



COOK COUNTY
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MEMORANDUM

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To: Kevin Schnoes, Deputy Director of Environment and Sustainability,
Bureau of Administration
Julia Khiria, Associate Director of Financial Planning and Analysis,
Department of Environment and Sustainability, Bureau of
Administration
Jennifer Hesse, Senior Legal Counsel, Department of Environment and
Sustainability, Bureau of Administration

From: *Heath Wolfe*
Heath Wolfe, County Auditor

Subject: American Rescue Plan Act – South Suburban Household Hazardous Waste
Facility and Satellite Collection Locations Project (NT005) Review

Date: December 5, 2025

Per the Fiscal Year 2024 Audit Plan, the Office of the County Auditor (OCA) conducted a review of the South Suburban Household Hazardous Waste Facility and Satellite Collection Locations Project (Project) funded by the American Rescue Plan Act (ARPA) grant awarded to Cook County (County). The objectives of the review were to evaluate the effectiveness of the monitoring process over the utilization of ARPA funds for the Project and to determine if Project funds were used as intended. The review covered the period of March 7, 2023, through January 8, 2025. OCA performed the review in accordance with the Global Internal Audit Standards (also known as Institute of Internal Auditors' Redbook) and the evidence obtained provides a reasonable basis for our conclusions.

Background

ARPA guaranteed federally funded grant relief to state and local governments in March 2021. ARPA assists in building an equitable economic recovery for residents disproportionately affected by the Coronavirus Disease 2019 (also known as COVID-19).

The County's Department of Environment and Sustainability (DES) created the Recycling, Composting, and Circular Economy Solutions (RCCES) initiative in late 2022. RCCES's mission was to build municipal capacity to implement reduction, reassembly, remanufacture, repair, reuse, repurpose, recycle, compost, and circularity-related initiatives in suburban Cook County.

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Project Overview

The County awarded more than \$7 million in ARPA funds to the RCCES initiative for the creation of a south suburban recycling drop-off and household hazardous waste facilities. The two facilities would be folded under the Center for Hard-to-Recycle Materials (CHaRM Center). The first phase of the CHaRM Center is construction of a recycling drop-off facility, which began in March 2023 and opened in April 2023. The vision is for all County residents, businesses, and other institutions to implement practices that improve the health and environment of their local communities. All operational expenses for the CHaRM Center are paid through grants, sponsorships, donations, and recycling-related fees.

The second phase of the CHaRM Center is the construction of the household hazardous waste facility, which was announced in April 2024. The household hazardous waste facility is expected to be the pinnacle location to properly dispose of household hazardous waste, such as toxic cleaners, pharmaceuticals, gasoline, and oil. The facility will be operated through an agreement with the Illinois Environmental Protection Agency. The groundbreaking of the household hazardous waste facility occurred in May 2025, but the facility is not completed as of October 2025.

The Project's programs, purposes, and allocated funds are presented in **Table 1**.

Table 1. Project Funding

Agreement Date	Subrecipient Name and Number	Funding Purpose	Funding Allocation
March 7, 2023	South Suburban College (SSC), NT005B	Establish a recycling drop-off facility to help divert recyclable and compostable materials away from landfills. Approximately 2.5 million residents will be informed about proper disposal practices.	\$1,476,654
November 21, 2023	County	To support County program expenditures (e.g., employee benefits, land purchase, etc.).	354,481
April 11, 2024	SSC, NT005A	To design and construct a household hazardous waste facility on land purchased in the County's south suburb.	4,656,599
September 13, 2024	The Recycling Partnership (TRP), NT005C	TRP will manage efforts to support targeted communities and include technical support, education, and funding for procuring and deploying recycling containers.	<u>523,346</u>
Total ARPA Funds Allocated			<u>\$7,011,080</u>

Source: DES

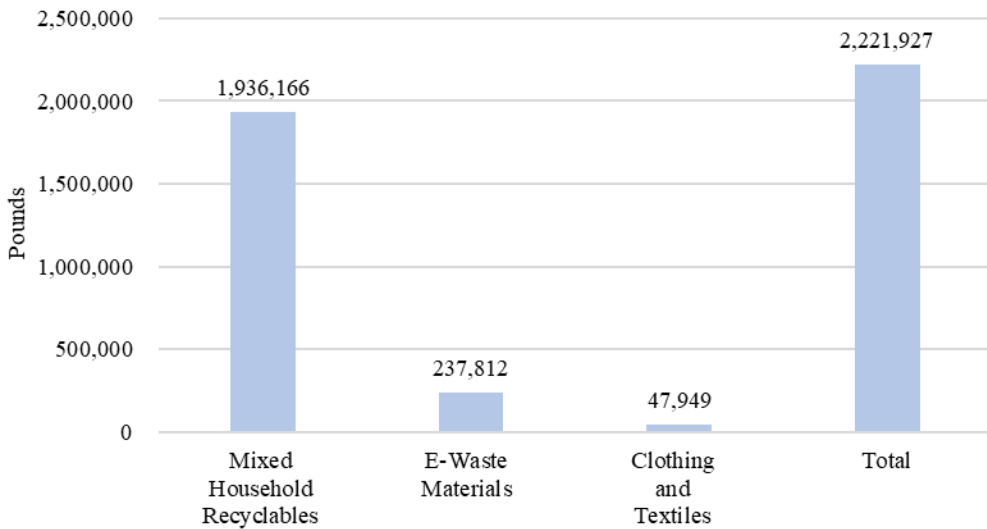
Performance Metrics

The County set performance goals, indicators, and baseline data to measure the Project's performance expectations. Subrecipients are required to track and report performance metrics monthly. DES's officials hold monthly meetings to discuss metrics, program updates, and other concerns. OCA reviewed DES's monitoring meeting notes and metric records for March 7, 2023, to January 8, 2025. Additionally, TRP

and the household hazardous waste facility did not have any reported metrics. Thus, there were no metrics for OCA to review.

Performance metrics reports for the recycling drop-off facility showed that over 2 million pounds of material were diverted from regional landfills between April 2023 and December 2024 (see **Figure 1** below).

Figure 1. Material Diverted from Landfills



Source: DES

Financial Monitoring

Subrecipients must adhere to the County’s grant policies for the tracking, transferring, and expenditure of program funds. Both SSC and TRP were required to submit expense summary reports within 30 days of the month reported. OCA reviewed expense summary reports approved and processed through January 8, 2025, to support Project expenditures posted to the County’s General Ledger and Enterprise Government Grants System. A sample of six expense summary reports with supporting documentation (itemized invoice reports, payroll reports, and invoices) were reviewed to verify that funds were spent as intended. **Table 2** on the next page shows the Project advances and expenditures for March 7, 2023, to January 8, 2025.

OCA reviewed the intent to purchase land, land purchase agreement, survey letter, warranty deed, payment wire, and other documentation (subrecipient agreements, budget summaries, request forms, summary reports, meeting notes, and financial data) associated with the land purchase for the household hazardous waste facility. The County’s expenditures in **Table 2** on the next page also consist of the land purchase and County personnel cost.

Table 2. Project Advances and Expenditures as of January 8, 2025

Subrecipient Name	Budget Allocation	Funds Advanced	Expenditures	Remaining Funds Advanced	Total Expended	Budget Expended	Remaining Budget Allocation
SSC - NT005A	\$ 4,656,599	\$ 1,999,925	\$ 24,905	\$ -	\$ 2,024,830	43%	\$ 2,631,770
SSC - NT005B	1,476,654	-	957,547	-	957,547	65%	519,107
TRP - NT005C	523,346	253,883	-	-	253,883	49%	269,463
County	354,481	-	232,440	-	232,440	66%	122,040
Totals	\$ 7,011,080	\$ 2,253,808	\$ 1,214,893	\$ -	\$ 3,468,700	49%	\$ 3,542,380

Source: DES

Review Procedures

OCA performed the following procedures to evaluate the effectiveness of the monitoring process over the utilization of ARPA funds for the Project and to determine if Project funds were used as intended:

- Obtained and reviewed a copy of the agreements between DES and the Project's subrecipients.
- Interviewed key personnel to gain an understanding of financial and monitoring procedures.
- Verified performance metrics to ensure compliance with the agreements, and reviewed meeting notes to assess the level of Project communication.
- Verified that expense summary reports and advancement request forms supported expenditures posted to the County's General Ledger.
- Reviewed a sample of expense summary reports with supporting documentation to determine whether funds were used as intended.
- Reviewed the land closing statement to verify the Board of Commissioners' approval and proof of payment.
- Verified that Project funds did not exceed budgeted amounts.

Conclusion

Based on inquiries with key contacts, review of documentation, and applied review procedures, OCA concluded that the monitoring process over the utilization of ARPA funds were adequate, and Project funds were used as intended.

Remediated Matter

OCA compared the metrics in the monthly performance reports for SSC's subrecipient agreement (NT005B) to the metrics discussed during the monthly meetings with DES. The metrics in the monthly performance reports did not always agree with the metrics in the monthly meeting notes (e.g., the November 2023 clothing and textiles metrics in the monthly performance report were shown as zero; however, the meeting notes showed 6,505 pounds). DES's officials researched the discrepancies identified by OCA and concluded that the metrics were incorrectly reported. DES's officials remediated the issue. **Table 3** on the next page provides aggregate details for April 2023 to December 2024.

Table 3. Performance Metrics

Type of Materials (Pounds)	Reported	Actual
Mixed Household Recyclables	59,545	1,936,166
E-Waste Materials	91,492	237,812
Clothing and Textiles	45,354	47,949
Totals	196,391	2,221,927

Source: DES

Observations

OCA identified that fringe benefit expenses incurred under SSC's subrecipient agreement (NT005B) for July to November 2023 were not reported on the expense summary report until May 2024. Additionally, OCA noted that the May 2024 expense summary report for SSC's subrecipient agreement (NT005B) included a charge of \$16,882 for fringe benefits (\$7,350 plus \$9,532). However, information regarding the type of benefit or beneficiary was missing. Furthermore, the fringe benefits of \$7,350 were based on SSC's annual budget of \$14,700. The remaining \$9,532 is based on the actual cost of the fringe benefits.

This report was prepared by Flor Pineda, Senior Field Auditor, with the assistance of Joe Walthour, Supervisory Auditor. We appreciate the cooperation of the County's staff, as well as the assistance of all those who contributed to the preparation of this report. OCA provided DES an opportunity to provide technical and management comments on our draft report. DES advised that it had no technical comments but provided management comments (see Appendix) which outlined the corrective actions taken to address the observations in this report.

This report will be distributed to the County's Board of Commissioners and Audit Committee, and others and will be posted on OCA's website. If you have any questions, please contact me at (312) 603-1515 or heath.wolfe@cookcountyil.gov.

cc: Zahra Ali, Chief Administrative Officer, Bureau of Administration

Sara Spivy, Deputy Chief Administrative Officer, Bureau of Administration

Suzanne Malec-McKenna, Director of Environment and Sustainability, Bureau of Administration

Appendix – Management Comments



COOK COUNTY
BUREAU OF
ADMINISTRATION

Department of Environment and Sustainability
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To: Heath Wolfe, County Auditor

From: Suzanne Malec-McKenna, Director, Department of Environment & Sustainability (DES)

cc: Kevin Schnoes, Deputy Director, Department of Environment & Sustainability (DES)
Julia Theis, Associate Director of Finance Planning and Analysis, DES
Jennifer Hesse, Senior Legal Counsel, DES
Zahra Ali, Chief Administrative Officer, Bureau of Administration
Sara Spivy, Deputy Chief Administrative Officer, Bureau of Administration

Re: American Rescue Plan Act – South Suburban Household Hazardous Waste Facility and
Satellite Collection Locations Project (NT005) Review

Date: November 13, 2025

The Office of the Chief Administrator and the Department of Environment and Sustainability (DES) appreciates the opportunity to coordinate with the County Auditor on the ARPA – South Suburban Household Hazardous Waste Facility and Satellite Collection Locations Project (NT005)

We affirm the audit report reflects the goals and objectives, and monitoring and financial processes of the program. The County Auditor has been of great assistance to DES to identify and confirm areas where the department should continue to focus to assure program effectiveness and integrity.

Corrective actions have been taken to address the observations and the following comments on the observations are provided.

Observation

"OCA identified that fringe benefit expenses incurred under South Suburban Collage's (SSC) subrecipient agreement (NT005B) for July to November 2023 were not reported on the expense summary report until May 2024. Additionally, OCA noted that the May 2024 expense summary report for SSC's subrecipient agreement (NT005B) included a charge of \$16,882 for fringe benefits (\$7,350 plus \$9,532). However, information regarding the type of benefit or beneficiary was missing. Furthermore, the fringe benefits of \$7,350 were an estimate based on SSC's annual budget of \$14,000, which included two quarters. The remaining \$9,532 is based on the actual cost of the fringe benefits."

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Appendix – Management Comments (Continued)

Before approving the invoices outside the reporting period, DES consulted with Guidehouse for guidance. Guidehouse confirmed that the expenses were incurred within the agreement period and were therefore eligible for reimbursement.

SSC listed "medical" as the description on their itemized report, which they typically refer to as "fringe" in their submissions. According to SSC's board resolution, each employee receives a fixed annual amount for fringe benefits – \$14,800 per year (or \$1,233 per month) for FY2023.

SSC charged Cook County a total of **\$16,881.69** for fringe benefits as follows:

1. **\$7,350** for two full-time employees covering March, April, and May 2024.
2. **\$9,531.69** for two full-time employees covering July, August, October, and November 2023.

The \$7,350 charge was calculated based on the following: one employee = \$14,700/4 quarters = \$3,675; \$3,675 × 2 employees = \$7,350.

The \$9,531.69 charge was calculated using the same method. However, SSC exceeded its budget and therefore reduced the billed amount to align with the available funds. In other words, SSC absorbed a cost of **\$334.98** instead of processing a budget transfer to fully cover the expense. DES followed up on this matter and agreed with SSC's decision to absorb the cost.

In the backup documentation, the subrecipient provided general ledger (GL) support, copies of checks, and a form listing the names and months charged. DES used their board resolution, GL transactions, and issued checks as supporting documentation.

The auditor additionally requested payroll slips to supplement the existing materials. In response, DES requested payroll slips for all months from the start of the program through the months following the auditor's request. The SSC successfully completed their submissions.

Please do not hesitate to contact us if you have any further questions.