calamity. Before my legislation was passed, this program wasn't codified in state law or subject to even a basic level of transparency,” Mendoza said. “This monthly report will, for the first time, give taxpayers and policymakers an accounting of this \$5-billion program.”

VPP was created to assist struggling vendors as Illinois' backlog of unpaid bills grew. It allows state-approved third-party lenders, known as qualified purchasers, to pay a portion of the state's unpaid bills owed to vendors up-front. In exchange, the qualified purchasers get the late payment interest penalties when they are ultimately paid by the state.

The qualified purchasers played an important role in keeping vendors afloat, a challenge worsened during the two-year budget crisis suffered during the Rauner administration. But before the passage of Comptroller

Mendoza's legislation, little information was made public about their financial interests or how much state debt they have purchased through VPP.

In addition to revealing to the public for the first time that more than \$5 billion of state liabilities have been purchased through VPP, the report also found that \$265 million in late payment interest penalties have been paid to qualified purchasers to date. Another nearly \$290 million in late payment interest penalties are still owed to qualified purchasers.

A companion report also published today includes information about qualified purchasers and those who hold interests in these entities. Monthly reports going forward will focus on the liabilities and late payment interest penalties that fall under the program. Any new qualified purchasers who apply to participate in VPP are now required to file disclosure statements, and all qualified purchasers are now required to file a disclosure statement once a year.

Senate Bill 3560 passed unanimously in the state Senate and 109-7 in the House of Representatives. It was sponsored by Representative John Connor, D-Lockport, and Senator Omar Aquino, D-Chicago. Under the new law, VPP will be audited by the Illinois Auditor General.

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