**Section 650.110 Disciplinary Procedures for Vendors**

a) Disciplinary actions shall include the following:

1) oral reprimand;

2) written reprimand;

3) suspension;

4) loss of facility; and

5) termination of license.

b) Any time discipline is imposed, the vendor shall be advised of the right to grieve under Section 650.130.

c) Oral Reprimand

1) An oral reprimand is a discussion, in person or by telephone, involving the vendor, the business consultant, and the DHS Supervisor of Personnel and Training. An oral reprimand must occur within five days after any Program staff member's knowledge of an incident that occurred within the last 30 days. The oral reprimand shall identify the rules or policy violated, corrective action, and the consequences of repeated violations. An oral reprimand shall be used for the first violation of this Part, with the exception of Section 650.100(c), (g), (i), (k), (l), (m), (n), (o), (p), (r), and (y).

2) The discussion shall be identified to the vendor as an oral reprimand, and the vendor shall be advised that a rule has been violated and what corrective action is necessary.

3) The person giving the oral reprimand shall send a written report to the supervisor that shall include the time and date of violation, nature of the violation, corrective measures required, date of the oral reprimand, vendor's comments and vendor's signature. A copy shall also be provided to the vendor. The Supervisor of Personnel and Training shall, within 10 days after receipt, review the written report.

A) If the supervisor is in agreement with the written report, he or she shall place a copy of this report in a working file on discipline; however, the vendor's permanent personnel file shall not contain any reference to the reprimand.

B) If the supervisor does not agree with the oral reprimand, the report will be returned to the vendor.

C) The working file on discipline shall be available for the vendor's review and shall be subject to DHS rules on confidentiality (89 Ill. Adm. Code 505).

D) An oral reprimand in the working file on discipline shall be destroyed one year after its date, if no repeat of that violation occurs.

4) Action resulting in an oral reprimand that is not corrected may be the basis for a written reprimand.

d) Written Reprimand

1) A written reprimand shall be issued for a second violation of this Part following an oral reprimand for the same business practice violation. Written reprimands are also issued for the violation of a health code or location permit or contract violations.

2) Within 10 days after the supervisor's knowledge of the violation, provided the violation has occurred within the past 60 days, the supervisor shall prepare a written reprimand. The written reprimand shall be sent to the vendor's mailing address by certified mail, return receipt requested, or delivered in person by Program staff with a signed receipt to be returned to DHS.

3) The Supervisor shall prepare a written reprimand that:

A) outlines the events leading to the reprimand;

B) explains the violation of this Part;

C) reviews any existing prior oral reprimands for similar offenses;

D) states all known facts about the present violation, including the names of all known witnesses;

E) details the disciplinary consequences of continued offenses, as set forth in this Section;

F) indicates the steps the vendor should take to correct the situation;

G) states the vendor's right to grieve, as set forth in Section 650.130.

4) A copy of the written reprimand shall be placed in the vendor's permanent personnel file. One year from the date of reprimand, the reprimand shall be removed from the vendor's personnel file and sent to the vendor.

e) Suspension

1) Suspension shall be imposed either when a violation is repeated within a year after the date of the written reprimand or when an immediate suspension is warranted pursuant to subsection (e)(5) of this Section. The Administrator shall determine if suspension is warranted and, if so, the length of the suspension based on subsection (e)(3) and the effective date of the suspension.

2) If a vendor is suspended, the facility shall be operated by a replacement person. If the suspension is for more than six facility business days, an immediate inventory of all stock, equipment, and documents shall be taken, or directed to be taken, by DHS and recorded. If the suspension is for six facility business days or less, the vendor shall be assessed the daily average amount of income before set aside for the last three months or the cost of replacement labor, whichever is greater.

3) The first suspension for any violation shall be for up to 20 facility business days. If the violation is repeated within one year after the ending date of the first suspension, the second suspension shall be for up to 40 facility business days. If a vendor receives more than two suspensions for any reason during a three-year period, the third and subsequent suspensions shall be for 40 facility business days each.

4) Notices of Suspension shall be sent to the vendor, at his or her last known address, by certified mail, return receipt requested or delivered in person by Program staff with a signed receipt to be returned to DHS. The Notice of Suspension shall state the effective date, the basis for the suspension, and the length of the suspension.

5) An immediate suspension of three facility business days shall be imposed without notice pursuant to subsection (e)(4) of this Section by the Supervisor if the vendor's continued presence could be a direct threat to self, others, property, or the loss of the facility (e.g., fighting with customers, being under the influence of drugs or alcohol, disorderly conduct, using profane language with customers) or if necessary to investigate charges of misconduct. This discipline may be grieved pursuant to Section 650.130 and, if the decision favors the vendor, the vendor shall be reimbursed the costs of replacement labor.

f) Loss of Facility

1) A vendor shall lose the facility if one of the following occurs:

A) the vendor receives three suspensions that have not been overturned for any reason in a two-year period;

B) the vendor receives two suspensions that have not been overturned for violation of the business practice in Section 650.100(q) in a two-year period;

C) failure to return from leave (see Section 650.150);

D) the building manager states in writing that the account with the facility will be lost if the vendor remains at the facility; or

E) the vendor or graduate of training falsifies his or her Bid Application Form (IL488-2048) or any material used by or submitted to the Selection Committee.

2) If for two consecutive months the gross profit (i.e., the ratio of cost of goods to net sales) of the assigned facility is more than 10% below the projected average, or the average profit percentage is more than 8% below the projected average for four consecutive months, DHS will observe the facility's operations to determine the cause of the failure to meet projections. If it is determined the vendor is at fault, DHS will make written recommendations to improve the actual gross profit percentage. If after two more months the facility is not within three percentage points of the projected goal, the vendor shall lose the facility.

3) The loss of a facility by a vendor shall not restrict the vendor from bidding on another facility, but he or she shall not be awarded the same facility.

g) Termination of License

1) A license shall terminate, without further notice, when:

A) a vendor notifies DHS in writing that he or she has withdrawn from the Program;

B) a vendor experiences an improvement of vision above the definition of legal blindness in Section 650.50(a);

C) the vendor fails to notify DHS of a change of address and the vendor has had no contact with DHS for one year;

D) the vendor abandons a facility with no notice to DHS, as described by Section 650.100(p);

E) the vendor uses Program assets (facility income, equipment, stock, or money) for personal use (e.g., paying personal bills, buying personal property, taking stock or equipment home);

F) the vendor has lost two facilities within five years as described in subsection (f)(1)(D); or

G) the vendor is convicted of a felony.

2) An individual must wait two years from the effective date of license termination before applying for readmission to the Program in accordance with Sections 650.50 and 650.60. All seniority rights shall be lost at the time of the license termination and shall not be reinstated.

(Source: Amended at 34 Ill. Reg. 1535, effective January 19, 2010)