



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3617

Introduced 2/5/2026, by Sen. Li Arellano, Jr.

SYNOPSIS AS INTRODUCED:

New Act

Creates the Local Government Fraud Prevention Task Force Act. Requires the Task Force to make recommendations for improving fraud prevention, detection, and investigation in local government including: (1) monitoring the creation and reporting of bank accounts used by local governments; (2) expanding the investigative and prosecutorial capabilities of the State in regard to fraud at the local level; (3) examining the scope and standard practices of government auditing and accounting; (4) examining existing transparency laws; and (5) exploring possibilities for training new government officials on financial oversight responsibilities and powers. Provides that, the Department of Central Management Services shall provide administrative support to the Task Force as needed. Provides that, on or before December 31, 2026, the Task Force shall report its recommendations by filing copies of its report with the Governor and the General Assembly. Dissolves the Task Force upon the filing of the report. Provides that the Act is repealed on January 1, 2028. Effective immediately.

LRB104 13782 RTM 26549 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Local
5 Government Fraud Prevention Task Force Act.

6 Section 5. Local Government Fraud Prevention Task Force.
7 The Local Government Fraud Prevention Task Force is
8 established. The Task Force is specifically charged with
9 advising the General Assembly on steps needed to modernize and
10 improve fraud prevention, detection, and investigation in
11 local governments.

12 Section 10. Duties. The Task Force shall make
13 recommendations to the General Assembly on how to prevent,
14 detect, and investigate fraud at the local government level.
15 The Task Force's recommendations shall include recommendations
16 regarding the following actions, which may be taken to improve
17 fraud prevention, detection, and investigation:

18 (1) monitoring the creation and reporting of bank
19 accounts used by local governments;

20 (2) expanding the investigative and prosecutorial
21 capabilities of the State in regard to corruption and
22 fraud at the local level;

1 (3) examining the scope and standard practices of
2 government auditing and accounting;

3 (4) examining existing transparency laws; and

4 (5) exploring possibilities for training new local
5 government officials on financial oversight
6 responsibilities and powers.

7 Section 15. Membership. The Task Force shall consist of
8 the following members:

9 (1) a member of the General Assembly, appointed by the
10 Speaker of the House of Representatives;

11 (2) a member of the General Assembly, appointed by the
12 Minority Leader of the House of Representatives;

13 (3) a member of the General Assembly, appointed by the
14 President of the Senate;

15 (4) a member of the General Assembly, appointed by the
16 Minority Leader of the Senate;

17 (5) a representative from the Illinois Municipal
18 League, appointed by the Governor;

19 (6) a representative of counties in the State,
20 appointed by the Governor;

21 (7) a representative of townships in the State,
22 appointed by the Governor;

23 (8) an active certified fraud examiner, appointed by
24 the Governor;

25 (9) a retired certified fraud examiner with experience

1 on Illinois cases, appointed by the Governor;

2 (10) a representative of the Illinois State Police and
3 other relevant law enforcement agencies, appointed by the
4 Governor; and

5 (11) a current or retired prosecutor with experience
6 prosecuting fraud against local governments in Illinois,
7 appointed by the Governor.

8 All members of the Task Force shall serve without
9 compensation. The appointing authorities shall make
10 appointments to the Task Force as soon as practicable after
11 the effective date of this Act. At the initial meeting of the
12 Task Force, the members of the Task Force shall elect 2
13 co-chairs from among the members of the Task Force appointed
14 under paragraphs (1), (2), (3), and (4).

15 Section 20. Meetings. The Task Force shall hold its
16 initial meeting within 120 days of the effective date of this
17 Act. Subsequent meetings of the Task Force shall convene at
18 the call of the co-chairs of the Task Force.

19 Section 25. Support. The Department of Central Management
20 Services shall provide administrative support to the Task
21 Force as needed.

22 Section 30. Report. On or before December 31, 2026, the
23 Task Force shall report its recommendations by filing copies

1 of a report with the Governor and the General Assembly. Upon
2 filing its report, the Task Force is dissolved.

3 Section 35. Repeal. This Act is repealed on January 1,
4 2028.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.