WHEREAS, A new coronavirus known as SARS-CoV-2 (COVID-19) was discovered in China at the end of 2019 and rapidly spread around the globe; and

WHEREAS, The Trump Administration declared a public health emergency on January 31, 2020 in response to COVID-19; and

WHEREAS, The World Health Organization characterized the outbreak of the COVID-19 as a pandemic on March 11, 2020; and

WHEREAS, Governmental efforts to contain and restrict the spread of COVID-19 led to widespread economic dislocation and unemployment; and

WHEREAS, President Trump signed the Families First Coronavirus Response Act on March 18, 2020, providing $1 billion to the states to use in the administration and processing of their unemployment claims; and

WHEREAS, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, providing $250 billion to expand unemployment benefits, extending benefits to more workers, increasing weekly payments, and prolonging eligibility for unemployed workers;
WHEREAS, The CARES Act also created a $150 billion Coronavirus Relief Fund for state, local, and tribal governments; these funds could be used by states for unemployment costs caused by COVID-19; and

WHEREAS, President Trump took executive action to bolster unemployment benefits in August, authorizing the expenditure of up to an additional $44 billion; and

WHEREAS, The federal government provided states additional flexibility in the administration of many programs, including the unemployment insurance program; and

WHEREAS, The American Rescue Plan Act provided additional federal aid and extended a number of unemployment programs, including the Pandemic Unemployment Assistance (PUA) Program through September 6, 2021; and

WHEREAS, States, while receiving federal financial assistance, are ultimately responsible to run their own unemployment programs; and

WHEREAS, Illinois experienced significant unemployment due to the pandemic and the resultant governmental actions; after
an initial spike in unemployment claims to over 970,000 in April 2020, the number of unemployment claims declined through October 2020 and have remained through June 2021 within a band of 430,000 and 480,000 per month, approximately double the pre-pandemic rate; and

WHEREAS, Illinois has had consistently higher unemployment rates during the pandemic than any of its neighboring states; in June 2021, Illinois's unemployment rate was 7.2%, Indiana's was 4.1%, Iowa's was 4.0%, Kentucky's was 4.4%, Missouri's was 4.3%, and Wisconsin's was 3.9%, according to data released by the federal Bureau of Labor Statistics; and

WHEREAS, The Illinois Department of Employment Security had 1,041 employees in April 2020, according to the Better Government Association, a decline from January 2019 when Governor Pritzker assumed office; and

WHEREAS, The Illinois Department of Employment Security, using federal funds, initially contracted with Deloitte to hire an additional 500 individuals to assist with the increased call volume; and

WHEREAS, The Illinois Department of Employment Security, in conjunction with Deloitte, took two months to set up the Pandemic Employment Assistance Program provided for by the
WHEREAS, From March 21, 2020 through June 13, 2020, the Illinois Department of Employment Security received an average of 200,000 unique callers per week but, on average, only answered 10% of them; at its lowest point during that period, only 5% of calls were answered; and

WHEREAS, Many Illinois residents have been targeted and victimized by fraudulent unemployment claims made in their names; and

WHEREAS, It has proven extremely difficult for claimants and fraud victims alike to contact the Illinois Department of Employment Security; many waited months to receive a call back, leaving them in financial limbo and accentuating the challenges of navigating the COVID-19 pandemic; and

WHEREAS, According to the Better Government Association, the Illinois Department of Employment Security had only been issuing approximately 1% of its unemployment checks within seven days of the application for benefits through September, resulting in Illinois being the slowest state in the nation and one of only ten states that fell below 10%; and
WHEREAS, The Better Government Association further reported that Illinois failed to achieve federal standards for its unemployment program in five out of 10 performance measures; and

WHEREAS, The Chicago Tribune reported that, despite the federal government in April 2020 "strongly" recommending that the state use additional fraud-prevention tools, the Illinois Department of Employment Security failed to implement the recommended anti-fraud tools; and

WHEREAS, The Auditor General released a financial audit of the Illinois Department of Employment Security on July 28, 2021; and

WHEREAS, The financial audit of the Illinois Department of Employment Security only covered fiscal year 2021, from July 1, 2019 through June 30, 2020, and only overlapped with the Pandemic Unemployment Assistance Program for seven weeks, from May 11, 2020, through June 30, 2020; and

WHEREAS, The Pandemic Unemployment Assistance Program has been repeatedly extended and now continues through September 6, 2021; and

WHEREAS, The financial audit released by the Auditor
General only examined approximately 10% of the time period
covered by the Pandemic Unemployment Assistance Program; and

WHEREAS, The financial audit stated that, during these
seven weeks, the Illinois Department of Employment Security
failed to accurately document eligibility, resulting in
potentially ineligible claimants receiving benefits totaling
$154,906,354, which included:

(1) Failing to validate the identities of 4,579
claimants before paying them $41,697,272;

(2) Paying both Pandemic Unemployment Assistance and
regular unemployment insurance benefits to 638 claimants,
resulting in the claimants receiving benefits under both
programs;

(3) Paying benefits to 266 claimants that had
birthdays the same day as or after the date of the claim
submission with at least one claimant with a recorded
birth date in 2029; and

(4) Paying benefits to 35 deceased claimants; and

WHEREAS, The financial audit additionally found that the
Illinois Department of Employment Security had, prior to July
1, 2020:

(1) Paid Pandemic Unemployment Assistance benefits to
63 claimants who were 90 years old or older;

(2) Paid Pandemic Unemployment Assistance benefits to
164 claimants who were between the ages of birth and 13 years of age; and

(3) Paid Pandemic Unemployment Assistance benefits to 31 claimants who submitted multiple Social Security numbers and multiple claimant IDs; and

WHEREAS, The Illinois Department of Employment Security has acknowledged paying out $14.8 million in fraudulent claims to individuals who had either failed to report or underreported earnings; and

WHEREAS, The Illinois Department of Employment Security has refused to release any numbers pertaining to identity theft-related unemployment fraud; and

WHEREAS, An official with LexisNexis Risk Solutions testified at a hearing of the House Cybersecurity Committee that Illinois had lost an estimated $1 billion to unemployment insurance fraud; and

WHEREAS, Illinois' Unemployment Trust Fund faces a multibillion dollar deficit, which will fall on small business owners across the state; therefore, be it

RESOLVED, BY THE SENATE OF THE ONE HUNDRED SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is
directed to conduct a full financial and performance audit of the Illinois Department of Employment Security's administration of the state's unemployment programs for the period between March 1, 2020 and September 6, 2021; and be it further

RESOLVED, That the audit include, but not be limited to, the following determinations:

(1) A review of the application and review processes and the payment of benefits to individuals; it shall focus on any fraud or inefficiencies that could be eliminated to contain costs and improve the delivery of benefits to eligible individuals;

(2) A detailed account of the funds wrongfully disbursed to ineligible and fraudulent claimants;

(3) The types of unemployment fraud schemes the Illinois Department of Employment Security has experienced and what steps and procedures it has taken to detect and respond to fraudulent unemployment claims and whether it has cooperated with the Illinois Attorney General or federal authorities to detect, counter, and prosecute fraud;

(4) Whether the Illinois Department of Employment Security has complied with all state and federal statutory and administrative requirements for processing and auditing unemployment claims;
An examination of the Illinois Department of Employment Security's decision not to implement additional fraud-prevention tools in April 2021 as recommended by the federal government and a report on whether the state has, since that time, come into compliance with federal recommendations;

What factors caused and continue to cause delays in the Illinois Department of Employment Security's processing of unemployment claims, looking particularly at administrative decisions, technology, and staffing, and what steps it has taken to alleviate these delays;

What third-party contractors did the Illinois Department of Employment Security utilize during this time period and were any of these contracts no-bid contracts; did a third-party contractor calculate weekly benefit amounts for Pandemic Unemployment Assistance claimants and, if so, were there any procedures to verify the accuracy of their calculations; did third-party contractors meet the performance measure established by the Department prior to the issuance of the contracts; and

A detailed report that includes a full summary of the average case processing time, the timeliness of benefit payments, and the accuracy of these payments; and

RESOLVED, That that the Auditor General commence this
audit as soon as possible and report his findings and
recommendations upon completion in accordance with the
provisions of Section 3-14 of the Illinois State Auditing Act;
and be it further

RESOLVED, That the Illinois Department of Employment
Security and the Office of the Governor cooperate fully and
promptly with the Auditor General in the conduct of this
audit; and be it further

RESOLVED, That suitable copies of this resolution be
delivered to the Auditor General, the Illinois Department of
Employment Security, the Office of the Governor, and the
Legislative Audit Commission.