

**PUBLICATION OF REDACTED VERSION**  
**OF THE OEIG FOR THE AGENCIES UNDER THE GOVERNOR**  
**INVESTIGATIVE REPORT**

Case Number: 23-00119

Subject(s): Shanythia Anderson

Below is the redacted version of an investigative summary report issued by the Executive Inspector General for the Agencies of the Illinois Governor. Pursuant to section 20-50 of the State Officials and Employees Ethics Act (Act) (5 ILCS 430/20-50), a summary report of an investigation is required to be issued by an executive inspector general when, and only when, at the conclusion of investigation, the executive inspector general determines reasonable cause exists to believe a violation has occurred. If a complaint is not to be filed with the Executive Ethics Commission (Commission) for adjudication of the alleged violation, the Act further requires the executive inspector general to deliver to the Commission a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report of the investigation and of the response from the ultimate jurisdictional authority or agency head regarding the summary report. 5 ILCS 430/20-50(c-5). The Act requires that some summary reports be made available to the public and authorizes the Commission to make others available. 5 ILCS 430/20-52. Before making them available, however, the Commission is to redact from them information that may reveal the identity of witnesses, complainants, or informants and may redact “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

Some summary reports delivered to the Commission may contain a mix of information relating to allegations with respect to which the executive inspector general did and did not determine reasonable cause existed to believe a violation occurred. In those situations, the Commission may redact information relating to those allegations with respect to which the existence of reasonable cause was not determined.

The Commission exercises its publication responsibility with great caution and seeks to balance the sometimes-competing interests of transparency and fairness to the accused and others uninvolved. To balance these interests, the Commission has redacted certain information contained in this report and identified where said redactions have taken place and inserted clarifying edits as marked. Publication of a summary report of an investigation, whether redacted or not, is made

with the understanding that the subject or subjects of the investigation may not have had the opportunity to rebut the report's factual allegations or legal conclusions before issuance of the report. Moreover, there has not been, nor will there be, an opportunity for the subject to contest or adjudicate them before the Commission. The subject merely has the opportunity to submit a response for publication with the report.

The Commission received this report and a response from the ultimate jurisdictional authority and/or agency in this matter from the Agencies of the Illinois Governor Office of Executive Inspector General ("OEIG"). The Commission, pursuant to 5 ILCS 430/20-52, redacted the OEIG's final report and responses and mailed copies of the redacted version and responses to the Attorney General, the Executive Inspector General for the Agencies of the Illinois Governor, and each subject.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52. By publishing the below redacted summary report, the Commission neither makes nor adopts any determination of fact or conclusions of law for or against any individual or entity referenced therein.

– THE REDACTED VERSION OF THE EIG'S SUMMARY REPORT  
BEGINS ON THE NEXT PAGE –

## **I. INTRODUCTION**

Based on finding evidence of a State employee fraudulently obtaining a federal Paycheck Protection Program (PPP) loan, the OEIG conducted a larger review to determine whether State employees properly obtained PPP loans and provided notice of secondary employment. Based on the large volume of PPP loans obtained by State employees, the OEIG narrowed its review based on certain factors including those State employees who received approximately \$20,000 or more in PPP loan funds.<sup>1</sup>

The OEIG self-initiated this investigation regarding a \$20,000 PPP loan obtained by Shanythia Anderson while employed at the Illinois Department of Human Services (DHS). During her interview with the OEIG, Ms. Anderson ultimately admitted that she authorized another person to submit a PPP loan application on her behalf and the loan application documents contained false information.

## **II. BACKGROUND**

Ms. Anderson began working for the State in June 2020, first as a DHS Mental Health Technician (MHT) trainee and since July 2020, as an MHT I at Elisabeth Ludeman Developmental Center (Ludeman).

The PPP was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the Small Business Administration (SBA) to provide relief to small businesses affected by the COVID-19 pandemic. PPP loans were made to eligible businesses, which included sole proprietorships, independent contractors, and self-employed individuals, for qualifying payroll costs and business operating expenses such as insurance, rent, and utilities.<sup>2</sup> To apply for the loan, a sole proprietor, independent contractor, or self-employed individual needed to submit certain tax filings or other payroll documentation to an SBA-approved lender, establishing their eligibility and demonstrating the qualifying payroll amount, which as of March 2021 could be based on “gross income” reported on an IRS Form 1040, Schedule C.<sup>3</sup> PPP loans were eligible for forgiveness by the SBA if used on qualifying expenses and if at least 60% was used for payroll costs.<sup>4</sup>

## **III. INVESTIGATION**

### **A. PPP Records For Shanythia Anderson**

The OEIG located public records from the SBA showing that Ms. Anderson received a \$20,000 PPP loan on April 23, 2021, as an independent contractor. The OEIG subpoenaed loan

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<sup>1</sup> From the OEIG’s review, in order to be eligible for at least \$20,000 in loan proceeds, the small business typically had approximately \$100,000 or more in yearly net profit or gross income. The OEIG will be referring to the Ultimate Jurisdictional Authority those State employees who obtained PPP loans in smaller amounts or were not investigated for other logistical reasons.

<sup>2</sup> 15 U.S.C. § 636(a)(36); SBA Interim Final Rule, 85 FR 20811 (Apr. 15, 2020).

<sup>3</sup> SBA Interim Final Rule, 86 FR 13149 (Mar. 8, 2021) (expanded definition of “payroll costs” for sole proprietors).

<sup>4</sup> *See id.*; 15 U.S.C. § 636(m).

documents from the lender, which included a loan application for “Schedule C Filers,” signed in Ms. Anderson’s name and dated April 10, 2021. The “Independent contractor” box was checked, the Business Legal Name was “Shanythia Anderson” with establishment year 2019, and the business categorized under a code for “Residential remodelers.” Ms. Anderson was identified as the sole employee. A box checked under “Purpose of the loan” was for payroll costs, rent/mortgage interest, covered operations, and “other.” The form contained various certifications, all reflecting the initials “SA,” which included a statement that the applicant “was in operation on February 15, 2020...and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees...;” a statement that the funds would be used as authorized by PPP rules; and a statement that information provided in the application and supporting documentation was “true and accurate in all material respects.” On the application, the gross income from tax year 2020 from the “IRS Form 1040, Schedule C, line 7” was identified as \$96,000. That figure was used to calculate the loan amount of \$20,000 (intended to cover a period up to 2.5 months).

Other documents were submitted related to the loan, which included:

- a bank statement for January 18, 2020, to February 19, 2020, in Ms. Anderson’s name;
- a 2020 Schedule C Profit or Loss From Business form; and
- a copy of Ms. Anderson’s Illinois driver’s license.

An SBA “Note” was dated April 28, 2021, and contained an electronic signature in Ms. Anderson’s name for a loan in the amount of \$20,000, and an Additional and Correction Documents Agreement contained an electronic signature in Ms. Anderson’s name for the same date. An SBA Notice of PPP Forgiveness Payment stated that the loan had been forgiven in full on September 21, 2021.

## **B. DHS Secondary Employment Information**

The OEIG also reviewed the DHS personnel file for Ms. Anderson, for any documents related to her secondary employment. At the time the OEIG reviewed Ms. Anderson’s personnel file, it contained an undated and unsigned Report of Secondary Employment filled out in Ms. Anderson’s name indicating only that she worked for “Nespresso.” An additional Report of Secondary Employment signed in Ms. Anderson’s name and dated June 17, 2020, indicated that she intended to continue her secondary employment as a Nespresso Coffee Specialist, for which she had been hired on August 13, 2019.

## **C. Ms. Anderson’s OEIG Interview**

On February 7, 2023, the OEIG interviewed Ms. Anderson, who said that she began working for DHS in June 2020. She said that she has been on reassignment – which is a type of paid leave – twice since being employed by DHS, the first from February 2021 to April 2022, and the second started in June 2022 and was still in effect as of the day of her interview.

Ms. Anderson said that she has no secondary sources of income except that occasionally she does hair and performs services as a trained aesthetician. Ms. Anderson said that she does about four hair jobs per week at the most and that she charges between \$100 and \$150 per job. She said that if she is pushing it, she can make about \$500 per week doing the hair work. Ms. Anderson said that her aesthetician work includes facial and waxing services, for which she charges between \$15 and \$50 per service. She estimated that she had approximately seven aesthetician clients per week, and that she has made about \$600 per week depending on the services provided. Ms. Anderson said she has performed aesthetician work since 2019 but has done hair for much longer than that. She said that between her hair and aesthetician work, she might make at most \$15,000 to \$20,000 a year, although she was not sure if she should have reported such income on her income tax returns. She said that her clients only pay her with cash, which she never deposits in her bank account. Ms. Anderson said she does not maintain any documentation of her business. She said she has not reported the hair and aesthetician work to Ludeman as secondary employment.

Ms. Anderson said that in July 2022, after being placed on reassignment, she took a second job as a Direct Support Person at [Non-profit Organization 1]. She said that she works a full-time schedule for [Non-profit Organization 1] – at first working overnight from 11:00 p.m. to 7:00 a.m. and then switching to a 3:00 p.m. to 11:00 p.m. shift. Ms. Anderson said she became concerned that her [Non-profit Organization 1] job might present a scheduling conflict with her Ludeman job, so she called Ludeman and told someone (she could not recall the person’s name or title) about her second job at [Non-profit Organization 1]. Ms. Anderson said the individual she spoke with did not instruct her to fill out a secondary employment form but told her they would inform the Unit Director. Ms. Anderson said that in January 2023 she switched her [Non-profit Organization 1] shift back to 11:00 p.m. to 7:00 a.m. to avoid any scheduling conflicts with Ludeman.

When presented with a copy of a DHS Administrative Directive of Secondary Employment Ms. Anderson said she did not vividly recall the policy but remembered being provided with a form when she started working at Ludeman in which she had to write down any secondary employment she had at the time. When directed to a section of the policy that requires employees on leave to report secondary employment, Ms. Anderson reiterated that although she did not fill out a secondary employment form, she spoke with someone at Ludeman about her secondary employment at [Non-profit Organization 1] and was told the Unit Director would be notified. When shown a copy of a 2020 DHS Report of Secondary Employment that was filled out in her name and reported working for Nespresso, Ms. Anderson confirmed that at the time she was hired by Ludeman she had been working at Nespresso in [Municipality 1] but was laid off from the job in 2020 due to the COVID pandemic.

Ms. Anderson said that although she never applied for a PPP loan herself, she met a woman on Facebook who applied for a PPP loan on her behalf. Ms. Anderson said she could not remember the woman’s name but said she was not a State employee. Ms. Anderson said that a friend told her that the woman was “legit,” so she decided to send personal information to her to apply for the loan. She said that at the time she believed the PPP funds were a grant because her friend told her the funds would not need to be repaid. Ms. Anderson said that in exchange for submitting the PPP loan application she agreed to pay the woman half of the loan proceeds.

Ms. Anderson said she did not recall sending the woman any documents but instead provided all her personal information via Facebook direct messaging. She said the woman then informed her that the application had been submitted and they would have to wait to see if it was approved or denied. Ms. Anderson said that sometime later she checked her bank account and saw that \$20,000 had been deposited. She said that because she owed the woman \$10,000 (half the loan proceeds), she paid her in multiple payments via Zelle or PayPal. Ms. Anderson said she spent approximately \$2,000 or \$3,000 of the funds on beauty supplies and facial products, and spent all the remaining funds on personal items and other things she could not recall.

Ms. Anderson said that she was looking online regarding the PPP loan and realized that the funds she received were a loan and not a grant. She said she became worried that this was a business loan she should not have received and needed to figure out how to pay it back. Ms. Anderson said she saw posts by a financial advisor on Facebook who described how to apply for PPP loan forgiveness. Ms. Anderson confirmed she applied for loan forgiveness herself, although she was not sure if the loan would be forgiven. She said she never again contacted the woman who applied for the loan on her behalf because she felt the woman was running a scam.

When presented with a PPP Borrower Application Form for Schedule C Filers Using Gross Income that was filled out in her name, Ms. Anderson said she had never seen the document before. She confirmed that her name, home address, Social Security Number, and email address were on the application. She said there was information on the form which was not accurate. She said the phone number listed was a family member's, the NAICS business code for a handyman business was incorrect, and the amounts for gross income and expenses were false. Ms. Anderson said the woman who submitted the application entered the information and applied Ms. Anderson's initials and signature to the application. She said none of the income, expense, or profit information on the application were applicable to her hair and aesthetician business.

Ms. Anderson was shown a copy of a 2020 Schedule C Form 1040 Profit or Loss From Business that had been filled out in her name and provided with the PPP loan application. Ms. Anderson claimed she did not recall having seen or reviewed the document and did not know if the woman had filled out the form. She said that although the name and Social Security Number on the form were hers (Ms. Anderson's), the information regarding her business was false. Ms. Anderson said the form's description of her business as a handyman/contractor business was not correct, and the amounts listed for income, expenses, and profit were false and not applicable to her hair and aesthetician work.

Ms. Anderson was shown a copy of an Information and Bank Account Certification and Authorization form that contained account and routing numbers for a bank account. Ms. Anderson said that although she had never seen the document before, she did recall providing her bank account information to the woman who applied for the PPP loan on her behalf. She said that the \$20,000 loan funds were deposited into the same account.

Ms. Anderson was shown a copy of a U.S. SBA Note signed in Ms. Anderson's name. in response, Ms. Anderson claimed she did not recall signing the document. She was also shown a Notice of PPP Forgiveness Payment issued by the SBA to Ms. Anderson and dated September 21,

2021. Ms. Anderson said she did not recall having seen the document before and did not know that her PPP loan had been forgiven until seeing the document during her interview.

During her interview with the OEIG, Ms. Anderson searched her cell phone to find the Facebook messages between her and the woman who she said filled out the PPP loan application on her behalf, the bank record of the \$20,000 loan deposit, and the Zelle/PayPal records of payment made to the woman. She was unable to locate the records on her phone during the interview. Ms. Anderson admitted that she should not have applied for the PPP loan and the information on the loan documents was false.

#### IV. ANALYSIS

The DHS Rules of Employee Conduct state that an employee's "conduct while off-duty may subject the Employee to discipline up to and including discharge" when the conduct raises "reasonable doubt concerning the Employee's suitability for continued state employment."<sup>5</sup> In addition, the State of Illinois Code of Personal Conduct provides that "A State Employee will conduct himself or herself...with integrity and in a manner that reflects favorably upon the State."<sup>6</sup>

Moreover, the DHS secondary employment policy requires employees to complete a new Report of Secondary Employment form annually, confirming "any secondary employment, including self-employment, or whether no secondary employment exists." It states that employees who want to engage in previously unreported outside employment need to submit a Report of Secondary Employment form within five working days of commencing secondary employment. The policy also states that employees who are on official leave must submit a Report of Secondary Employment when they begin secondary employment. Any secondary employment reported is then evaluated by DHS management to determine whether it poses a conflict of interest. The policy states that "[f]ailure to have an accurate and current form submitted may result in disciplinary action, up to and including discharge."<sup>7</sup>

Ms. Anderson acknowledged that she obtained a PPP loan in 2021, that she used the proceeds, and that the loan was forgiven in full by the SBA. The information in Ms. Anderson's loan documentation, however, was false. Ms. Anderson's loan application listed 2020 gross income from an "independent contractor" business in an amount of \$96,000. Ms. Anderson told investigators that she authorized a woman to apply for the PPP loan on her behalf. She also said that she only made \$15,000 to \$20,000 a year from her hair and aesthetician work at most, and that the information entered on the application and Schedule C was false, including the incorrect description of the business as a handyman/contractor service, and the incorrect amounts entered for gross income, expenses, and net profit.

Ms. Anderson admitted that after being approved for the PPP loan, she spent the loan proceeds of \$20,000, using the public funds to pay for personal items and to pay \$10,000 to the woman who applied for the loan on her behalf. Ms. Anderson admitted that she personally applied

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<sup>5</sup> DHS Administrative Directive 01.02.03.040.

<sup>6</sup> Illinois Code of Personal Conduct, Conduct Unbecoming of a State Employee (2017 & March 17, 2021).

<sup>7</sup> DHS Administrative Directive 01.02.03.120. The policy states that if secondary employment is reported, the form will be placed in the employee's official personnel file. *Id.*

for loan forgiveness and that her loan was forgiven. Thus, Ms. Anderson authorized the submittal of a loan application with false information, received and spent the loan proceeds in violation of PPP rules, and accepted forgiveness in full by the federal government. Ms. Anderson also failed to report her secondary employment to DHS. While she maintained that she told an unidentified person at Ludeman about her job at [Non-profit Organization 1], she admitted that she did not take any action to report her hair and aesthetician work as secondary employment – nor did she complete a Report of Secondary Employment for any of those secondary jobs or self-employment. Based on the evidence, there is reasonable cause to believe that Ms. Anderson violated DHS and State of Illinois policies on employee conduct and secondary employment.

## V. [REDACTED] AND RECOMMENDATIONS

Based on the evidence detailed above, the OEIG has determined **THERE IS REASONABLE CAUSE TO BELIEVE THE FOLLOWING:**

- [REDACTED] – Ms. Anderson obtained a federal PPP loan based on falsified information in violation of DHS and State of Illinois policies on employee conduct.
- [REDACTED] – Ms. Anderson failed to report secondary employment in violation of DHS policy.

Regardless of the ease of procuring these PPP funds, this was not free money for the taking. These loans, as with any other, required truthful information as a basis for approval. State employees are expected, at minimum, to maintain the public’s trust and confidence. Misappropriating such funds is far from being ethical, professional, acting with integrity, or conducting oneself in a manner that reflects favorably upon the State. Accordingly, the OEIG recommends that DHS terminate Ms. Anderson.

Finally, DHS policy requires employees to complete a new Report of Secondary Employment form annually, even if no secondary employment exists. The OEIG, however, did not locate any secondary employment forms on file for Ms. Anderson dated after June 2020. Ms. Anderson stated in her interview that she did not file any subsequent Reports of Secondary Employment. The OEIG recommends that DHS work with its appropriate staff to ensure that managers are requiring employees to annually complete Reports of Secondary Employment forms pursuant to current DHS policy. The OEIG also recommends that DHS work on ensuring that those forms are vetted for conflicts, and that such forms are properly maintained.

No further investigative action is necessary, and this matter is considered closed.

Date: March 8, 2023

Office of Executive Inspector General  
for the Agencies of the Illinois Governor  
69 West Washington Street, Ste. 3400  
Chicago, IL 60602

By: **Joseph Loscudo**  
Assistant Inspector General





JB Pritzker, Governor

Illinois Department of Human Services

Grace B. Hou, Secretary

Office of the General Counsel

69 West Washington • 9<sup>th</sup> Floor • Chicago, Illinois 60602

March 20, 2023

***Via e-mail to Senior Paralegal Sherry Bult (at [REDACTED]@illinois.gov), on behalf of:***

Susan M. Haling

Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Response to the Final Reports for Complaints [REDACTED], [REDACTED], [REDACTED], [REDACTED], 23-00119, [REDACTED], and [REDACTED]

Dear Executive Inspector General Haling:

This letter responds to the Final Reports for the complaints listed above. The Department of Human Services (DHS) is currently reviewing the complaints. Your office will receive an update by May 15, 2023. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Grace B. Hou by /s/ Robert J. Grindle

Grace B. Hou  
Secretary



JB Pritzker, Governor

Dulce M. Quintero, Secretary Designate

Office of the General Counsel  
69 W. Washington St. • Ste. 901 • Chicago, IL 60602

February 15, 2024

***Via e-mail to Senior Paralegal Sherry Bult (at [REDACTED]@illinois.gov) on behalf of:***

Susan M. Haling  
Executive Inspector General  
Office of the Executive Inspector General for the Agencies of the Illinois Governor  
69 West Washington Street, Suite 3400  
Chicago, Illinois 60602

RE: Updated Response to the Final Report for Complaint 23-00119

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 23-00119. That Final Report details two [REDACTED] allegations, regarding the federal Paycheck Protection Program (PPP) and failure to report secondary employment. It makes three recommendations. The recommendations have been followed.

The Department of Human Services (DHS) began the disciplinary process, and that process is now complete. As a result, the employee remains discharged from State employment. In addition, DHS recently implemented improvements to the process for secondary employment form completion, review, and maintenance.

With the employee's discharge complete and DHS improving the process, DHS considers this matter closed with respect to your office. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Dulce Quintero by /s/ Robert J. Grindle

Dulce Quintero  
Secretary-designate