



Illinois Ethics Matters

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Honesty, Integrity, Service

A newsletter from the Office of Executive Inspector General for the Agencies of the Illinois Governor

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Announcements

- The OEIG is pleased to announce the hiring of **Matt Bonini** as an Investigator and **Wyatt Watson** as Legal / Investigations Project Manager. Both will work in the OEIG's Chicago office.

Paycheck Protection Program (PPP) Fraud Update

In the September 2023 edition of its newsletter, the OEIG reported its progress of investigating whether State of Illinois employees improperly obtained federal Paycheck Protection Program (PPP) loans. PPP loans were issued to provide relief to small businesses affected by the COVID-19 pandemic, and were eligible for forgiveness if used for qualifying expenses.

At that time, the OEIG concluded **204** cases, **177** of which resulted in findings of wrongdoing in connection with PPP loans. As of the date of this newsletter, the OEIG has concluded **325** PPP cases, **275** of which resulted in findings of PPP wrongdoing. The OEIG has consistently recommended discharge of employees who have been found to have engaged in this misconduct. Discharges have been sought by agencies and upheld after further adjudications in venues such as the Civil Service Commission.

The **275** cases involve employees from numerous agencies under the OEIG's jurisdiction. The following is a breakdown of the agencies who employed those who were found to have improperly received PPP loans:

Founded Cases by Agency

Employee's Agency	As of 4/24
Department of Human Services	175
Department of Corrections	31
Department of Children and Family Services	27
Pace	10
Department of Healthcare and Family Services	8
Department of Public Health	4
Chicago Transit Authority	4
Metra	4
Department of Employment Security	4
State Police	3
Department of Veterans' Affairs	3
Department of Natural Resources	1
Department of Revenue	1



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The Executive Ethics Commission recently published three OEIG reports relating to PPP fraud (Case Nos. 22-02597, 23-00048, & 23-00099). The reports are available on the OEIG’s website [here](#). As discussed in these reports, the OEIG prioritized cases in which employees have received loans of \$20,000 or more. In order to be eligible for a PPP loan of that size, a business typically needed to generate approximately \$100,000 or more of annual net profit or gross income—earned outside of the employee’s full-time State employment. In the three released cases, PPP loan applications were submitted on behalf of the State employees with falsified information about beauty service businesses, and later those loans were forgiven.

As the OEIG explained in these published reports, “[r]egardless of the ease of procuring these PPP funds, this was not free money for the taking.” The State of Illinois Code of Personal Conduct requires State employees to conduct themselves “with integrity and in a manner that reflects favorably upon the State.” In each of the published reports, the OEIG determined that there was reasonable cause to believe that the State employee violated the State of Illinois Code of Personal Conduct and agency policy by obtaining PPP loans based on falsified information. The OEIG recommended discharge in each instance, and the three employees in these reports were terminated. One employee appealed the discharge to the Civil Service Commission, which upheld the termination.

To date, the improper loans identified in these 275 founded reports total more than **\$7.2 million** in public funds. Pursuant to the Ethics Act, the OEIG has also referred all of the founded cases to the Office of the Attorney General based on the loss of public funds.

The OEIG’s PPP investigation project remains ongoing. The case statistics reported here do not reflect a final total of OEIG founded reports or a final total for any particular agency.